

## Self Employed National Insurance Contributions Class 2

Class 2 National Insurance Contributions (sometimes called STAMP) are payable by all those that are self employed.

This list is extensive, as many people are not employees on a PAYE system, but work for themselves, within a partnership or a practice. Some examples are: -

- Sole traders, and Sub Contractors
- Members of a practice, i.e. accountants, solicitors, architects, barristers
- Doctors and dentists, both NHS and private
- Authors/artists
- Farmers
- Partnerships

Class 2 NIC is paid weekly at a rate of £2.40 (2010/11) Payments can be set up for Monthly Direct Debit, or quarterly payments. There is a new system starting up, which means Class 2 can be paid every 6months with the payment on account.

It is important to apply by 5<sup>th</sup> October of the fiscal year of starting self employment. A £100 maybe levied if the application is not made and earnings are above the small earnings threshold (£5075pa – self-employed 2010/11).

The application for Class 2 can be made via the Self Employment Help line

Newly Self Employed 0845 915 4515 Mon-Sun 8.00am-8.00pm  
Registration and Advice

Class 2 NIC is payable if a person is

- Normally self employed
- Aged 16 years or over
- Under pensionable age
- Does not have possession of a certificate saying payments are not required because of small earnings (less than £5075 2010/11).

Class 2 is not payable once pensionable age has been reached.

Married women and some widows used to be able to choose not to pay Class 2. This is no longer available, and is only allowed if the person had the reduced rate before 5<sup>th</sup> April 1978, but if divorced or widowed, this is no longer valid.

A certificate CA270 that is in date and valid is required by an employer before applying reduced rates.

Class 2 may not be payable in certain circumstances when the person has a long term illness, is on incapacity benefits, is pregnant, or is ill for complete weeks.