

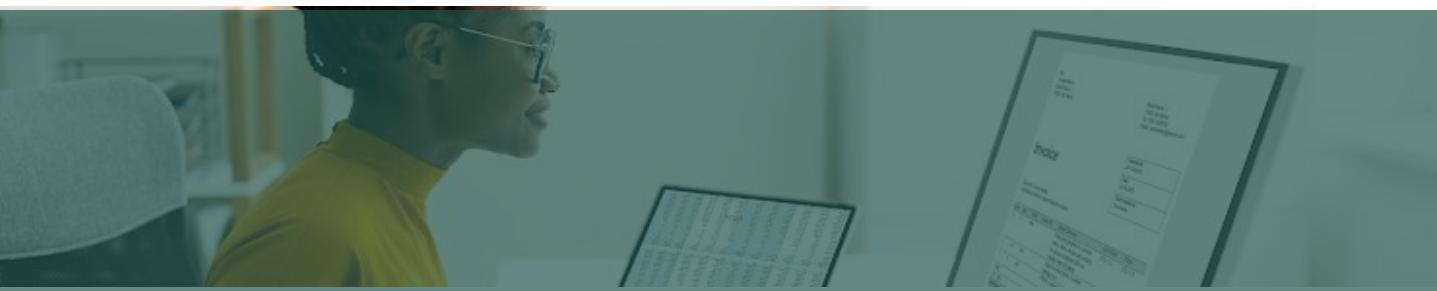


WOULD YOU LIKE TO REDUCE YOUR PAYROLL COSTS? STRATEGIES TO REDUCE NIC INCREASES

The recent increase in National Insurance Contributions (NIC) for employers is adding to the financial pressure many businesses are already facing from inflation, higher borrowing costs and general economic uncertainty. For businesses with larger payrolls, these NIC rises can have a noticeable impact on monthly cash flow. The good news is that there are strategies available to help manage and reduce the impact of these additional costs.

STRATEGIES TO HELP MANAGE NIC INCREASES

- **Review salary sacrifice schemes** – Benefits such as pension contributions, cycle-to-work schemes, or electric car arrangements can reduce gross pay, which in turn lowers NIC liabilities.
- **Increase pension contributions instead of salaries** – Offering higher employer pension contributions can reward staff without triggering higher NIC costs that come with salary rises.
- **Assess bonus structures** – Some non-cash benefit schemes can be structured to minimise or avoid NIC, making them a more cost-effective way to reward employees.
- **Optimise workforce mix** – Reviewing the balance between employees and subcontractors (while ensuring full compliance with employment law and IR35 rules) may help reduce NIC exposure.
- **Use temporary or flexible contracts** – For seasonal or project-based work, fixed-term contracts can provide flexibility and manage costs effectively.
- **Invest in training and productivity** – Improving efficiency and output can offset cost increases without needing to cut staff or pay.
- **Claim available employment allowances** – Check whether your business qualifies for the Employment Allowance.
- **Support remote or hybrid working** – Savings on premises and utilities can help absorb NIC increases.
- **Review staff benefits packages** – Identify benefits that carry NIC costs and consider replacing them with tax-efficient alternatives.
- **Automate payroll processes** – Improved efficiency in payroll management reduces administration costs and errors, freeing up resources.



HOW WE WORK



INITIAL CONSULTATION

We assess your current payroll setup and needs.



TAILORED PROPOSAL

A package of services built specifically for your business.



SEAMLESS TRANSITION

We manage the handover from your existing payroll process with minimal disruption.



ONGOING SUPPORT

Prompt, friendly assistance whenever you need it.

NIC increases may be unavoidable, but their impact does not have to be. By taking a proactive approach to reviewing payroll structures and benefits, businesses can protect profitability while continuing to reward staff fairly.

If rising payroll costs are a concern for your business, now is the time to act. Pick up the phone today and organise a payroll review to explore the options available to you. And finally, if you feel this alert could help a business colleague or family member, please feel free to share it with them.

WE CAN HELP

We'll make sure your employees are paid correctly, your records are accurate, and your compliance is watertight. Call us on 01753 888 211 or email info@nhllp.com, we are here to help.