

## **Guidance notes for deferring self-employed National Insurance contributions (NICs) for 6<sup>th</sup> April 2024 to 5<sup>th</sup> April 2025**

### **Introduction**

The law states that you must meet all National Insurance contribution (NIC) liabilities as an employee and as a self-employed person in all of your employments.

However, if you are employed and self-employed and expect to pay Class 1 NICs as an employee and Class 2 and Class 4 NICs for your self-employment you can ask to defer some of your Class 2 and/or Class 4 NICs, until we can calculate the true amount of NICs due after the end of the tax year.

You may defer your Class 2 and 4 NICs if you are likely to pay Class 1 (employed) NICs on earnings of at least £938 each week (or £4,065 each month) in the Isle of Man for the whole tax year.

**Please note:** With effect from 6<sup>th</sup> April 2010, even if we allow you Class 4 deferment, you will still have to pay Class 4 NICs at a rate of 1% on all profits and gains above the Lower Profit Limit.

### **Newly self-employed?**

You must notify the Division of your commencement of self-employment from the outset. We must approve the self-employment by speaking with you. Approval can be obtained by phoning 01624 685400 and asking to speak to a categorisation officer regarding registering for self-employment.

### **When to apply**

You must send us your deferment application form as soon as possible before 6 April 2024, but we will accept it up to 5 April 2025. If we get your application after 5 April 2025, we will only consider allowing you deferment of Class 4 NICs, and only if your Class 4 assessment is not fully paid or is under enquiry. This is because you should have paid Class 2 NICs during the year in which you carried out self-employed work. We cannot allow deferment of Class 2 NICs after the end of the relevant tax year.

### **After you apply**

When we consider your application we may ask you to send us some of your payslips. If we can allow you to defer, we will write and tell you what classes of NICs have been deferred. If we cannot allow you to defer we will write and tell you why.

### **After the end of the tax year**

We will look at your NI account to check that you have paid enough NICs in the tax year. If you have, there is no further action and a renewal application will be sent to you for the new tax year. If you have not paid enough NICs we will write to you to ask for payment within 28 days and you may not be invited to renew your application for deferment.

### **Too late to apply?**

If you did not apply for deferment in time and have paid Class 1 and Class 4 NICs, or Class 1, Class 2 and Class 4 NICs you may be able to get a refund of overpaid NICs. To make a claim for a refund, please write to:

National Insurance  
Income Tax Division  
2<sup>nd</sup> Floor, Government Office  
Bucks Road  
Douglas, Isle of Man IM1 3TX

or email us at [nationalinsurance.itd@gov.im](mailto:nationalinsurance.itd@gov.im)

We cannot give you a refund until your Tax Return for the year has been finalised and fully paid.

### **Earnings from employment which are included in profits for self-employment**

In some professions such as entertainer, sub-postmaster or doctor, there may be occasions where income from employment could also be considered as profits for self-employment purposes.

If, however, you have already paid Class 1 National Insurance on earnings through employment, you cannot be charged again on these earnings for self-employed National Insurance. These earnings from employment (where Class 1 NICs have been paid) should therefore not be included in the profits from self-employment shown on your Tax Return and should instead be included in the earnings from employment section.

### **Getting advice**

If you have any questions about deferring Class 2 and/or Class 4 NICs, phone the National Insurance section on 01624 685400.

**Application for deferment of Class 4 (and Class 2)  
National Insurance contributions for the tax year 6<sup>th</sup> April 2024 to 5<sup>th</sup> April 2025**

1. National Insurance Number: 

--	--	--	--	--	--	--	--	--

2. Name and Address (Block capitals please):

Mr/Mrs/Miss/Ms

3. Telephone Numbers :

Home		Mobile	
------	--	--------	--

4. If you want your correspondence on this subject to be sent direct to your agent, please give their name and address:


5. Full business address (if different from 2 above):


**If you change any of the above contact details, please tell us.**

6. Please give details of your earnings or estimated income under the following headings.

**6a. Earnings as an employee:**

Class 1 contributions will normally be paid on this income.  
Enter all earnings (actual or estimated) as an employee.  
If your earnings are more than £48,776 you need only insert £48,776.

£	
---	--

**6b. Earnings from self-employment:**

These are separate to earnings as an employee quoted above and  
Class 2 and Class 4 contributions would normally be due on this income.  
Enter all earnings (actual or estimated) from self-employment.  
If your earnings are more than £48,776 you need only insert £48,776.

£	
---	--

Continued overleaf.....

## DECLARATION

- I hereby apply for deferment of payment for Class 4 (and Class 2) contributions for the 2024/25 year only, under the Social Security (Contributions and Benefits) Act 1992 (as applied to the Island).
- I understand that where part of my Class 4 liability has been deferred, I will still be required to pay Class 4 NICs at a rate of 1% on all my profits and gains above the Lower Profits Limit.
- I will provide any necessary information for the calculation of any outstanding contributions.
- I further undertake to pay any contributions that may be due following review of my National Insurance paid in 2024/25 within 28 days of the date of the notification. I accept that consideration will not be given to further deferment applications if a liability remains unpaid.

Signature of applicant \_\_\_\_\_ Date \_\_\_\_\_

Personal details on this form will be used by officers working in the Income Tax Division of The Treasury for the purposes of maintaining your Income Tax and National Insurance records. This information may also be shared with third parties such as those stated within the privacy notice below

Privacy Notice: To find out more about how we collect and use personal information, contact our office or visit our website at: [www.gov.im/treasuryprivacynotice](http://www.gov.im/treasuryprivacynotice) We will send you a paper copy if you telephone us or write to us using the contact details provided on this form.