

NI Savings and Cost Summary



Even without offsetting the National Insurance saving against the cost of providing additional benefits, they're great value for money.

See our current rates below.

EasyBuild Stakeholder Pension

Our stakeholder pension is the most popular in the UK, with one of the lowest management charges of 0.8% per annum.

For membership of EasyBuild there are minimum contribution arrangements.

Minimum contribution	
From July 2008	
Employer	£5
Employee	£5

If you employ operatives under the CIJC working rules and they contribute more than £5.00, you should match their contributions between £5.00 & £10.00. For new starters, who decline to make a minimum £5 per week personal contribution, there will be no employer contributions.

Payments made by employers are fully allowable for Corporation Tax for companies and Schedule D for partnerships and sole traders. EasyBuild Tax Reference Number is 00613700RH.

Accident and Life Cover

Available to all your employees at virtually no cost to you using the National Insurance savings on holiday pay.

Cost	
Weekly paid employees	£1.00 (per week)
Monthly paid employees	£4.33 (per month)

Holiday Pay

This benefit costs you nothing. In fact it saves you money enabling you to fund the costs of accident and life cover for your operatives.

- Saving of 12.8% National Insurance contributions on eligible operatives holiday pay
- Company savings of between 1% to 2% of payroll costs for eligible operatives

The illustration overleaf gives an example of how the National Insurance savings on holiday pay help fund B&CE's other employee benefits.

Dedicated to the personal and financial wellbeing of everyone in construction



How the savings work

The calculations are based on an operative earning £375 per week and entitled to 29 days holiday each year (21 days annual holiday plus 8 days public holidays according to the CIJC Working Rule Agreement).

An operative can earn £105 per week during the 2008/09 tax year which is exempt from National Insurance (NI).

Therefore the weekly NI payment is based on a weekly wage minus the exempt amount:	$£375 - £105 = £270.00$
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The current NI rate for employers is 12.8% so the weekly amount of NI payable is:	$£270 \times 12.8\% = £34.56$
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£34.56 is the employers weekly NI payment on holiday pay, the daily payment would be:	$£34.56 \div 5 = £6.91$
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Based on 29 days holiday we can calculate the annual NI saving on holiday pay as:	$29 \times £6.91 = £200.39$
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This equates to a weekly NI saving of:	£3.85
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Using the weekly National Insurance saving of £3.85 you can offset the cost of providing B&CE's accident and life cover and still have additional savings which could help fund contributions into the EasyBuild stakeholder pension.

In addition, contributions into your employees' pension accounts are tax deductible. This means not only can you use the savings from National Insurance payments to pay for three benefits; you also save corporation tax on pension contributions.

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