

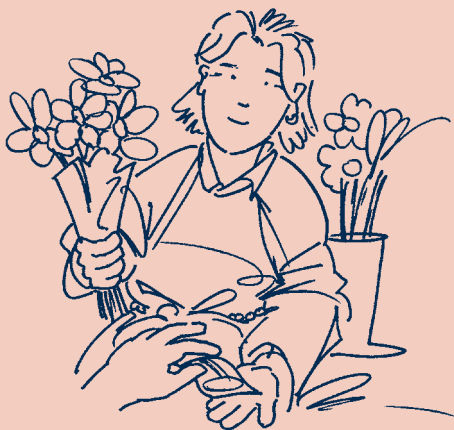


Inland
Revenue

National Insurance contributions for

self-employed people with small earnings

2004-2005



INTRODUCTION

This leaflet is intended for people who

- are self-employed
- are liable to pay Class 2 National Insurance contributions
- have low earnings from their self-employment.

In some circumstances, self-employed people can be excepted from paying Class 2 contributions if their earnings are low. If you have already paid Class 2 contributions but think that you should have been excepted you can apply for a refund. You should read this leaflet to see if you can apply for exception or a refund. **You should consider the advantages of paying Class 2 contributions before applying for exception or a refund.**

All amounts, rates and dates in this leaflet apply to the tax year starting from 6 April 2004 to 5 April 2005. To find out current benefit rates see leaflet GL23 *Social Security benefit rates*. For more information on benefits and copies of leaflets, contact your nearest Department for Work and Pensions (DWP) office. Contact the Inland Revenue National Insurance Contributions Office or your nearest Inland Revenue Enquiry Centre for information on National Insurance contributions. You can ring the Self Employment Services Call Centre on 084591 54655. Calls will be charged at local rates. Please note your calls may be monitored or recorded to improve the quality of our service. You can also write to

**Inland Revenue
National Insurance Contributions Office
Self Employment Services
Customer Accounts Section
Benton Park View
Newcastle upon Tyne NE98 1ZZ**

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General information about National Insurance contributions

Most people who work have to pay National Insurance contributions. There are six classes of contributions. In the course of your working life you may need to change from one category of employment to another. This may mean having to change the class of contribution you are liable to pay or you may have to pay more than one class of contribution at the same time.

Your contributions count towards certain benefits. Sometimes, your right to benefits can be protected even if you are not liable to pay contributions. It is important you know where you fit in and what class of contribution you have to pay:

- **Class 1** paid by people who work as employed earners and their employers
- **Class 1A** paid only by employers, who provide directors and employees with certain benefits in kind, which are available for private use, for example cars and fuel
- **Class 1B** paid only by employers who enter into a Pay As You Earn Settlement Agreement with the Inland Revenue for tax purposes
- **Class 2** paid by people who are self-employed
- **Class 3** contributions are paid on a voluntary basis by people who do not pay enough National Insurance contributions in another class but wish to protect their entitlement to State Pension.
- **Class 4** paid by people whose profits and gains are chargeable to income tax under cases I and II of Schedule D of the Income and Corporation Taxes Act 1988. They are normally paid by self-

employed people in addition to Class 2 contributions. Class 4 contributions do not count towards benefits.

Your National Insurance number

Your National Insurance number is personal to you. It is your account number for all dealings with the Inland Revenue, Department for Work and Pensions (DWP) and in Northern Ireland the Department for Social Development. It is where we record all your National Insurance contributions and credits and looks something like this: AB123456C.

Please note that this National Insurance number is only an example and should not be used as your own number.

If you work for an employer, tell them your National Insurance number as soon as you start work so that all the contributions paid by, or treated as being paid by you can be recorded on your National Insurance account. If your employer does not have the right National Insurance number for you this can affect your contribution record and delay payment of benefit.

If you are self-employed you will need your National Insurance number when you fill in your notification of self-employment.

You should also quote your National Insurance number on any letter or form you send to any Inland Revenue office, DWP office or, in Northern Ireland, the Department for Social Development office.

We can give you a plastic National Insurance number card to help you remember your National Insurance number. This card is usually issued automatically just before a person's 16th birthday or after they apply to be registered for National Insurance. The card is not proof of identity and must not be used by anyone else.

If you do not know, or have lost your National Insurance number, there are several ways to find it. For example: P60 end of year statement of tax and National Insurance, wages slips and official correspondence. If you are still unable to locate your number you should contact Longbenton Contact Centre on 084591 57006. Calls will be charged at local rates.

If you do not have a National Insurance number, you should contact your nearest DWP office or Department for Social Development office in Northern Ireland and ask for an appointment to be interviewed for a National Insurance number. Even if you are working part-time or earning a low wage, perhaps too low to pay National Insurance contributions, you must still apply for a National Insurance number. The law requires you to do this.

At the interview you will have to be able to prove your identity. When your interview date is arranged, you will be advised what information or evidence you will need to take with you. If you do not have any documents to support your identity, you must still go for an interview. The interviewing officer may be able to establish your identity from information you provide at the interview. You can find out more about the types of documents you should provide to help establish your identity in leaflet GL 25 *How to prove your identity for social security*. Further details are also in leaflet GL31 *Applying for a National Insurance (NI) number*. Both leaflets are available from any Jobcentre Plus or social security office.

If you change your address, forename(s), surname or title, write to

**Inland Revenue
National Insurance Contributions Office
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

If your National Insurance account is not kept up to date, there may be a delay when you claim any benefit.

Who pays Class 2 contributions?

If you are aged 16 or over and self-employed you must, by law pay a flat rate Class 2 contribution which is currently £2.05, for every week of self-employment unless

- you are a man aged 65 or over, or a woman aged 60 or over, even if you have not retired, or
- you are entitled to reduced contribution liability as a married woman or widow. For more details see leaflet CA 13 *National Insurance contributions for married women with reduced elections*, or CA 09 *National Insurance contributions for widows or widowers*, or
- you have applied for and been given a Certificate of Small Earnings Exception for the period concerned.

Self-employed people paying Class 2 contributions more than a year late may have to pay extra. The contribution will be payable at the rate that was current when payment was due, or at any higher rate in force between the due date, and the date of payment.

Self-employed in your spare time

You have to pay Class 2 contributions if you are self-employed in your spare time. This applies even if you are also paying Class 1 earnings related contributions as an employee, or office holder. But you may not have to pay Class 2 contributions if

- you qualify for a Certificate of Small Earnings Exception, or

- you are told by the Inland Revenue National Insurance Contributions Office that you do not need a Certificate of Small Earnings Exception when you apply for one. This may be because your net earnings from your self-employment in your spare time are not expected to be more than £1,300, and you are liable for Class 1 contributions as an employee.

Self-employed and claiming Jobseeker's Allowance

If you are self-employed and in receipt of Jobseeker's Allowance (JSA) you may be awarded JSA credits. You remain liable for Class 2 National Insurance contributions. However, if your earnings from self-employment are below the small earnings exception level, you can apply for a Certificate of Small Earnings Exception. If awarded, your liability to pay Class 2 National Insurance contributions is removed.

Deferring paying contributions

You can ask to defer paying your Class 2 contributions if you

- expect to be employed and self-employed during the 2004/2005 tax year, and
- believe that you will pay too much in National Insurance contributions.

For more details see leaflet CA 72 *National Insurance contributions - deferring payment*.

You do not need to ask to defer paying Class 2 contributions if you have been granted exception. Similarly, you do not need to ask for exception if you have been granted deferment from paying Class 2 contributions.

Why pay Class 2 National Insurance contributions?

Class 2 National Insurance contributions count towards

- Incapacity Benefit, see leaflet IB1 *A guide to Incapacity Benefit*
- State Pension, see leaflet NP46 *A guide to State Pensions*
- Bereavement benefit, see leaflet NP45 *A guide to Bereavement Benefits*
- Maternity Allowance, see leaflet NI17A *A guide to Maternity Benefit*.

Who can apply for small earnings exception

Small earnings exception can be granted to self-employed people whose earnings are low. You can apply to be excepted from liability to pay Class 2 contributions if your net earnings from self-employment

- were less than £4,095 during the period from 6 April 2003 to 5 April 2004, and there has been no material change in your circumstances and/or
- are expected to be less than £4,215 in the tax year period from 6 April 2004 to 5 April 2005.

But you cannot apply for exception if

- your earnings from self-employment during the period from 6 April 2004 to 5 April 2005 have already reached £4,215 by the time you apply for exception.

Contributions and benefits

If you are only liable for Class 2 contributions, you should consider your position carefully before applying for exception.

There are contribution rules that have to be satisfied before you can get some benefits.

If you stop paying contributions, you may lose entitlement to these benefits.

If you do not pay contributions over a long period your State Pension may be affected. If you leave a widow or widower, he or she may get a reduced rate of benefit or no benefit at all.

For more details see leaflet *CA07 Unpaid and late paid contributions*.

If you are allowed exception but have paid some Class 1 contributions (whilst working for an employer) you may wish to contact the Inland Revenue National Insurance Contributions Office to see if you have paid enough contributions in that year for benefit purposes. As a self-employed person you may not automatically be informed if you have not paid enough contributions in a tax year (6 April to 5 April) for benefit purposes.

If you are excepted from paying contributions you may still be entitled to Incapacity Benefit because of contributions paid or credited in earlier tax years.

You could also be entitled to Maternity Allowance depending on when you were employed or self-employed and for which weeks you paid Class 2 contributions.

If you are expecting a baby, you may qualify for Maternity Allowance, if you have been employed and/or self-employed in the 66 weeks before your baby is due and have had earnings from employment and/or if you have paid Class 2 contributions or held a Certificate of Small Earnings Exception in any 13 weeks in the 66 week period.

Whether or not you get benefit, credited contributions may be available for complete weeks (Sunday to Saturday) when you are incapable of work. For more details contact your nearest DWP office.

Voluntary contributions

Even if you receive a Certificate of Exception, you can still pay enough Class 2 contributions voluntarily to keep your entitlement to some benefits. Or you can pay voluntary Class 3 contributions, but these will give entitlement to a more limited range of benefits and are currently more expensive. For example, they do not give entitlement to Incapacity Benefit or Maternity Allowance (for further details see leaflet CA08 *Voluntary National Insurance contributions*).

If you want to pay voluntary contributions you should tell us

- when you apply for a Certificate of Exception by completing box 13 of the application form, or
- by returning your Certificate of Exception with item 1 on the back page completed.

We will write to you at the end of each contribution quarter (every 13 weeks) and tell you how many contributions you can pay, and how you can pay them. You can also pay monthly in arrears by Direct Debit through your Bank or Building Society.

If you are aged 60 or over, ask your nearest DWP office for advice before paying voluntary contributions.

Age 60 or over

If you are a man aged 60 or over, or will reach that age during the period from 6 April 2004 to 5 April 2005, it may be worthwhile applying for a Certificate of Exception, if your earnings are low.

If you are given exception, contributions will be credited to you automatically to protect your State Pension and other benefits. However contributions cannot be credited if you spend

more than 182 days abroad in the year. For more details see leaflet CA 01 *National Insurance contributions for employees*.

Working Tax Credit (WTC) and Child Tax Credit (CTC)

Working Tax Credit (WTC) and Child Tax Credit (CTC) have now replaced Working Families' Tax Credit and Disabled Person's Tax Credit. You may be entitled to both or just one of the tax credits.

WTC is a payment to top up earnings of working people on low incomes, including those who do not have children. There are extra amounts for working families when someone has a disability. It is available to employees and self-employed people, and includes support for the costs of qualifying childcare.

If you are working and are responsible for a child or young person, you can claim WTC if

- you are aged 16 or over, and
- work at least 16 hours a week.

If you are not responsible for a child or young person, you can claim WTC if

- you are aged 25 or over and work at least 30 hours a week, or
- you are aged 16 or over and work at least 16 hours a week, have a disability that puts you at a disadvantage in getting a job and you satisfy either the 'Qualifying Benefit' test or the special Fast-Track rules, or
- you or your partner are aged 50 or more, work at least 16 hours a week and are returning to work after time spent on a qualifying out-of-work benefit.

The detailed rules that apply to people with disabilities and people aged 50 or more returning to work after a period on benefits, are explained in the notes that are issued with the claim form.

WTC is paid by the employer, or by the Inland Revenue if you are self-employed. The child care element of WTC will be paid direct by the Inland Revenue to the person in the family mainly responsible for looking after the children. In addition he or she maybe entitled to CTC.

The amount of WTC you receive will be based on your circumstances. For example, how many hours you normally work, and your income (or joint income, if you are part of a couple).

CTC is a payment to support families with children.

You can claim CTC if you are responsible for one child (or young person) or more. You do not have to be working to claim.

CTC will provide support for

- a child until 1 September following his or her 16th birthday, or
- a young person up to the age of 19 who
 - is in full time education, up to and including 'A' Levels, NVQ Level 3 or Scottish Highers
 - has left full time education but does not have a job or training place and has registered with the Careers Service or Connexions Service (Connexions Service does not apply in Scotland or Northern Ireland), for a limited period

provided that the child or young person

- is not claiming Income Support or Tax Credits in his or her own right

- is not serving a custodial sentence of 4 months or more imposed by a court.

Caring for someone

Home Responsibilities Protection

This is a special arrangement that helps to protect your basic State Pension and your spouse's right to bereavement benefits. It will help you if you do not work or your earnings are not enough to count for State Pension. Home Responsibilities Protection (HRP) is given for complete tax years, provided the qualifying conditions are satisfied. It works by reducing the number of qualifying years needed for a full basic State Pension, but it cannot reduce this number to less than 20 years. In certain circumstances it may also help you to build up additional State Pension.

You may be entitled to receive HRP

- you have been awarded Child Benefits as the main payee for a child under 16, or
- you are a registered Foster Carer, or
- you have been caring for someone who receives Attendance Allowance, Constant Attendance Allowance or the highest or middle rate of the care component of Disability Living Allowance for at least 48 weeks of the year, or
- you were receiving Income Support, and not required to look for work because you were looking after a sick or disabled person.

If you are entitled to Carer's Allowance for looking after a sick or disabled person, you get a National Insurance credit for each week you receive it, and therefore, may not need HRP. If you get Carer's Allowance for a full tax year, you will qualify for a year's worth of additional Pension, through State

Second Pension, which you will receive when you reach State Pension age.

Married women who have retained the right to pay reduced rate contributions cannot get HRP, or credits for Carer's Allowance.

A Qualifying year of contributions or credits may sometimes give a higher rate of basic State Pension, or bereavement benefits than a year of HRP.

If you are not getting Child Benefit or income Support as a carer, we will not be able to award your HRP automatically as we will have no record of you as a carer. You will need to make a claim by completing form CF411.

For more information on this and the qualifying conditions for HRP see form CF411 *How to protect your State Pension if you are looking after someone*. You can get copies of this form from your nearest DWP office, or in Northern Ireland, the Department for Social Development or by writing to

**Inland Revenue
National Insurance Contributions Office
Caseworker DM Team
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

A DWP leaflet PM9 *State Pensions for carers and parents – Your guide* is also available. This leaflet explains how certain carers and parents can build up State Second Pension through HRP if they fulfil specified criteria for a complete tax year.

How to apply for small earnings exception

Fill in form CF10 that is attached to this leaflet and return it to the

**Inland Revenue
National Insurance Contributions Office
Self Employment Services
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

You must fill in boxes 1 to 13 on the form in all cases. Then fill in either box 14 or 15, as appropriate.

You should also fill in box 16 on the form if your self-employment is a spare time activity, and you are paying Class 1 contributions as an employee.

You do not have to produce evidence of earnings to support your application, unless this is specifically requested by the Inland Revenue National Insurance Contributions Office. We will contact you if we need to see evidence of your earnings.

NOTE. In accordance with the Social Security (Contributions) Regulations 2001, regulation 44 (5) (a), the Inland Revenue National Insurance Contributions Office will revoke any decision not to collect Class 2 National Insurance contributions if a false declaration of earnings has been made and, or conditions affecting this decision change. This means that the Inland Revenue National Insurance Contributions Office will take any necessary action to collect arrears of contributions where appropriate.

Notifying us of your self-employment

When you start working for yourself you must notify the Inland Revenue within 3 months, otherwise you may incur a £100 penalty. If you do not register and are not paying tax, you will be breaking the law and could be liable to further penalties. You can notify the Inland Revenue in one of the following ways:

Call the Helpline for the Newly Self-Employed on 08459 15 45 15. Open 8am to 8pm Monday to Friday and 8am to 4pm Saturday and Sunday. Calls will be charged at local rates. Please note that your calls may be monitored or recorded to improve the quality of our service. If you do not want your call to be recorded, please tell the operator. These procedures comply with the OFTEL regulations.

Alternatively, leaflet P/SE/1 *Thinking of working for yourself?* is available from any Inland Revenue office. Fill in form CWF1 *Becoming self-employed and registering for Class 2 National Insurance contributions*, which can be found within the leaflet.

Return the form by post to

**Inland Revenue
National Insurance Contributions Office
Self Employment Services
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

or

take the completed form CWF1 to your nearest Inland Revenue office.

Working out your earnings

Your right to a Certificate of Exception depends on your total net earnings from self-employment, as shown, for example, on a profit and loss account.

You need to provide an estimate of your expected net earnings at Box 12 of the application form CF10, at the back of this leaflet if you wish to apply for small earnings exception.

- If you expect your net earnings to be less than £4,215 in the period from 6 April 2004 to 5 April 2005, enter 'below £4,215' in Box 12 of the application form CF10.

Note: You cannot apply for small earnings exception if your earnings from self-employment during the period from 6 April 2004 to 5 April 2005 have already reached £4,215 by the time you apply for exception, see page 7 of this leaflet.

If you are self-employed in more than one business, you should add together the net earnings from each so that a loss incurred in one may be offset against a profit in another.

Do not count as earnings any income from the New Deal scheme or from sources other than self-employment.

To work out your total net earnings you should make deductions from gross earnings for business expenses incurred whilst self-employed. For example, you can deduct rent and rates, insurance, employees' wages, printing and stationery, repairs and postage. You should also make an allowance for depreciation of equipment such as a vehicle if it is used for your business.

You should not make deductions for any of your own drawings, income tax payments or for Class 2 or Class 4 contributions payable.

You should account for the amount or value of any stock you withdraw from your business for your own use.

Where you also have earnings from employed earner's employment in the same year **and** those earnings are shown in the accounts of the

business, as a business receipt, those earnings can be disregarded when calculating the profits from your self-employed business.

After receiving your estimate of what you are likely to earn during the period from 6 April 2004 to 5 April 2005, the Inland Revenue National Insurance Contributions Office may take into account your earnings during earlier years and any changes, that have occurred since.

When to apply

If you can show that your net earnings from self-employment for the period from 6 April 2004 to 5 April 2005 are expected to be less than £4,215 you will not have to pay Class 2 contributions. You can apply for exception as soon as possible.

Your Certificate of Exception

If your application is allowed, the Inland Revenue National Insurance Contributions Office will give you a Certificate of Exception from liability for Class 2 contributions. The certificate will show the period it covers and will normally end in April at the end of a tax year. The certificate will usually be effective from the date of your application although it may be backdated for up to 13 weeks. It cannot be issued to cover any week that you have already paid a Class 2 contribution. However, you may be able to get a refund of the contributions you have already paid - see page 19.

As a certificate can only be backdated up to 13 weeks, you will remain liable for payment of Class 2 contributions for any period of low earnings not covered by the certificate. The Inland Revenue National Insurance Contributions Office may decide not to insist on the payment of Class 2 contributions that were due before the start of the certificate if your self-employed

earnings were below the exception limit for the year (6 April to 5 April) concerned. You will be informed if this applies to you.

If you make a renewal application and your earnings are still low enough you will be sent a new certificate.

The Inland Revenue National Insurance Contributions Office will inform you if your self-employment can be disregarded for contribution purposes and you will not need a Certificate of Exception while your circumstances remain unchanged.

Renewing your Certificate of Exception

Shortly before your certificate expires, you will be sent a copy of the current edition of this leaflet showing the earnings limit for the coming tax year. If you do not hear by the expiry date you should contact the Self Employment Services Call Centre on **08459 15 46 55**. Calls will be charged at local rates and you should note that these calls may be monitored or recorded to improve the quality of our service. You can also write to the

**Inland Revenue
National Insurance Contributions Office
Self Employment Services
Customer Accounts Section
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

You will need to give us your National Insurance number, and the period of your expired certificate.

Cancelling your Certificate of Exception

If you have a Certificate of Exception and you give up self-employment completely, whether or not you are working for an employer, you should fill in item 3 on the back page of the certificate. If

you want the certificate cancelled for any other reason fill in item 2 on the back page of the certificate.

Once completed and signed, the Certificate of Exception must be returned to the

**Inland Revenue
National Insurance Contributions Office
Self Employment Services
Customer Accounts Section
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

Getting a refund

It is possible to obtain a refund of Class 2 contributions paid during a period of small or low earnings, although you may not have applied to be excepted from liability at the proper time. For example if your net self-employed income (that is your profit after deducting expenses) earned in the period 6 April 2003 to 5 April 2004 was less than £4,095.

You should consider the effect on future benefit entitlement before applying for a refund of Class 2 contributions, see pages 7 to 8.

How to apply for a refund

If you think you are entitled to a refund of Class 2 contributions **write** to

**Inland Revenue
National Insurance Contributions Office
Self Employment Services
Customer Accounts Section
Benton Park View
Newcastle upon Tyne
NE98 1ZZ**

Form CF10, that is attached to this leaflet, is not an application for a refund.

If you want a refund of contributions paid for the period 6 April 2003 to 5 April 2004 you will need to send us proof to confirm that your self-employed income earned in the period 6 April 2003 to 5 April 2004 was below £4,095.

The proof of earnings we need to see could include

- details of your business receipts and expenditure for the period 6 April 2003 to 5 April 2004, or
- your profit and loss accounts. If the accounts you hold do not cover the whole period 6 April 2003 to 5 April 2004, additional information should be provided. For example:
 - your trading year ends on 31 January so the last accounts you hold end on 31 January 2004. You could send those accounts but you will also have to send proof of earnings (such as details of your business receipts and expenditure) from 1 February 2004 to 5 April 2004, or
 - some other form of evidence, which you may hold, that shows your income from self-employment earned in the period 6 April 2003 to 5 April 2004.

The evidence of earnings that you send will be carefully considered. If it is not suitable, or does not cover the entire period (6 April 2003 to 5 April 2004), the Inland Revenue National Insurance Contributions Office will let you know what else you need to send.

Time limits on refunds

Please note there are strict time limits for refunds.

An application for a refund cannot be made before the end of the tax year (6 April to 5 April) in question.

An application has to be made in writing not later than the 31 January following the end of the tax year (6 April to 5 April) in question. For example:

a refund of Class 2 contributions paid for the period 6 April 2003 to 5 April 2004 must be claimed after 5 April 2004 **but before 31 January 2005**.

If you are unable to send proof of your earnings before 31 January 2005 do not delay applying for a refund. Your proof of earnings can be sent later.

For more information and advice

For more information contact the Inland Revenue National Insurance Contributions Office and for advice about benefits contact your nearest DWP office. For copies of leaflets contact your nearest Inland Revenue Enquiry Centre (IREC) or DWP office. You can also view these on the website at www.inlandrevenue.gov.uk

Customers with alternative requirements

We will do everything possible to make our services available to everyone. This includes leaflets in Braille, audio, large print and Welsh. For details of any of these services, or if you have any other specific requirements, please let us know.

If you are unhappy with our service

If you are unhappy with any aspect of the service you have received from an Inland Revenue office, you should complain to the manager at the office you have been dealing with.

Data Protection

The Inland Revenue is a Data Controller under the Data Protection Act. We hold information for the purposes specified in our notification made to the Data Protection Commissioner, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do it will only be as the law permits, to check accuracy of information, prevent or detect crime, or protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you as well as by others such as other government departments and agencies and overseas tax authorities. We will not give information about you to anyone outside the Inland Revenue unless the law permits us to do so.

Please read the attached leaflet before filling in this form using CAPITAL LETTERS. Contact the Inland Revenue National Insurance Contributions Office if you need more information.

If you are newly self-employed you will need to complete form CWF1 *Becoming Self Employed and registering for Class 2 National Insurance contributions*, if you have not already done so. THIS FORM IS NOT AN APPLICATION FOR A REFUND.

Application for exception for liability for Class 2 contributions

Personal details

1 Surname

2 First forename

3 Other forenames

4 Mr/Mrs/Miss/Ms/Other (please specify)

5 National Insurance number

6 Date of birth

7 When did your present self-employment begin?

8 Address

Postcode

9 Telephone numbers (including national dialling code)

a) home

b) office

c) mobile

10 Business address (if different from 8)

Postcode

Telephone number (including national dialling code)

11 What is your occupation when self-employed? If you have more than one occupation please give details on a separate sheet.

12 What are your expected net earnings from self-employment for the period from 6 April 2004 to 5 April 2005?
(see page 15 of this leaflet).

£

NOTE: You do not have to produce evidence of earnings to support your application, unless this is specifically requested by the Inland Revenue National Insurance Contributions Office. If we need to see evidence of your earnings, we will contact you.

In accordance with the Social Security (Contributions) Regulations 2001, regulation 44 (5)(a), the Inland Revenue National Insurance Contributions Office will revoke any decision not to collect Class 2 National Insurance contributions if a false declaration of earnings has been made and/or conditions affecting this decision change. This means that the Inland Revenue National Insurance Contributions Office will take any necessary action to collect arrears of contributions where appropriate.

13 Do you want to pay contributions voluntarily? (see page 9)

Yes No

14 Complete if you have been self employed for less than 12 months.
Have you read the section headed 'Notifying us of your self-employment' on page 15 of this leaflet?

Yes No

15 Complete if you have been self-employed for more than 12 months. The information you give will be treated as confidential. What is the last tax or accounting year for which you have earnings figures? (Enter dates)

From to

In that period what were your total earnings after deductions? (see page 16)

16 Complete this question if you have earnings in addition to your self-employment (see pages 5-6). If you work for one or more employer and your self-employment is only a spare-time activity, please give estimates for the year beginning 6 April 2004.

Gross earnings from employment* Name of employer

Gross earnings from employment* Name of employer

*If more than £31,720 put 'over £31,720'. (If you have more than two employer's please give details on a separate sheet of paper.)

Ensure you read the note on the previous page before you complete the declaration below

17 Declaration

I have read this leaflet and declare that the information given on this form is true and complete to the best of my knowledge and belief.

I enclose my completed CWF1 as I am newly self-employed Yes No

Date Signature

Tear off the form and send it to **Inland Revenue, National Insurance Contributions Office, Self Employment Services, Customer Accounts Section, Benton Park View, Newcastle upon Tyne, NE98 1ZZ.**

Please keep this leaflet for reference

For official use	From	To	INTLS	Date
Application received Management inhibition set				
Self-employment disregarded C2GL0012 issued				
NIRS amended if appropriate				
See allowed - NIRS noted				
Waiver allowed - NIRS noted				
CA6812/CA08 issued				
Management inhibition unset				
Application rejected C2GL0013 issued				
Management inhibition unset				
See cancelled NIRS noted				

This leaflet gives general guidance only and should not be treated as a complete and authoritative statement of the law.

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