

EXPLANATORY NOTES

NATIONAL INSURANCE CONTRIBUTIONS ACT 2015

INTRODUCTION

Structure of these notes

SUMMARY AND BACKGROUND

Overview of NICs

Zero-rate secondary Class 1 contributions for apprentices under 25

Simplifying NICs paid by the self-employed

Follower notices and accelerated payments

High risk promoters of avoidance schemes

Targeted Anti Avoidance Rule to prevent people from circumventing new legislation tackling avoidance involving employment intermediaries

OVERVIEW OF THE STRUCTURE OF THE ACT

TERRITORIAL EXTENT AND APPLICATION

COMMENTARY ON SECTIONS

Section 1: Zero-rate secondary Class 1 contributions for apprentices under 25

Section 2: Reform of Class 2 contributions

Section 3: Consequential etc power

Schedule 1: Reform of Class 2 contributions

Section 4: Application of Parts 4 and 5 of FA 2014 to national insurance contributions

Follower Notices and Accelerated Payments: Class 1, 1A, 1B and certain Class 2

Promoters of Avoidance Schemes: Class 1, 1A, 1B and certain Class 2

Application of Parts 4 and 5 of FA 2014: Class 4

Commencement and transitory provision

Section 5: Provision in consequence etc of tax-only changes to Part 4 or 5 of FA 2014

These notes refer to the National Insurance Contributions Act 2015 (c.5)

Section 6: Categorisation of earners etc: anti-avoidance

Section 7: HMRC administrative expenses financial provision

Section 8: Abbreviations of Act

Section 9: Short title and extent

COMMENCEMENT DATES

HANSARD REFERENCES

ANNEX B GLOSSARY