

National Insurance Breaks for Employers of Apprentices Under 25



From April 2021 employers of apprentices under the age of 25 will no longer be required to pay secondary Class 1 (employer) National Insurance contributions (NIC) on earnings up to the Upper Earnings Limit (currently £50,270), for those employees.

This is a 13.8% saving on everything the apprentice earns over £8,840 a year for the employers of apprentices.

An example of the savings for employers could be:

An employer recruits an apprentice who is under 25 and they encourage them on to an apprenticeship. If the staff member is earning £18,000 per year, on employers national insurance rate of 13.8% (the first £8,840 earned is not subject to NIC anyway) the £9,160 that is subject to NIC gives the employer a saving of £1,264 that they no longer need to pay, for the entire time the staff member is on an apprenticeship and under 25.

This also includes people already on an apprenticeship as long as they are still under 25.

Please note:

All costings and percentages quoted in this document are correct as of April 1st 2021.

To find out more:

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