

National Insurance Contributions (NICs) 2019/20

There are two things that we have to look for when there are the annual changes to Class 1 National Insurance Contributions for the following tax year:

1. Changes to the rates and
2. Changes to the thresholds

The UK budget in October 2018 announced the following, followed up shortly after by clarification from HMRC.

Rates

There are no changes to the rates for 2019/20 from the rates that applied in 2018/19.

Thresholds

Budget 2011 announced that the basis for the indexation of the following would be in accordance with September's consumer prices index (CPI) inflation to determine the lower earnings limit (LEL) and the primary threshold (PT). The Autumn Statement 2016 [announced](#) the alignment of the primary and secondary threshold (ST) which is the point at which the employer start to pay NICs.

For 2019/20, indexation means that the LEL, PT and ST were incremented by the rate of CPI as at September 2018 which is the September preceding the start of the tax year.

The class 1 upper earnings limit (UEL) is aligned to the income tax higher rate threshold, i.e. the annual personal allowance plus the basic rate limit.

Following the Budget, HMRC announced the following thresholds from 2019/20:

Threshold	Weekly	2-weekly	4-weekly	Monthly	Quarterly	Annual
	£	£	£	£	£	£
Lower Earnings Limit	118	236	472	512	1,534	6,136
Primary and Secondary	166	332	664	719	2,158	8,632
Upper Earnings Limit	962	1,924	3,847	4,167	12,500	50,000

The upper secondary threshold (UST) and the apprentice upper secondary threshold (AUST) remain aligned with the UEL.

The above will all be set by "Amendment Regulations" which will update the Social Security (Contributions) Regulations 2001.