



# National Insurance Contributions Act 2014

## 2014 CHAPTER 7

### *Employment allowance*

#### **1 Employment allowance for national insurance contributions**

- (1) A person qualifies for an employment allowance for a tax year if, in the tax year—
  - (a) the person is the secondary contributor in relation to payments of earnings to, or for the benefit of, one or more employed earners, and
  - (b) in consequence, the person incurs liabilities to pay secondary Class 1 contributions,  
under SSCBA 1992 or SSCB(NI)A 1992 (or both).
- (2) The person's employment allowance for the tax year is—
  - (a) £2,000, or
  - (b) if less, an amount equal to the total amount of the liabilities mentioned in subsection (1)(b) which are not excluded liabilities.
- (3) Subsection (1) is subject to sections 2 and 3 (and Schedule 1).
- (4) Sections 2 and 3 (and Schedule 1) set out cases in which a person cannot qualify for an employment allowance for a tax year.
- (5) Section 2 also sets out the cases in which liabilities to pay secondary Class 1 contributions are "excluded liabilities".
- (6) Section 4 provides for a person who qualifies for an employment allowance for a tax year to receive it by way of deductions or a repayment under that section.
- (7) In this Act references to "the employment allowance provisions" are to this section, sections 2 to 4 and Schedule 1.
- (8) In the employment allowance provisions and section 5 terms used which are also used in Part 1 of SSCBA 1992 or SSCB(NI)A 1992 have the same meaning as they have in that Part.