



Lesson 4

## Calculating Social Security Contributions

Using the information from the table, can you confirm the following 4 things about the customers we have provided you details about below? They are all employees.

1. How much class 1 social security contribution does the employee pay?
2. How much class 1 contribution does the employer pay?
3. Do they earn above or below the Minimum Earnings Threshold (MET)?
4. Do they earn above or below the Lower Earnings Threshold? (LEL?)

Extra credit

Can you work out which of the 5 customers would need to pay class 2 (non-employment) contributions and what they might consider doing.

Please show your workings in the space provided.

### TASK



#### KEY INFO TABLE (2025 rates)

Minimum Earnings Threshold (MET)	£553 paid monthly
Lower Earnings Limit (LEL)	£1,240 monthly
Class 1 Employee contribution	6%
Class 1 Employer contribution	6.5%



### Simonne

→ Age 15

→ At school studying GSCE's

→ Earns £900 per month

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

### John

→ Age 19

→ Earns £2,000 per month

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_



**Jane**  
→ Age 30      → Earns £5,800 per month

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_

**Fred**  
→ Age 18      → Earns £500 per month

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_



**Elsa**  
→ Age 20      → Earns £1,200 per month

- 1. \_\_\_\_\_  
\_\_\_\_\_
- 2. \_\_\_\_\_  
\_\_\_\_\_
- 3. \_\_\_\_\_  
\_\_\_\_\_
- 4. \_\_\_\_\_  
\_\_\_\_\_

**BONUS CREDIT**  
Which customers would need to pay class 2 (non-employment) contributions and what they might consider doing?

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