
£2,000 National Insurance Employment Allowance

From April 2014 all businesses, Charities and Community Amateur Sports Clubs (CASC's) will be entitled to an annual 'employment allowance' of £2,000 to reduce their liability for Class 1 Secondary National Insurance Contributions (NICs).

The Government expects up to 1.25 million employers to benefit, with over 90% of the benefit going to small businesses.

This allowance will be delivered to the employers through standard payroll software and the HMRC Real Time Information System with employers needing to confirm that they 'opt-in' through their regular payroll process.

The employer will then offset the £2,000 allowance against each monthly Class 1 Secondary NIC's payment that is due to be made to HMRC until the allowance is fully claimed or the tax year ends.

Please note that this allowance is only per employer and not per PAYE scheme and companies with more than one PAYE scheme can only have this allowance once.

Please do not hesitate to contact us for further guidance.

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