

National Insurance Class 1 Earnings Included in Class 4 Calculations

When a client is both employed and self employed they may have paid Class 1 NIC as employees on earnings that are also included in the trading profits for the self employment.

In this case there maybe a legitimate requirement to reduce Class 4 payments.

The client must therefore apply for

- Exception for Class 4 BEFORE the start of the tax year for which Class 4 is due
- Apply for a refund at the end of the year via form CA5610

The forms can be requested from

Inland Revenue National Insurance Contributions Office
Deferment Services
Longbenton
Newcastle upon Tyne
NE98 1ZZ

If a deferment is not applied for before the start of the tax year, late applications will not be considered if the Class 4 liability is not fully paid or is under inquiry.

Refunds are only claimable if made within 6 years of the end of the tax year to which the payment relates.