

## NATIONAL INSURANCE RATE CHANGES

Please take note that there may be a Rate Change in regard to your contract. Because of the changes in National Insurance from the 6<sup>th</sup> April, all rates have had to be amended.

The ENIC actually paid by employers for various weekly wages ranges from £110 p/w to £1000 p/w. For lower wages, more ENIC is paid in 2010/11 than in 2011/12 as the excess over the Lower Level is minimal. However as the weekly wage rises above **£468.80** then the excess is large enough to mean that the ENIC paid in 2011/12 is more than the previous year.

Where employers have employees earning around £21,000 or less, the combination of the increased Employer's NI threshold and the 13.8% rate means that the overall Employer's NI liability is the same or less from 6 April 2011 than in the current tax year.

However, where employees earn more than around £21,000, the combination of the increased threshold and 13.8% rate means that the Employer's NI charge will be greater from 6 April 2011 than in the current tax year. For example, the increase in Employer's NI for an employee earning £40,000 per annum is about £190.

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