



21/02/2022 – Freeports – Employer’s National Insurance Relief

Freeports are special areas within the UK’s borders where different economic regulations apply. Freeports in England are centred around one or more air, rail, or seaport, but can extend up to 45km beyond the port(s).

Eligible businesses in Freeports will enjoy a range of tax incentives, such as enhanced capital allowances, relief from stamp duty and employer national insurance contributions for additional employees.

Where are they located?

1. East Midlands Airport
2. Felixstowe & Harwich including the Port of Felixstowe and Harwich International Port
3. Humber including parts of Port of Immingham
4. Liverpool City Region including the Port of Liverpool
5. Plymouth & South Devon including the Port of Plymouth
6. Solent including the ports of Southampton, Portsmouth and Portsmouth International Port
7. Thames including the ports at London Gateway and Tilbury
8. Teesside including Teesside International Airport, the Port of Middlesbrough and the Port of Hartlepool

Who can claim?

You can claim the relief if you have a business premises in a Freeport tax site.

To claim the relief, all employees must:

- spend 60% of their working time in the Freeport tax site, unless you have made adjustments to your employee’s working arrangement to accommodate disability, pregnancy or maternity
- be new employees from 6 April 2022, and before 6 April 2026, within the first 36 months of their employment

- not have been employed by you or a connected employer in the previous 24 months

How much relief you can claim

You will only need to pay Secondary (Employer's) Class 1 National Insurance contributions if your employee earns more than the Freeport Upper Secondary Threshold of:

- £25,000 per year
- £2,083 per month
- £481 per week

This means that if an employee earns less than this, then no Secondary Class 1 National Insurance contributions are due.

How long you can claim the relief for

You can claim this relief for all new employees for 36 months from the start of their employment for the period that they meet the qualifying conditions.

How to claim relief

To claim the relief, you must apply the relevant National Insurance contributions category letter when running payroll. Find out how to run payroll.

HMRC have issued 4 new National Insurance contributions category letters to support employers claiming this relief. Speak to your payroll provider or payroll software provider to ensure they can accommodate the changes according to the legislation.

You must keep evidence of the qualifying conditions being met.

Further information

Follow this link to find out more information

[Freeports - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

[Maps of Freeports, Freeport customs sites and Freeport tax sites - GOV.UK \(www.gov.uk\)](https://www.gov.uk)