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Mr Darling has increased NI by 0.5%, on top of the 0.5% already announced last year - a 1% increase in total. This increase will come into effect April 2011 (assuming a Labour government). Don't forget, this rate applies to both employer and employee NI – hence for those drawing salaries from their own company, this amounts to a 2% increase.

The relevant rates are now:

- employer main rate 12%
- employer upper rate 2%
- employee main rate 13.8%

The thresholds however have increased hence these measures will only affect employees earning over £20,000.

The revenues generated by this measure will dwarf the tax on bankers' bonuses and is estimated to bring in £3 billion a year. Such a broad reaching measure will affect many people and it may well end up as a tax on jobs.

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