



# National Insurance Contributions Act 2015

## 2015 CHAPTER 5

### *Secondary Class 1 contributions: apprentices under 25*

#### **1 Zero-rate secondary Class 1 contributions for apprentices under 25** **U.K.**

- (1) SSCBA 1992 is amended as follows.
- (2) In section 9 (calculation of secondary Class 1 contributions), in subsection (1A), after paragraph (a) insert—
  - “(aa) if section 9B below (zero-rate secondary Class 1 contributions for certain apprentices) applies to the earnings, 0%.”
- (3) In section 9A (the age-related secondary percentage), after subsection (1) insert—

“(1A) But this section does not apply to those earnings so far as section 9B below (zero-rate secondary Class 1 contributions for certain apprentices) applies to them.”
- (4) After section 9A insert—

#### **“9B Zero-rate secondary Class 1 contributions for certain apprentices**

- (1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, if the earner is a relevant apprentice in relation to that employment.
- (2) An earner is a “relevant apprentice”, in relation to an employment, if the earner—
  - (a) is aged under 25, and
  - (b) is employed, in the employment, as an apprentice.
- (3) For the purposes of this Act a person is still to be regarded as being liable to pay a secondary Class 1 contribution even if the amount of the contribution is £0 because this section applies to the earnings in question.

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*Status: Point in time view as at 12/04/2015.*

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2015, Section 1. (See end of Document for details)*

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- (4) The Treasury may by regulations provide that, in relation to relevant apprentices, there is to be for every tax year an upper secondary threshold for secondary Class 1 contributions.

That threshold is to be the amount specified for that year by regulations made by the Treasury.

- (5) Subsections (4) and (5) of section 5 above (which confer power to prescribe an equivalent of a secondary threshold in relation to earners paid otherwise than weekly), and subsection (6) of that section as it applies for the purposes of those subsections, apply for the purposes of an upper secondary threshold in relation to relevant apprentices as they apply for the purposes of a secondary threshold.

- (6) Subsection (7) applies if—

- (a) a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above,
- (b) the earnings paid in the tax week, in respect of the employment in question, exceed the current upper secondary threshold (or the prescribed equivalent) in relation to relevant apprentices, and
- (c) the earner is a relevant apprentice in relation to the employment.

- (7) This section does not apply to those earnings so far as they exceed that threshold (or the prescribed equivalent) (“the excess earnings”) and, accordingly, for the purposes of section 9(1) above the relevant percentage in respect of the excess earnings is the secondary percentage.

- (8) But the Treasury may by regulations modify the effect of subsection (7) in a case in which the earner falls within an age group specified in column 1 of the table in section 9A(3) above.

- (9) In subsection (2)(b) “apprentice” has such meaning as the Treasury may prescribe.

- (10) The Treasury may by regulations amend subsection (2)(a) so as to alter the age that an earner must be in order to be a relevant apprentice (and regulations under this subsection may have the effect of allowing anyone who is of an age at which secondary Class 1 contributions are payable to be a relevant apprentice).”

- (5) In section 176(1)(a) (regulations subject to affirmative procedure), after “section 9A(7);” insert— “ section 9B(4), (8) or (10); ”.

- (6) SSCB(NI)A 1992 is amended as follows.

- (7) In section 9 (calculation of secondary Class 1 contributions), in subsection (1A), after paragraph (a) insert—

“(aa) if section 9B below (zero-rate secondary Class 1 contributions for certain apprentices) applies to the earnings, 0%;”.

- (8) In section 9A (the age-related secondary percentage), after subsection (1) insert—

“(1A) But this section does not apply to those earnings so far as section 9B below (zero-rate secondary Class 1 contributions for certain apprentices) applies to them.”

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*Status: Point in time view as at 12/04/2015.*

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(9) After section 9A insert—

**“9B Zero-rate secondary Class 1 contributions for certain apprentices**

- (1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, if the earner is a relevant apprentice in relation to that employment.
- (2) An earner is a “relevant apprentice”, in relation to an employment, if the earner—
  - (a) is aged under 25, and
  - (b) is employed, in the employment, as an apprentice.
- (3) For the purposes of this Act a person is still to be regarded as being liable to pay a secondary Class 1 contribution even if the amount of the contribution is £0 because this section applies to the earnings in question.
- (4) The Treasury may by regulations provide that, in relation to relevant apprentices, there is to be for every tax year an upper secondary threshold for secondary Class 1 contributions.

That threshold is to be the amount specified for that year by regulations made by the Treasury.
- (5) Subsections (4) and (5) of section 5 above (which confer power to prescribe an equivalent of a secondary threshold in relation to earners paid otherwise than weekly), and subsection (6) of that section as it applies for the purposes of those subsections, apply for the purposes of an upper secondary threshold in relation to relevant apprentices as they apply for the purposes of a secondary threshold.
- (6) Subsection (7) applies if—
  - (a) a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above,
  - (b) the earnings paid in the tax week, in respect of the employment in question, exceed the current upper secondary threshold (or the prescribed equivalent) in relation to relevant apprentices, and
  - (c) the earner is a relevant apprentice in relation to the employment.
- (7) This section does not apply to those earnings so far as they exceed that threshold (or the prescribed equivalent) (“the excess earnings”) and, accordingly, for the purposes of section 9(1) above the relevant percentage in respect of the excess earnings is the secondary percentage.
- (8) But the Treasury may by regulations modify the effect of subsection (7) in a case in which the earner falls within an age group specified in column 1 of the table in section 9A(3) above.
- (9) In subsection (2)(b) “apprentice” has such meaning as the Treasury may prescribe.
- (10) The Treasury may by regulations amend subsection (2)(a) so as to alter the age that an earner must be in order to be a relevant apprentice (and regulations

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under this subsection may have the effect of allowing anyone who is of an age at which secondary Class 1 contributions are payable to be a relevant apprentice).”

- (10) In section 172(11A) (regulations subject to affirmative procedure), after “9A(7),” insert “ section 9B (4), (8) or (10), ”.
- (11) The amendments made by this section come into force—
- (a) for the purposes of making regulations under section 9B of SSCBA 1992 or section 9B of SSCB(NI)A 1992, at the end of the period of 2 months beginning with the day on which this Act is passed, and
  - (b) for remaining purposes, on 6 April 2016.

**Status:**

Point in time view as at 12/04/2015.

**Changes to legislation:**

There are currently no known outstanding effects for the National Insurance Contributions Act 2015, Section 1.