

National Insurance Class 2 Exceptions

If aged over 16 and self employed a flat rate Class 2 contribution of £2.40 per week in 2010/11 is payable. There are a number of exceptions

- A man 65 or over or a woman of 60 or over, even if not retired
- A married woman or widow with reduced elections
- An application has been made and Certificate granted for a small earnings exception.

Failure to apply for Class 2 registration within the first year of starting self-employment may result in a fine of £100.

Class 2 National Insurance is still payable even if a person is self employed part time, but payments may not need to be made if the net earnings from self employment are expected to be below

£5075 for 2010/11

Exception cannot be applied for if earnings have already reached the threshold by the time an application is made.

The form CF10 can be found within the booklet CA 02 (Self-employed people with small earnings).

<http://www.hmrc.gov.uk/selfemployed/fagcf10.shtml>

Failure to apply for the small earnings exception within the first year of starting self-employment may also result in a fine of £100, so it is important to assess earnings as soon as possible to determine status and if there is any doubt Class 2 should be applied for and paid.

Class 2 can be paid

Monthly by Direct Debit
Quarterly by reminder.