

## Understanding National Insurance

### National Insurance

Your National Insurance (or NI) number is your own personal account number which ensures the National Insurance and Tax you pay are properly recorded on your account. It also acts as a reference number for the social security system. We have some frequently asked questions below.

#### When do you need an NI number?

You will need your National Insurance number if;

- You are starting work or setting up as self-employed
- You wish to claim Benefits and/ or Tax Credits
- You are opening an Individual Savings Account (ISA)

You will pay National Insurance contributions (NIC's) if you are an employee or self-employed aged 16 and over, providing your earnings are over a certain level. Your employer will deduct any Tax and National Insurance from you and pay it directly over to HMRC. You will no longer have to pay NIC's when you reach state retirement age.

As an employee you will pay Class 1 NI which is deducted when you earn over a certain amount. A self-employed person would pay Class 2 NI at a flat weekly rate and also Class 4 which is a percentage of the taxable profits. You can find a full list of the National Insurance rates for this tax year via this link: <http://www.hmrc.gov.uk/rates/nic.htm>

#### How do you get a National Insurance Number?

If you live in the UK and your parents or guardians are receiving Child Benefit for you. You will be automatically sent a National Insurance number just before your 16th birthday.

If the above applies and you're between 16 and 20 years old, but have not received your NI number, you should contact the National Insurance Registrations Helpline on 0300 200 3502 for advice.

#### I have the right to work in the UK but do not have an NI number, can I still work?

If you have not been allocated a National Insurance number but you have the right to work in the UK, you will need to call Jobcentre Plus on 0845 600 0643 to arrange to get one. They may send you a postal application or they may require you to attend an 'Evidence of identity' interview. The interview will usually be on a one-to-one basis (unless, for example, you need an interpreter). You will be asked questions about who you are, why you need a National Insurance number and details on your background and circumstances. During the interview an NI number application form will be completed and signed by you.

#### What happens if you've lost or cannot remember your NI number?

HMRC no longer issues National Insurance number cards. You don't need to have a card - it's the number that's important. If you have a NI number but can't remember it, you might be able to find it on your official paperwork such as;

- Your P60 (end of year tax statement, given to you by your employer).
- A payslip
- A copy of your annual tax return
- Other official correspondence

If you still cannot find your number, you can ask HMRC to confirm it by:

- Completing and returning form **CA5403** 'Your National Insurance number'
- Contacting the National Insurance Registrations Helpline