

These notes refer to the National Insurance Contributions Act 2015 (c.5) which received Royal Assent on 12 February 2015

NATIONAL INSURANCE CONTRIBUTIONS ACT 2015

EXPLANATORY NOTES

SUMMARY AND BACKGROUND

Simplifying NICs paid by the self-employed

12. At Budget 2014 the Government announced that the collection of Class 2 NICs would be moved into self-assessment (SA) so that the self-employed could deal with their Class 2 NICs together with their income tax and Class 4 NICs. This followed a 2012 recommendation by the Office of Tax Simplification and a consultation published in July 2013 entitled *Simplifying the National Insurance Processes for the Self-Employed*, which sought views on proposals to simplify Class 2 NICs.
13. This simplification will:
 - change the way in which Class 2 NICs are structured;
 - change the means by which Class 2 NICs are collected; and
 - change the means by which Class 2 NICs are enforced with changes to associated appeal rights.
14. An overview of the way NICs currently works for the self-employed is contained in Annex A to these Explanatory Notes, together with a summary of the changes being made.