

National insurance

What is national insurance

National insurance is a kind of government insurance system which helps to pay for benefits which you get when, for example, you're sick. It also helps to pay for your **State Retirement Pension**.

Most people who work in the UK have to pay **contributions** from their earnings to this system. If you are employed, you pay **Class 1 contributions**. These are taken straight from your wages, along with income tax, and paid to the government by your employer. Your employer also has to pay contributions.

If you're self employed, you pay **Class 2 contributions** and, if your profits are high enough, **Class 4 contributions**. You are responsible for paying your own contributions direct to the government.

To pay national insurance contributions, you must have a national insurance number - a **NINO**. Paying national insurance contributions in the UK may help you build up entitlement to benefits in other European countries.

Who has to pay national insurance

You must pay national insurance if you're working in the UK and you're 16 or over and under state pension age. You pay if you are earning more than a certain amount. This amount is fixed by the government and usually changes each April.

State pension age for women is gradually increasing to equalise it with men's state pension age at 65. After that, it will increase for both men and women to 68. There is a calculator to help you work out what your state pension age will be on the Directgov website at: www.direct.gov.uk.

People who earn very little don't pay national insurance. If you are self-employed it's important to apply for an exception if you are on low earnings. For most people, it's against the law not to pay any national insurance. Some employers may offer you a job without paying national insurance or income tax (known as cash in hand). This is against the law – for both you and your employer – and you should avoid this kind of job.

How much national insurance do you have to pay?

If you pay Class 1 contributions, you have to pay a percentage of your wages as national insurance. This percentage changes according to how much you earn.

If you're self-employed, you pay class 2 contributions which are paid at a **flat rate**. If you earn very little, you can apply for an exception. If your profits are above a certain amount, you'll have to pay additional national insurance contributions after the end of the tax year. These contributions, called **Class 4 contributions**, are based on your taxable profits.

How to get a national insurance number

To get a national insurance number, you need to be interviewed. To arrange an interview, you can telephone the **National Employment NINO application telephone number** on 0845 600 0643. Or, you can ask for help at a **Jobcentre Plus office**.

At the interview, you'll need to prove who you are (your **identity**) and that you have the right to work in the UK. Take along your passport and any other documents which prove your identity. These can include a national identity card, a birth certificate or a driving licence. The documents must be originals. To find out which other documents you can use, contact the Jobcentre Plus office or look at the national insurance pages under the Money Tax and Benefits section of the Directgov website at: www.direct.gov.uk.

If you've already got a job, you should take your contract of employment with you or a letter from your employer. If you haven't got a job yet, you could take details of employment agencies you are registered with. If you are allowed to work, you should apply for a national insurance number as soon as you arrive in the UK. As long as you have applied for a number, you can start work, even if you haven't got it yet. Tell your employer you have applied for one.

Further help

Citizens Advice Bureau

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB, including those that give advice by e-mail, click on [nearest CAB](#), or look under C in your phone book.

Other information on Adviceguide which might help

- National insurance – contributions and benefits
- Income tax
- National Minimum Wage
- Migrant workers
- Employer withholds your pay
- Sick pay

This fact sheet is produced by [Citizens Advice](#), an operating name of The National Association of Citizens Advice Bureaux. It is intended to provide general information only and should not be taken as a full statement of the law. The information applies to England, Wales and Scotland only.

This fact sheet was last updated on 5 August 2011 and is reviewed regularly. If it is some time since you obtained this fact sheet, please contact your local Citizens Advice Bureau to check if it is still correct. Or visit our website - www.adviceguide.org.uk - where you can download an up-to-date copy.