Class 2 and Class 3

National Insurance contributions

Direct Debit the easier way to pay
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How to apply to pay by Direct Debit

If you are self-employed

If you are newly self-employed, you must register with the Inland Revenue as soon as you start working for yourself. If you fail to register within the first three full months of self-employment, you may be liable to a penalty of £100. 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 register by calling the Self Employment Services Helpline on 08459 154 515, the helpline will be open from 8.00am to 8.00pm, 7 days a week, or by completing form CWF1 Becoming self-employed and registering for Class 2 National Insurance contributions. Calls will be charged at local rates. Random calls are listened to/recorded, for training purposes and maintaining our standards. If you do not want to have your call recorded, please tell the operator. These procedures comply with OFTEL regulations. Form CWF1 is attached to leaflet P/SE/1 Thinking of working for yourself? You can obtain copies of this by calling the above telephone number, or from your nearest Inland Revenue office. Alternatively you can write to the Inland Revenue National Insurance Contributions Office, Self Employment Services, Customer Accounts Section, Longbenton, Newcastle upon Tyne, NE98 1ZZ.

If you are not newly self-employed and are not currently paying your National Insurance contributions by Quarterly Bills, you must contact Self Employment Services, Customer Accounts Section, at the address or telephone number shown on page two before you complete the application form.
If you are not newly self-employed and are currently paying your National Insurance contributions by Quarterly Bills, fill in the application form at the back of this leaflet and return it to us at the Inland Revenue National Insurance Contributions Office, Self Employment Services (APC), Longbenton, Newcastle upon Tyne, NE98 1ZZ.

If you are not self-employed

If you are not self-employed and wish to pay voluntary Class 3 National Insurance contributions fill in the application form at the back of this leaflet and return it with the completed form CA5603 to your nearest Inland Revenue (National Insurance Contributions) office. If you do not have form CA5603 please contact your nearest Inland Revenue (National Insurance Contributions) office.

We regret that the facility to pay by Direct Debit is not available to Sharefishermen.

How will payments be made?

As soon as we receive your completed Direct Debit application form, we will contact your Bank or Building Society to make all the necessary arrangements. Payments will then be made automatically from your account for as long as you wish.

If you are changing from Quarterly Bills to Direct Debit, your contributions will normally be collected by Direct Debit from the Sunday of the week in which you signed the form, or later if this week is already covered by a Quarterly Bill. You should pay your Quarterly Bill in the usual way. Although we will act at once to set up your Direct Debit, it may take some weeks before the first contributions are collected from your account.
We will write to you to tell you when your contributions will be collected. Please ensure that you have enough funds in your account to meet these payments.

After that, payment will cover either four or five week contributions depending on the number of Sundays in the preceding tax month (the tax month ends on the 5th of each month).

Payments will normally be made from your account on the second Friday of each month. A regular check of your Bank/Building Society statement will reassure you that payments have been made correctly.

What happens if you are ill?

You do not have to pay any contributions for any complete weeks (Sunday to Saturday) during which you are ill. If you want to be credited with contributions for these weeks you must claim Incapacity Benefit. We will reduce your Direct Debit payments to take account of your sickness as quickly as possible. If your Direct Debit payments do not restart, please let us know immediately. For more details see leaflet IB 202 Incapacity Benefit - Information for new customers.

You must pay contributions for any part week of illness.

What happens if you change to another Bank or Building Society?

Please inform us if you change your Bank or Building Society (you do not need to tell us if you are only changing branches of the same Bank or Building Society). You will have to fill in another Direct Debit application form. Direct Debits cannot be transferred between different Banks or Building Societies.
Direct Debit is an easy and secure way of paying your National Insurance contributions. Payment is made automatically from your Bank or Building Society account each month in arrears.

Direct Debit has many advantages:

- **it is easy to set up** - just fill in the application form attached to this leaflet and send it to us. You will need a suitable account at a Bank or Building Society.
- **it runs automatically** - once set up, your Direct Debit will run automatically. We will notify you of any changes in the contribution rate at least 14 days in advance.
- **it helps your budgeting** - for people in business, good cashflow and budgeting are essential. Direct Debit means that you have to plan for only one monthly payment in arrears.
- **it gives you peace of mind** - payments are made on time, every time. So there is no risk of losing benefit because you forgot to pay.

The majority of self-employed customers (over 1.5 million) have already chosen this method.

**The Direct Debit Guarantee**

- This guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the scheme is monitored and protected by your own Bank or Building Society.
- If the amounts to be paid or the payment dates change, the Inland Revenue National Insurance Contributions Office will notify you 10 working days in advance of your account being debited or as otherwise agreed.
- If an error is made by the Inland Revenue National Insurance Contributions Office or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to us.
What happens if your earnings are low?

If your earnings from self-employment are low, you may be granted exception from payment of Class 2 contributions. For more details see leaflet CA 02 National Insurance contributions for self-employed people with small earnings, available from the Inland Revenue National Insurance Contributions Office, Self Employment Services, Customer Accounts Section, Longbenton, Newcastle upon Tyne, NE98 1ZZ, or from your nearest Inland Revenue (National Insurance Contributions) office.

For more information and advice

We have a range of services for people with disabilities, including leaflets in Braille, audio and large print. For details, please ask at your nearest Inland Revenue office or Enquiry Centre.

If you want more information and advice about paying your contributions by Direct Debit, you can ring the Self Employment Services Call Centre on 084591 54655. The Call Centre is open between 8.00am and 5.00pm Monday to Friday. Calls will be charged at local rates. Or you can write to the Inland Revenue National Insurance Contributions Office, Self Employment Services, Customer Accounts Section, Longbenton, Newcastle upon Tyne, NE98 1ZZ.

For more information about Class 2 and Class 3 contributions see the following leaflets, available from your nearest Inland Revenue (National Insurance Contributions) office:

CA 02 National Insurance contributions for self-employed people with small earnings.
CA 07 National Insurance - unpaid and late paid contributions.

CA 08 National Insurance - voluntary contributions.

NI 196 Social Security benefit rates.

If you are unhappy with our service

Leaflet IR120 You and the Inland Revenue gives details of our complaint procedures. You can get this leaflet from any Social Security office, Tax Enquiry Centre, Citizens Advice Bureau and main libraries.

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

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Our address is: www.inlandrevenue.gov.uk
### Application to pay National Insurance contributions by Direct Debit

**FOR OFFICIAL USE ONLY**

- **CA2347 issued**
- **DN**
- **QB started**
- **Start date - a Sunday**
- **LO Serial number**

**1. Are you currently paying by Quarterly Bill**
   - [ ] Yes
   - [ ] No
   - If not, is this a new application to pay
     - [ ] self-employed Class 2 contributions
     - [ ] voluntary Class 3 contributions

**2. National Insurance number**
- Letters
- Numbers
- Letter

**3. Surname and first two initials**

**4. Title (ie, Mr, Mrs, Miss, Ms)**

**5. Date of birth**

**6. Address**
- *
- *
- *

**7. Daytime telephone number (including the STD code)**
- STD
- Telephone number

**8. Your Bank/Building Society sort code**

**9. Your Bank or Building Society account number**

**10. Name(s) of account holder(s)**

**11. If self-employed enter 2 in this box. If NOT enter 3. If self-employed fill in parts 12 and 13. If NOT self-employed leave parts 12 and 13 blank Complete the mandate below in all cases**

**12. The name of your business**

**13. The address of your business. Fill this in even if your home and business address are the same**

**Instruction to your Bank or Building Society to pay by Direct Debit**

- To: The Manager
- Bank/Building Society
- Address
- Postcode

**Name(s) of Account Holder(s)**

**Originator’s Identification Number**

**Reference Number (National Insurance Number)**

**Instruction to your Bank or Building Society**

Please pay the Inland Revenue National Insurance Contributions Office Direct Debits from the account detailed in this Instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this Instruction may remain with the Inland Revenue National Insurance Contributions Office and, if so, details will be passed electronically to my Bank/Building Society.

**Signature(s)**

**Date**

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*Do not detach*

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**CA5603 completed**

**Start date - a Sunday**

**LO Serial number**

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