

***Research report***

# **NI Class 2 Payment Request and Insert**

Evaluation of NI Class 2 payment request and current insert, compared to three potential alternative inserts

**Mark Flaherty**

**31<sup>st</sup> January 2013**

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## NI Class 2 Payment Request and Insert

### *About Personal Tax Customer & Strategy (PT C&S)*

Personal Tax Customer & Strategy works with colleagues in Personal Tax and across HMRC to help develop our approach to implementing the customer centric business strategy. We use customer insight to help PT design, deliver and operate services for individual customers which

- improve customer experience
- maximise tax yield
- ensure that those who need help get the support they need, when they need it

PT C&S also has a corporate role, to manage the relationship with the voluntary and community sector on behalf of HMRC

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NI Class 2 Payment Request and Insert

*Contents*

Research requirement (background to the project)	4
When the research took place	4
Who did the work (research agency)	4
Method, Data and Tools used, Sample	4
Main Findings	5
Appendix	7

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## NI Class 2 Payment Request and Insert

### *Research requirement (background to the project)*

Modified inserts to the NI Class 2 Payment Request have been developed, which emphasise the ‘tell us if you’re no longer self employed’ message. The aim of this research was to identify potential alterations of the current insert from these modified inserts that will increase both payment of Class 2 NICs, as well as customer reporting of cessation of self employment, in order to drive the following benefits:

- Increase the number of customers paying their Class 2 NICs if they owe them
- Future print and production savings as a result of a reduction in the volume of Class 2 Bills issued

Further, the research aimed to establish:

- Respondents’ understanding, perceptions, and responses generated by the Class 2 NICs Payment Request.
- Assess respondents’ understanding of National Insurance Contributions

### *When the research took place*

Research was conducted online from the 20<sup>th</sup> December 2012 to the 2<sup>nd</sup> January 2013.

### *Who did the work (research agency)*

Research was conducted by TNS BMRB.

### *Method, Data and Tools used, Sample*

Research was conducted with members of the general public under state retirement age (men aged 16-65, women aged 16-63) who were either currently self employed or had previously been self employed in the past 6 years. These respondents were contacted via LSR online access panel<sup>1</sup>.

A total of 605 interviews were conducted, most (91%) were currently self employed. Respondents completed the survey online. As part of the survey, respondents were shown the National Insurance Class 2 Bill and asked how they would react to the communication and to comment on which parts were easy or difficult to understand. Respondents were randomly assigned to see one of the four different inserts being tested (including the current version), and were shown a different letter as appropriate depending on whether they were currently or previously had been self employed.

Respondents were shown the letter and insert and initially asked to read through it, before being shown the letter and insert again and asked to highlight areas that they considered either helpful or difficult to understand and indicate why that was the case. They were also

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<sup>1</sup> The panel is run by Lightspeed Research, a sister company within the Kantar group

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## NI Class 2 Payment Request and Insert

asked a series of questions to determine how they would respond to the communication and views on the communication more generally.

### *Main Findings*

Overall, no one insert was a clear winner, with results fairly similar across all inserts respondents were shown. The communication would prompt most to take action (only 10% would do nothing) and just under half (between 43% to 49%) would make a payment, while others would contact HMRC or contact their accountant. All inserts were generally considered clear and were well received, with hotspots mostly found helpful. All communication scored fairly positively in terms of effectiveness in providing information; respondents confidence that the correct action would have been taken, and the impact on perception of HMRC.

The more concise, simpler messages on the Rip and Hand inserts were generally perceived to be more helpful and more easily understood by respondents. The more visual 'single message' of these Rip and Hand inserts pages also had a slightly stronger impact, and gave respondents a slightly more positive view of HMRC.

Most respondents saw the main purpose of the communication as instructing them to make a payment, with no significant difference between those currently or previously self employed. However, roughly a quarter did not report this as a message across all inserts.

There were no *significant* differences in scores between the four inserts, although the message - that they had to make a payment - came through slightly (but not significantly) more strongly as the main message of the communication with the Current insert. Results seem to support the view that the single, same message inserts reinforced the main message and encouraged action to be taken; with the 'make a payment' message coming through most strongly overall for the Hand insert.

### **Respondents who claim they don't currently pay National Insurance**

Just under two in 10 respondents (17%) reported that they don't currently pay National Insurance. One reason for this may be that these respondents are earning under the threshold for paying National Insurance, for 2012/13 that threshold is £5595. 58% of this group are earning less than £10,000.

### **Knowledge of Class 2 National Insurance**

Two thirds of respondents currently recognised that paying Class 2 NICs enables them to draw a state pension. Under half (44%) felt it allowed them to claim benefits if they were unable to work, but 29% incorrectly thought that paying Class 2 NICs enabled them to claim unemployment benefits (in total, 24% believed paying Class 2 NICs allowed them to claim benefits if unable to work and claim unemployment benefits). Only 15% of respondents recognised that paying Class 2 NICs enables them to claim maternity allowance (with women making up 85% of those who recognised this applies to Class 2

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## NI Class 2 Payment Request and Insert

NICs) and 11% correctly reported that paying Class 2 NICs would allow their family to claim bereavement benefits.

The remainder of this report documents the performance of the four inserts tested in more detail.

### **Current insert page**

This insert seemed to create the most confusion with respondents, although it did also have the highest number of hotspots compared to other inserts, and so there was more room for confusion.

Hotspot 13 (when Class 2 NICs are due at a higher rate) created the most confusion with 21% finding this difficult to understand – although conversely 17% found this hotspot helpful. Hotspot 15 (small earnings expectations) was seen as the most useful hotspot, with a more positive reaction here than for the same hotspot in the text only insert.

A relatively high proportion of respondents encountered difficulty understanding hotspots 26-30. In particular hotspot 28 (When you pay), also appeared on the Rip inserts and this simpler, bullet pointed message was more easily understood in the Rip version rather than the Current version. Of those seeing the Current inserts, 11% encountered difficulty with understanding this message (and 16% found it helpful); whilst amongst those viewing this message on the Rip inserts only 4% encountered difficulty and 26% found it helpful.

The Current insert was most effective in bringing out the main message 'To tell me that I have to make a payment' with 61% who saw this insert reporting this was the communication's main message. Sixty-three percent of respondents also picked up on the secondary message 'to educate me about National Insurance Contributions'. When viewing the Current insert, 45% of respondents would take the correct action of making a payment, while seven percent would take no action.

### **Text only insert page**

All hotspots on the Text insert were seen as helpful more often than they were seen as difficult to understand by respondents. Hotspot 15 (small earnings exception) was most frequently seen as helpful (by 31% of respondents), but the wording was considered more difficult to understand by respondents viewing this insert compared to those who saw the hotspot on the current insert.

52% of respondents felt that 'to tell me that I have to make a payment' was the main message for this insert, with a further 18% feeling this was the secondary message. Generally, all potential messages were selected slightly less often for this inserts page, perhaps a result of there being no option to select a 'pay by Direct Debit' message, which was the key focus of this insert. Forty-six percent of respondents viewing this statement would take the correct action of making a payment, while seven percent would take no action

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## NI Class 2 Payment Request and Insert

### **Rip image insert page**

There was very little difficulty with any of the hotspots on the Rip insert. In particular, hotspot 14 (changes to circumstances) came through as most helpful in this insert compared to all other inserts (44% found it helpful and 1% encountered any difficulty, with little difference by employment status). In part, at least, this reflected that it was the key message of the insert, as the Hand insert which used the same, more concise wording was not as well received.

This insert had the most amount of people (33%) reporting they were very confident they would take the correct action, 46% would have taken the correct action of making a payment, with just four percent taking no action.

Perception of HMRC was slightly stronger for this insert and the Hand insert compared to the current and text inserts (significantly so compared to the text insert). The message of the communication 'to tell me that I have to make a payment' came through fairly strongly; 54% saw this as the main message with 15% seeing it as a secondary message. Slightly more respondents (30%) saw 'to prompt me to contact HMRC about my employment status' as one of the key messages for this insert compared to others; reflecting that this was a key communication on the insert.

### **Hand image insert page**

As with the Rip insert, there was very little difficulty with any of the hotspots for the Hand insert. Hotspot 36 (How to pay) was seen as particularly helpful in reinforcing the main message that the bill had to be paid.

This insert had the most amount of people (70%) reporting they were very or fairly confident they would take the correct action on receiving this insert: 52% reported they would have taken the correct action of making a payment, and five percent reported they would have taken no action.

As reported for the Rip insert, perception of HMRC was slightly stronger for this insert compared to the current and text inserts. The message of the communication 'to tell me that I have to make a payment' came through the strongest for this insert with a total of 77% seeing this as a main or secondary message.

## *Appendix*

The following images display the pages with the hotspots marked.

NI Class 2 Payment Request and Insert



**CURRENTLY SELF EMPLOYED**

**Self-employed Class 2**

**1 National Insurance contributions (NICs) due**

**2** REFERENCE NO  
MR A N OTHER  
12 SAMPLE ST  
ANYTOWN  
TOWNSHIRE  
AN3 4WN

Contributions Office  
1 Corporation St  
Anycity  
Sampleshire  
AB1 2CD

Phone (01234) 555 678

www.hmrc.gov.uk

National Insurance number QQ 12 34 56 C

Date 10 December 2012

**3** **4**  
**Payment due** £68.90 This is due no later than 31 January 2013. See page 2 for how to pay.

**5** Tell us now if you're no longer self employed as you may not owe this. If you pay late or do not pay you may lose your right to state pension and benefits [and you may also have to pay NICs at a higher rate]. If you fail to pay, a private debt collection agency may contact you.

Your right to benefits may be at risk if you do not pay your NICs.

Summary of your outstanding liability period(s)			Amount £	<b>6</b>
Period(s)				
08/04/12	to	06/10/12	£68.90	

\* Calculated at a higher rate. See page 2 for details.

**8** CL2a Page 1  
HMRC 03/10

Please detach payslip here ▼

<b>Alliance &amp; Leicester</b> COMMERCIAL BANK Booth Merseyside GIR 0AA	<b>Payslip</b>	<b>HM Revenue &amp; Customs</b>	<b>bank giro credit</b>
Reference	Credit account number	Amount due (no fee payable at PO counter) £	For official use
Cashier's stamp and initials		CHEQUE ACCEPTABLE	For official use
Signature	Date		
HMRC 04/10			DASH CHEQUE £

Please do not fold this payslip or write or mark below this line

NI Class 2 Payment Request and Insert

**CURRENTLY SELF EMPLOYED**

- 10** **Period(s)**  
This tells you about your outstanding liability for Class 2 NICs. The gap(s) between your periods of liability may be because you have claimed a benefit for which you received credits or you stopped and restarted self-employment. The outstanding amount(s) may be for arrears that are due prior to the start of your Direct Debit if you have opted to pay this way.
- 12** **How Class 2 NICs are collected**  
We issue Class 2 payment requests in arrears at the end of each 6-monthly period (April and October). Your payment request will tell you what NICs are due in that period, it may also detail previous periods that are still outstanding. Each contribution covers a week from Sunday to Saturday. For example, if you told us that you started self-employment on a Tuesday, you will be liable to pay Class 2 NICs from the previous Sunday.
- 13** **Contributions due at a higher rate**  
You may have to pay at a higher rate if you pay Class 2 NICs after the end of the tax year following the one in which they were due. For example, NICs due in the 2010-11 tax year may be due at a higher rate if paid after 06 April 2013. We have noted on page 1 the period(s) where a higher rate provision has been applied. For more information go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk)
- 14** **Changes in your circumstances**  
Tell us straightaway if your circumstances change. If you have ceased self-employment or your address or phone number has changed please phone us on **0845 915 4655**. If you are phoning from outside the UK phone **+44 191 203 7179**. If you have a hearing or speech impairment and use a textphone, phone **0845 915 3296**. To tell us about any other changes write to us at the address on page 1.  
We cannot discuss your business with a third party unless you give us permission. If you want to nominate a third party to act on your behalf please download form 64-8 *Authorising your agent* at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or, you can phone us using the number on page 1 and we will send you the form.
- 15** **Small Earnings Exception (SEE)**  
If you expect your income from your business to be below £5,595 for the tax year 06 April 2012 to 05 April 2013 you may not have to pay Class 2 NICs. For more information on SEE or to get application form CF10 *Self-employed people with small earnings* go to [www.hmrc.gov.uk/forms/cf10.pdf](http://www.hmrc.gov.uk/forms/cf10.pdf) or, you can phone us using the number on page 1.
- 16** **Paying by Direct Debit**  
**Going forward, we recommend that you pay your NICs by Direct Debit.** This is the most simple and reliable method of paying your NICs as payments are automatically taken from your bank or building society every month. To download form CA5601 *Application to pay self-employed National Insurance contributions (NICs) by Direct Debit* go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or you can phone us using the number on page 1 and we will send you the form. Our automated collection process will give you peace of mind that your future rights are protected.

**Paying HMRC**

Please ensure your payment reaches us by the due date.

Page 2

- 17** **1. Direct Payment**

Using the Internet or phone, provide your bank or building society with the following information to make a Direct Payment:


  - payment amount
  - sort code 08-32-20
  - account name 'HMRC'
  - account number 12001004
  - your reference as shown on the payslip.

**18** **3. Post Office**

Take this form with your payment to any participating Post Office.



If paying by cheque, make your cheque payable to 'POST OFFICE LTD'. The Post Office also accept payment by Debit Card.
- 19** **2. Your Bank**

If your bank offers this service, take the payslip and payment to any branch of your bank. Any cheque must be drawn on your bank, and made payable to 'HM REVENUE & CUSTOMS ONLY'. Other banks may refuse to accept payment.



**20**

HMRC Banking Newcastle upon Tyne NE98 1ZZ. You can find further payment information online. Go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and under *quick links* select *Paying HMRC*. Important: we are not set up to accept payment over the phone or via the HMRC website.

NI Class 2 Payment Request and Insert



**PREVIOUSLY SELF EMPLOYED**

**Self-employed Class 2**

**1 National Insurance contributions (NICs) due**

**2** REFERENCE NO  
MR A N OTHER  
12 SAMPLE ST  
ANYTOWN  
TOWNSHIRE  
AN3 4WN

Contributions Office  
1 Corporation St  
Anycity  
Sampleshire  
AB1 2CD

Phone: (01234) 555 678

www.hmrc.gov.uk

National Insurance number QQ 12 34 56 C

Date 10 December 2012

**3** **4**  
**Payment due** £ 198.90 This is due no later than 31 January 2013. See page 2 for how to pay.

**5** Tell us now if you're no longer self employed as you may not owe this. If you pay late or do not pay you may lose your right to state pension and benefits (and you may also have to pay NICs at a higher rate). If you fail to pay, a private debt collection agency may contact you.

Your right to benefits may be at risk if you do not pay your NICs.

**7** **6**

Summary of your outstanding liability period(s)		
Period(s)		Amount £
08/04/12 to 06/10/12		£68.90
10/04/11 to 08/10/11		£65.00
09/10/10 to 07/04/11		£65.00

**8** CL2a HMRC 03/10

▼ Please detach payslip here ▼

**Alliance & Leicester** Trans cash  
COMMERCIAL BANK  
Booth Merseyside G/R, QAA

**Payslip**

HM Revenue & Customs

bank giro credit

Reference

Credit account number

Amount due (no fee payable at PO counter)

£

CHEQUE ACCEPTABLE For official use

*Cashier's stamp and initials*

Signature \_\_\_\_\_

Date \_\_\_\_\_

For official use

HMRC D4/10

CASH

CHEQUE

£

Please do not fold this payslip or write or mark below this line.

NI Class 2 Payment Request and Insert

**PREVIOUSLY SELF EMPLOYED**

- 10** **Period(s)**  
This tells you about your outstanding liability for Class 2 NICs. The gap(s) between your periods of liability may be because you have claimed a benefit for which you received credits or you stopped and restarted self-employment. The outstanding amount(s) may be for arrears that are due prior to the start of your Direct Debit if you have opted to pay this way.
- 12** **How Class 2 NICs are collected**  
We issue Class 2 payment requests in arrears at the end of each 6-monthly period (April and October). Your payment request will tell you what NICs are due in that period, it may also detail previous periods that are still outstanding. Each contribution covers a week from Sunday to Saturday. For example, if you told us that you started self-employment on a Tuesday, you will be liable to pay Class 2 NICs from the previous Sunday.
- 13** **Contributions due at a higher rate**  
You may have to pay at a higher rate if you pay Class 2 NICs after the end of the tax year following the one in which they were due. For example, NICs due in the 2010-11 tax year may be due at a higher rate if paid after 06 April 2013. We have noted on page 1 the period(s) where a higher rate provision has been applied. For more information go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk)
- 14** **Changes in your circumstances**  
Tell us straightaway if your circumstances change. If you have ceased self-employment or your address or phone number has changed please phone us on **0845 915 4655**. If you are phoning from outside the UK phone **+44 191 203 7179**. If you have a hearing or speech impairment and use a textphone, phone **0845 915 3296**. To tell us about any other changes write to us at the address on page 1.  
  
We cannot discuss your business with a third party unless you give us permission. If you want to nominate a third party to act on your behalf please download form 64-8 *Authorising your agent* at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or, you can phone us using the number on page 1 and we will send you the form.
- 15** **Small Earnings Exception (SEE)**  
If you expect your income from your business to be below £5,595 for the tax year 06 April 2012 to 05 April 2013 you may not have to pay Class 2 NICs. For more information on SEE or to get application form CF10 *Self-employed people with small earnings* go to [www.hmrc.gov.uk/forms/cf10.pdf](http://www.hmrc.gov.uk/forms/cf10.pdf) or, you can phone us using the number on page 1.
- 16** **Paying by Direct Debit**  
**Going forward, we recommend that you pay your NICs by Direct Debit.** This is the most simple and reliable method of paying your NICs as payments are automatically taken from your bank or building society every month. To download form CA5601 *Application to pay self-employed National Insurance contributions (NICs) by Direct Debit* go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or you can phone us using the number on page 1 and we will send you the form. Our automated collection process will give you peace of mind that your future rights are protected.

**Paying HMRC**

Please ensure your payment reaches us by the due date.

Page 2

- |   |  |   |
|---|--|---|
| <p><b>17</b> <b>1. Direct Payment</b></p>  | <p>Using the Internet or phone, provide your bank or building society with the following information to make a Direct Payment:</p> <ul style="list-style-type: none"> <li>• payment amount</li> <li>• sort code 08-32-20</li> <li>• account name 'HMRC'</li> <li>• account number 12001004</li> <li>• your reference as shown on the payslip.</li> </ul> | <p><b>18</b> <b>3. Post Office</b></p>  <p>Take this form with your payment to any participating Post Office.<br/>If paying by cheque, make your cheque payable to 'POST OFFICE LTD'. The Post Office also accept payment by Debit Card.</p>       |
| <p><b>19</b> <b>2. Your Bank</b></p>       | <p>If your bank offers this service, take the payslip and payment to any branch of your bank. Any cheque must be drawn on your bank, and made payable to 'HM REVENUE &amp; CUSTOMS ONLY'. Other banks may refuse to accept payment.</p>  | <p><b>20</b></p> <p>HMRC Banking Newcastle upon Tyne NE98 1ZZ.<br/>You can find further payment information online. Go to <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a> and under <i>quick links</i> select <i>Paying HMRC</i>.<br/>Important: we are not set up to accept payment over the phone or via the HMRC website.</p> |

NI Class 2 Payment Request and Insert



**CURRENT**

**1** Important notes about our request for you to pay National Insurance contributions (NICs)

**21**

**About these notes**

These notes tell you about the enclosed NICs payment request. Keep them in a safe place as you may need to refer to them in the future.

**14**

**Change of circumstances**

You must tell us if your circumstances have changed or if your personal details are incorrect. You can tell us about a change of name or address by email. Go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and under *Quick links* select *Report a change*. If you stop being self-employed or no longer wish to pay voluntary Class 2 or Class 3 NICs, tell us straightaway and we will update your National Insurance account. Please have your National Insurance number ready when you contact us.

**22**

**About your payment request**

**Class 2 NICs – self-employed payer**

For this contribution year, we will issue Class 2 NICs payment requests for the following periods:

Date of payment request	Period covered
October 2012	08/04/2012 to 06/10/2012
April 2013	07/10/2012 to 06/04/2013

We will make calculations using the weekly rates shown below:

	2012-13	2011-12
Self-employed	£2.65	£2.50
Share fishermen	£3.30	£3.15

**23**

**Class 3 NICs – voluntary payers**

For this contribution year, we will issue Class 3 NICs payment requests for the following periods:

Date of payment request	Period covered
July 2012	08/04/2012 to 07/07/2012
October 2012	08/07/2012 to 06/10/2012
January 2013	07/10/2012 to 05/01/2013
April 2013	06/01/2013 to 06/04/2013

We will make calculations using the weekly rates shown below:

	2012-13	2011-12
Voluntary contributions	£13.25	£12.60

For more information about making payments to HMRC, go to [www.hmrc.gov.uk/payinghmrc](http://www.hmrc.gov.uk/payinghmrc)

**24**

**Customers opting to pay by Direct Debit**

If you have opted to pay by Direct Debit we have sent you this payment request because you:

- requested to pay arrears by payment request, or
- did not complete a Direct Debit mandate, or
- the arrangement has broken down, or
- you did not want to pay Class 2 or Class 3 NICs by this method.

Class 2 NICs due for periods before 8 April 2012 must be paid immediately. For NICs due for periods from 8 April 2012 pay by the due date shown on the payment request.

**25**



**Paying your NICs by Direct Debit has many advantages**

- Direct Debit is the simplest and most convenient way to pay and it saves you time.
- It is safe and secure.
- It protects your access to benefits.
- It gives you peace of mind as payments are taken straight from your account on time every time.
- You avoid writing cheques.
- You can choose a monthly or six-monthly payment option.
- You can cancel at any time with the safeguards of the Direct Debit Guarantee.
- We will tell you in advance about changes in rates that will affect your payments.
- It is easy to set up, you just need a suitable bank or building society account.

**If you want to pay by Direct Debit**

**Class 2 NICs**

Fill in form CA5611 Application to pay National Insurance contributions (NICs) by Direct Debit. Go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and under *Quick links* select *Forms* and look for CA5611.

**Class 3 NICs**

Fill in form CA5603 Application to pay Voluntary National Insurance contributions. Go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and under *Quick links* select *Forms* and look for CA5603.

For general information about paying by Direct Debit, go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**Please note that the Direct Debit facility cannot be offered to share fishermen.**

## NI Class 2 Payment Request and Insert

**CURRENT**

<b>26</b>	<p><b>Class 2 self-employed contributors and share fishermen</b></p> <p><b>When you have to pay and what will happen if you don't pay on time</b></p> <p>You are liable to pay Class 2 NICs for each week or part week (including holiday periods) that you are self-employed. You must pay your NICs on time. If you do not pay we may refer your case to a private debt collection agency.</p> <p>You must pay:</p> <ul style="list-style-type: none"> <li>Class 2 NICs due for the first 26 weeks of the 2012-13 tax year by 31 January 2013</li> <li>Class 2 NICs due for the last 26 weeks of the 2012-13 tax year by 31 July 2013.</li> </ul> <p>These are the due dates for payment, however you can pay as soon as you receive the payment request, you do not have to wait until the due date.</p>	<p><b>Class 3 voluntary contributors</b></p> <p>If you reach State Pension age on or after <b>6 April 2010</b> you need 30 qualifying years to get a full basic State Pension. However, this rule does not apply to certain bereavement benefits. It is your responsibility to make sure that you only pay the NICs you need, we do not keep a check on this for you. For further information on bereavement benefits, go to <a href="http://www.direct.gov.uk">www.direct.gov.uk</a></p> <p>For further information about your State Pension go to <a href="http://www.direct.gov.uk">www.direct.gov.uk</a></p>	<b>29</b>
<b>13</b>	<p><b>When Class 2 NICs are due at a higher rate</b></p> <p>Class 2 NICs unpaid at the end of the tax year following the year in which they were due may be payable at a higher rate. For example Class 2 NICs for 2012-13 tax year may be charged at a higher rate from 6 April 2014.</p>	<p><b>Late or unpaid NICs</b></p> <p>There are time limits for paying Class 3 NICs. You must pay within six years from the end of the tax year for which you are paying. If you pay more than two years after the end of the tax year for which you are paying, you may have to pay at a higher rate and your benefit entitlement may be affected. For further information go to <a href="http://www.hmrc.gov.uk/ni/volcontr/toppingup.htm">www.hmrc.gov.uk/ni/volcontr/toppingup.htm</a></p>	<b>30</b>
<b>27</b>	<p><b>Links between Class 2 NICs and benefits</b></p> <p>Entitlement to contributory benefits depends partly on how much NICs you have paid or been credited with. Different rules apply to different benefits. Paying Class 2 NICs allows you access to the following benefits providing you satisfy the rules.</p> <ul style="list-style-type: none"> <li>Employment and Support Allowance.</li> <li>Maternity Allowance.</li> <li>Bereavement benefits.</li> <li>Basic State Pension.</li> <li>Jobseeker's Allowance - share fishermen only.</li> </ul> <p>For further information on entitlement to particular benefits, go to <a href="http://www.direct.gov.uk">www.direct.gov.uk</a></p>	<p><b>Paying HMRC</b></p> <p>Please make payment by one of the methods shown on the payment request using the payment slip provided for every payment. It is important that you continue to send separate payments for NICs and Income Tax as combining them will cause a delay in updating your account.</p> <p>For further information on how to pay, go to <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a> and under <i>Quick links</i> select <i>Paying HMRC</i>.</p>	<b>20</b>
<b>28</b>	<p>If you pay Class 2 NICs, for the 2012-13 tax year, after 4 January 2014 you will have to wait six weeks following the date of your payment for them to count towards benefits.</p> <p>If you pay Class 2 NICs for the 2012-13 tax year after 6 April 2019 they will not count towards any benefits.</p> <p>For more information about when Class 2 NICs are paid late and the effect on entitlement to benefits go to <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a></p>	<p><b>Further information</b></p> <p>For further information on National Insurance for individuals:</p> <ul style="list-style-type: none"> <li>go to <a href="http://www.hmrc.gov.uk/ni">www.hmrc.gov.uk/ni</a></li> <li>write to us at: HM Revenue &amp; Customs National Insurance Contributions &amp; Employer Office Self-employment Services Benton Park View Newcastle Upon Tyne NE98 1ZZ</li> </ul> <p>When you contact us please tell us your full name, National Insurance number and a daytime phone number.</p>	<b>31</b>
<b>15</b>	<p><b>Low earnings</b></p> <p>We may grant you exception from payment if your earnings are low. If your net earnings from the current year are expected to be less than £5,595 you may not have to pay Class 2 NICs, but you must apply for exception from payment. For further information go to <a href="http://www.hmrc.gov.uk/working/intro/class2.htm">www.hmrc.gov.uk/working/intro/class2.htm</a></p>		

## NI Class 2 Payment Request and Insert



1

**TEXT ONLY**  
Tell us if your circumstances change

14

**If your circumstances have changed it's important to let HMRC know**

It's important that HMRC have your correct details as they will continue to issue Class 2 National Insurance payment requests and Class 2 debt will continue to build up on your account.

If you have ceased self-employment you can tell HMRC:

- using their email service [www.hmrc.gov.uk/stoppedtrading](http://www.hmrc.gov.uk/stoppedtrading) complete and email the online form
- or you can phone **0845 915 4655**.

If your address or phone number has changed you can tell HMRC:

- using their email service [www.hmrc.gov.uk/report-changes](http://www.hmrc.gov.uk/report-changes) complete and email the online form
- or you can phone **0845 915 4655**

15

**Small Earnings Exception (SEE)**

If you expect your income from your business to be below £5,725 for the tax year 06 April 2013 to 05 April 2014 you may not have to pay Class 2 NICs. For more information on SEE or to get application form CF10 *Self-employed people with small earnings* go to:

- [www.hmrc.gov.uk/forms/cf10.pdf](http://www.hmrc.gov.uk/forms/cf10.pdf) or
- phone **0845 915 4655**.

25

**HMRC recommend that you pay your NICs by Direct Debit as this has many advantages**

- Direct Debit is the simplest and most convenient way to pay and it saves you time.
- It is safe and secure.
- It protects your access to benefits.
- It gives you peace of mind as payments are taken straight from your account on time every time.
- You avoid writing cheques.
- You can choose a monthly or six-monthly payment option.
- You can cancel at any time with the safeguards of the Direct Debit Guarantee.
- We will tell you in advance about changes in rates that will affect your payments.
- It is easy to set up, you just need a suitable bank or building society account.

16

**If you want to pay by Direct Debit**

Complete the Direct Debit instruction on the reverse of this form and send it to:

HM Revenue & Customs,  
National Insurance Contributions and Employer Office,  
Self-employment Services,  
Benton Park View,  
NEWCASTLE UPON TYNE,  
NE98 1ZZ.

**Please note that the Direct Debit facility cannot be offered to share fishermen.**

NI Class 2 Payment Request and Insert

32

TEXT ONLY

**Your details**

- Please use capital letters and write clearly in black ballpoint pen.
- Instruction to your bank or building society to pay by Direct Debit** - at *Reference*, please enter your National Insurance number.
- Detach and keep the Direct Debit Guarantee and send the completed form and Direct Debit Instruction to: HM Revenue & Customs, National Insurance Contributions & Employer Office, Self Employment Services, Benton Park View, Newcastle upon Tyne, NE98 1ZZ.

<p>Surname</p> <input style="width: 90%;" type="text"/> <p>First name(s)</p> <input style="width: 90%;" type="text"/> <p>Title - Mr/Mrs/Miss/Ms or other title</p> <input style="width: 90%;" type="text"/> <p>Address</p> <input style="width: 90%;" type="text"/> <input style="width: 90%;" type="text"/> <input style="width: 90%;" type="text"/> <p>Postcode</p> <input style="width: 90%;" type="text"/>	<p>Phone numbers</p> <p>Home</p> <input style="width: 90%;" type="text"/> <p>Mobile</p> <input style="width: 90%;" type="text"/> <p>Date of birth DD MM YYYY</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 25px;"> </td> </tr> </table> <p>National Insurance number</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 25px;"> </td> </tr> </table> <p>When do you want us to collect payments?</p> <p>Monthly <input type="checkbox"/>      Every six months <input type="checkbox"/></p>														

Instruction to your bank or building society to pay by Direct Debit

Please fill in the whole form using a black ballpoint pen and send it to:  
 HM Revenue & Customs, National Insurance Contributions & Employer Office,  
 Individuals Caseworker, Benton Park View, NEWCASTLE UPON TYNE, NE98 1ZZ.

<p>Name(s) of account holder(s)</p> <input style="width: 90%;" type="text"/> <p>Bank/building society account number</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 25px;"> </td> </tr> </table> <p>Branch sort code</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 25px;"> </td> </tr> </table> <p>Name and full postal address of your bank or building society</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><i>To: The Manager</i></td> <td style="width: 40%; text-align: right;"><i>Bank/building society</i></td> </tr> <tr> <td colspan="2">Address</td> </tr> <tr> <td colspan="2"><input style="width: 90%;" type="text"/></td> </tr> <tr> <td colspan="2"><input style="width: 90%;" type="text"/></td> </tr> <tr> <td colspan="2">Postcode</td> </tr> <tr> <td colspan="2"><input style="width: 90%;" type="text"/></td> </tr> </table>															<i>To: The Manager</i>	<i>Bank/building society</i>	Address		<input style="width: 90%;" type="text"/>		<input style="width: 90%;" type="text"/>		Postcode		<input style="width: 90%;" type="text"/>		<p>Service user number</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 25px;">9</td> <td style="width: 25px;">9</td> <td style="width: 25px;">1</td> <td style="width: 25px;">1</td> <td style="width: 25px;">3</td> <td style="width: 25px;">3</td> </tr> </table> <p>Reference</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 25px;"> </td> </tr> </table> <p>Instruction to your bank or building society.              Please pay HM Revenue &amp; Customs Direct Debits from the account detailed in this instruction, subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with HM Revenue &amp; Customs and, if so, details will be passed electronically to my bank/building society.</p> <p>Signature(s)</p> <div style="border: 1px solid black; height: 40px; width: 90%; margin-bottom: 5px;"></div> <p>Date</p> <div style="border: 1px solid black; height: 20px; width: 90%;"></div>	9	9	1	1	3	3								
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Banks and building societies may not accept Direct Debit Instructions for some types of account

← This guarantee should be detached and retained by the payer

The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the amount, date or frequency of your Direct Debit HM Revenue & Customs will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request HM Revenue & Customs to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by HM Revenue & Customs or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society
  - If you receive a refund you are not entitled to, you must pay it back when HM Revenue & Customs asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

Page 2

## NI Class 2 Payment Request and Insert

**HAND IMAGE  
A5 PAPER****1**  
**Paying your Class 2  
National Insurance  
Contributions (NICs)****35**  
**Our records show you owe us Class 2 NICs****36**  
You can use the payslip on the payment request to pay us or there are other ways to pay listed on the back.**14**  
If you're no longer self employed you may not owe this so tell us now. Go to: [www.hmrc.gov.uk/stoppedtrading](http://www.hmrc.gov.uk/stoppedtrading) or call us on: 0845 915 4655**28**  
**If you pay late or do not pay:**  
You may lose your right to state pension and benefits, and you may also have to pay NICs at a higher rate. You may also be contacted by a private debt collection agency.**34**  
[www.hmrc.gov.uk/stoppedtrading](http://www.hmrc.gov.uk/stoppedtrading)

## NI Class 2 Payment Request and Insert

**RIP IMAGE****1**

# Still self-employed?

**14** If you're no longer self-employed you may not owe us anything so go to: [www.hmrc.gov.uk/stoppedtrading](http://www.hmrc.gov.uk/stoppedtrading) now or call us on: **0845 915 4655**

**33** This will stop us chasing you for payment of Class 2 National Insurance Contributions (NICs) and stop debt building up against your name.

**28** If you do owe us Class 2 NICs and you do not pay or pay late:

- You may have to pay at a higher rate.
- You may lose your state pension or benefits.
- A private debt collection agency may contact you.

**34** [www.hmrc.gov.uk/stoppedtrading](http://www.hmrc.gov.uk/stoppedtrading)