

# Calculating NI contributions for irregular pay intervals of more than a week but not multiples of weeks or months

2014-2015

These examples are based on the 'How to work out NICs and PAYE for various pay intervals' table in the CWG2 Further Guide to PAYE and NICs which is available from

[www.gov.uk/government/publications/cwg2-further-guide-to-payee-and-national-insurance-contributions](http://www.gov.uk/government/publications/cwg2-further-guide-to-payee-and-national-insurance-contributions)

The method below is taken from the entry in the table called 'Irregular pay intervals of more than a week but not multiples of weeks or months'.

To calculate NI limits and thresholds:

- work out the daily Lower Earnings Limit (LEL) and Upper Accrual Point (UAP) by dividing the weekly limits by 7
- multiply the answers for the LEL and UAP by the number of calendar days in the period which the payment covers
- work out the daily Primary Threshold (PT), Secondary Threshold (ST), and Upper Earnings Limit (UEL) by dividing the annual figures by 365
- multiply the answers for the ST, PT and UEL by the number of calendar days in the period which the payment covers

In all cases the resulting figures should be calculated to the nearest penny. Amounts of £0.005p or less should be disregarded.

## Example for an employee with an 18 day earnings period

LEL	= 111 / 7 = 15.857 rounded to 15.86	x 18 = 285.48
PT	= 7956 / 365 = 21.797 rounded to 21.80	x 18 = 392.40
ST	= 7956 / 365 = 21.797 rounded to 21.80	x 18 = 392.40
UAP	= 770 / 7 = 110.00	x 18 = 1980.00
UEL	= 1865 / 365 = 114.698 rounded to 114.70	x 18 = 2064.60

### 1) Category A - Gross Pay £2500

Employees contribution

PT - UAP 1587.60 x 12% = 190.512 rounded to 190.51

UAP - UEL 84.60 x 12% = 10.152 rounded to 10.15

Above UEL  $435.40 \times 2\% = 8.708$  rounded to 8.71

Total =  $190.51 + 10.15 + 8.71 = 209.37$

Employers contribution

ST - PT  $0.00 \times 13.8\% = 0.00$

PT - UAP  $1587.60 \times 13.8\% = 219.088$  rounded to 219.09

UAP - UEL  $84.60 \times 13.8\% = 11.674$  rounded to 11.67

Above UEL  $435.40 \times 13.8\% = 60.085$  rounded to 60.08

Total =  $0.00 + 219.09 + 11.67 + 60.08 = 290.84$

## 2) Category D - gross pay £2500

Employees contribution

LEL - ST Rebate  $106.92 \times 1.4\% = 1.496$  rounded to 1.50

ST - PT Rebate  $0.00 \times 1.4\% = 0.00$

Total rebate =  $1.50 + 0.00 = 1.50$

PT - UAP  $1587.60 \times 10.6\% = 168.285$  rounded to 168.28

UAP - UEL  $84.60 \times 12\% = 10.152$  rounded to 10.15

Above UEL  $435.40 \times 2\% = 8.708$  rounded to 8.71

Total =  $168.28 + 10.15 + 8.71 - 1.50 = 185.64$

Employers contribution

LEL - ST Rebate  $106.92 \times 3.4\% = 3.635$  rounded to 3.63

ST - PT  $0.00 \times 1.4\% = 0.00$

PT - UAP  $1587.60 \times 10.4\% = 165.110$  rounded to 165.11

UAP - UEL  $84.60 \times 13.8\% = 11.674$  rounded to 11.67

Above UEL  $435.40 \times 13.8\% = 60.085$  rounded to 60.08

Total =  $0.00 + 165.11 + 11.67 + 60.08 - 3.63 = 233.23$