

A NEW S.P.A WILL BE PHASED IN FROM 6 APRIL ARE YOU AWARE OF THE CHANGES?

The increase in State pension age (SPA) from 66 to 67 years will be phased in starting 6 April 2026. Employers need to take care because employee class 1 national insurance contributions (NICs) are no longer payable once SPA is reached.

PENSION AGE

Men and women born between 6 April 1960 and 5 March 1961 will reach SPA at 66 years plus a specified number of months. For example, a person born on 5 May 1960 will reach SPA on 5 June 2026, whereas it will be 6 July 2026 for someone born a day later. Pension age will be 67 years for anyone born on or after 6 March 1961.

CLASS 1 NICs

Although employee class 1 NICs are no longer payable once an employee reaches SPA, employer contributions are still due:

- For employees, the change applies to the first wage or salary payment on or after SPA is reached. NIC classification is based on the date of payment, not the earnings period.
- For example, NIC category letter C will be used for the whole of the June 2026 salary (paid at month end) for any employee who has reached SPA on or before 30 June 2026.
- Employers should check that the employee's NI category letter has been set to 'C' in payroll software so that no further employee class 1 NICs are deducted. The software may do this automatically based on the employee's date of birth.

The normal procedure is for the employee to show proof of reaching SPA, either with their birth certificate or passport.

For the self-employed, the NICs situation on reaching SPA is more straightforward. They simply stop paying class 4 NICs from the start of the tax year after reaching SPA.

SPA can be checked using the government's check your SPA calculator, which can be found [here](#).

WE CAN HELP

For more information on any issues raised in this article, call us on **01753 888 211** or email info@nhllp.com, we are here to help.