

The tax and legal aspects of business

J03: 2018–19 edition

Web update 1: 28 September 2018

Please note the following update to your copy of the **J03** study text:

Class 2 National Insurance contributions (NICs)

As of 6 September 2018, the Government has abandoned its plans to abolish Class 2 NICs, stating that the contributions will not be scrapped during this Parliament.

The original plan was to abolish Class 2 NICs in April 2018. In November 2017, the Government postponed this implementation to April 2019 to explore concerns over the potential impact this policy may have on self-employed individuals with low profits. The Government found that many self-employed individuals would see a significant rise in the voluntary NIC payments they would make to maintain access to the State Pension. Due to these negative impacts, the Government has now abolished the policy.

Please ignore any text that refers to the abolishment of Class 2 NICs and treat them as continuing to exist beyond April 2019.

This affects the following section(s):

- Chapter 1, section C1, page 1/3.
- Chapter 8, section B2, page 8/4.