

income	security	wages
allowances	tax-free	safety net
further	insurance	on retirement
saving		

1. NIC is related to the of tax payers.
2. The employer pays a contribution.
3. These payments were for from the state in times of need.
4. The tax is a compulsory against possible future deprivation.
5. Not all countries can afford social systems.
6. The system provides an important for people in need or in retirement.
7. Citizens in Singapore put part of their into a special fund.
8., people get the money back for their own use.
9. The contributor gets interest on his accumulated funds.
10. It is a form of compulsory for wage earners.

Ex.6. Put the articles where necessary.

1. individuals pay additional tax which may be same for everyone.
2. There may be further payment from employer.
3. What is called national insurance contribution is simply additional tax.
4. ... idea was generated by UK and spread to most industrialized countries.
5. number of the world's poorest countries cannot afford social security systems.
6. Some of newly emerging industrialized countries have taken differ approach.
7. On retirement money is given back to individual for his/her own use.
8. Malaysia has one of highest rates of housing construction in the world.
9. NIC is not tax as such.
10. It is kind of compulsory saving for wage earners.

Ex.7. Paraphrase the following expressions.

there is a broad agreement that, in addition to income tax, in times of need, the idea was pioneered by the UK, some countries have taken a different approach, it is not a tax as such

Ex.8. Put the prepositions where necessary.

1. In addition income tax, citizens pay other taxes.
2. NIC is likely to be related their income.
3. Allowances the state are paid times need.

4. Compulsory insurance is levied by government possible future deprivation.
5. The idea spread most industrialized countries.
6. Social security payment provides a safety net those need or retirement
7. A scheme exists, and all workers and employers put money a special fund.
8. retirement, the money reverts the individual.... his/her own use.
9. Investment and release the fund have enabled people to build house of their own.
10. The contributor receives tax-free interest the accumulated funds.

•Read and translate the text “National Insurance Contributions (NIC)”. Answer the questions: What is NIC today?

UNIT 19.

TEXT **NATIONAL INSURANCE CONTRIBUTION (NIC)**

In addition to income tax, citizens generally pay an additional contribution – which may be the same for everyone, but is more likely to be one related to their income – with a further contribution from the employer. When first begun these payments were for specific purposes, for example, to pay for basic health care, for allowances from the state in times of need, and as a contribution towards an eventual pension. In other words, it was effectively compulsory social insurance levied by governments against possible future deprivation. Today, such contributions rarely cover the amounts paid out. A national insurance contribution or a social security payment is simply an additional tax. However, by no means all countries have social security systems. The idea was pioneered by the UK and Scandinavian countries, but has now spread to most industrialized nations (especially in Europe). Though there has been some cutting back in the past decade, there is nevertheless broad agreement that the system is valuable and that it provides an important safety net for those in need or in retirement.

A number of the world’s poorest countries are unable to operate effective social security systems, generally because they do not have enough people in paid employment to generate the necessary funds. Some of the newly emerging industrialized countries have taken a different approach, however.

In Singapore and Malaysia, for example, all workers and employers put substantial proportions of their wages into a special fund. This then accumulates. Individuals may then withdraw money for specific purposes such as housing. On retirement, the money reverts to the individual for his own use. There is no pension as such. Investment in, and the release of funds from, the Consolidated Provident Fund (as it is called in Singapore) have enabled Singapore to achieve one of the highest rates of home-ownership in the world (over 80%). It should be recognized, however, there is not a tax as such: indeed, the contributor receives tax-free interest of his

accumulated funds. Rather, it is a form of compulsory saving for wage earners. No government pension is paid.

Vocabulary list you may need

citizens – фуқаролар	compulsory - мажбурий
related – боғлиқ	effectively - самарали
contribution – бадал	insurance - суғурта
employer – иш берувчи	possible - имконли
payments – тўловлар	cover - қопламоқ
specific – махсус	rarely – камдан-кам
purposes – мақсадлар	additional - қўшимча
health care – соғлиқни сақлаш	social - ижтимоий
eventual – якуний	security - хавфсизлик
industrialized - саноатлашган	decade – ўн йиллик
valuable – қийматли	funds- жамғармалар
safety- хавфсиз	retirement- нафақага чиқиш
substantial - мусаҳкам	accumulate- жамғариб бориш
achieve- эришмоқ	proportion- нисбат

Ex.1. Answer the following questions related to text.

1. Is NIC related to people's income?
2. Who pays further contribution for the workers in paid employment?
3. What were these payments for at first?
4. How can you characterize the additional contribution the citizens pay now?
5. How did these payments begin?
6. What do most countries think about this system?
7. What countries cannot operate effective social security systems? Why not?
8. What approach has been taken by the newly emerging industrialized countries?
9. Why has Singapore achieved one of the highest rates of home-ownership in the world?
10. Why is this tax not a tax as such in Singapore?

Ex.2. Write down four main forms of the following verbs.

pay, begin, levy, cover, spread, cut, provide, operate, generate, have, put, withdraw, revert, achieve, receive, recognize, emerge, collect, submit, call

Ex.3. Find English equivalents of the following words and word-combinations in the text above.

даромад солиғи; эҳтимол ҳаммаси даромадга боғлиқ; энг бошида; давлат томонидан бериладиган моддий ёрдам; келажакдаги нафақа учун жамғарма пул; мажбурий суғурта; қўшимча солиқ; саноатлашган ривожланган давлатлар; суғурта тизими; маошининг маълум қисмини махсус фондга ўтказиш; маълум мақсадлар учун ҳисоб рақамдан маблағ ечиш; шахсий харажатлар учун; тан олиш керак; мажбурий жамғариб бориладиган нафақа пули; қўшимча бадал

Ex.4. Find and write down taxation terms as well as international words which are well known to you in the text.

Ex.5. Retell the text “National Insurance Contributions (NIC)” according to this plan:

- definition of NIC
- the history of NIC
- the broad agreement about NIC
- the impossibility to operate NIC in some countries
- a different approach of newly emerging industrialized countries
- high rate of home-ownership in Malaysia.

Ex.6. Open the brackets, put in order the correct forms of verbs in passive voice.

1. In addition to income tax, NIC (to pay).
2. NIC (to pioneered) by the UK.
3. In times of need citizens (to give) allowances from the state.
4. NIC (to levy) by governments against possible future deprivation.
5. A pay-as-you-earn scheme (PAYE) (to adopt) by an increasing number of countries.
6. A new sales tax (to devise) by the local government recently instead of the old one which (to abandon) last year.
7. Basic health care (to provide) from social security payment next year.
8. The amounts paid out to the people in need (to cover) by a national insurance contribution.
9. An important safety net (to develop) for people in need and retirement.
10. Effective social security system (to operate) for along time in advanced industrialized countries.
11. Money (to withdraw) for specific purposes such as housing now.

Ex.7. Questions for discussion.

Do we have National Insurance Contribution in Uzbekistan? What is their main aim? Who pays NIC in Uzbekistan? What is the rate of this tax in Uzbekistan?

Ex.8. Complete the sentences according to the meaning of the text and translate them into Uzbek.

1. The additional contribution is likely
2. In other words, it was effectively
3. The idea was pioneered and has now spread to
4. A number of countries are unable to operate
5. Individuals may withdraw
6. It should be recognized, however, that this is not
7. No government pension is paid
8. Citizens generally pay
9. When firms began, these payments were for
10. By no means all countries have
11. There has beenin the past decade.
12. Some countries are unable to
13. It wasinsurance levied by governments.
14. NIC today does not cover the
15. Not all countries have enough people in paid employment to
- 16 The money reverts to

Ex.9. Find the synonyms of the following words and word-combinations used in the text.

Industrialized countries, connected with, aims. final, insurance, originated in the UK, become popular, on pension, in trouble, to accumulate money, initially

Ex.10. Find antonyms of the following words and word-combinations used in the text.

advanced countries, ineffective, prosperity, optional, past, often, progress, narrow, worthless, release

• Translate the following text and entitle it.

TEXT

It may also be pointed out that, our expenditure on social security is low by Germany, French or Swedish standards, nor when taking comparative purchasing powers into account, does it even compare well with the US. The psychological effect of our particular tax structure on the citizen is hardly surprising. It is impossible to quantify the negative results of the system, but it is certain that those groups for whom the shoe pinches most tightly are precisely those on whom present and future economic prosperity largely depends.

Piecemeal reform of our existing system seems likely to lead to increased complexity (and inefficiency) without a corresponding reduction in social injustice. And for all their complexity, our recent reforms have been piecemeal, making little change either to the proportion of all tax payable by different sectors of society, or to

the ways in which they pay. Other countries are discovering by experience that more basic tax reform is necessary to obtain maximum revenue at least cost to the economy.

(from "Britain's Taxes. Some International Comparisons")

- **Translate the text "Social Security Contribution" and answer the questions: What proves that the UK is not a generous welfare state?**

TEXT

SOCIAL SECURITY CONTRIBUTIONS

In any study of international tax, the part played by social security contributions can be very important to the validity of comparisons. These contributions are correctly defined as a form of taxation but they are likely to be much more acceptable than income tax. The revenue from them has some relation to the benefits obtained. Social security programs are usually subsidized from the general revenues, the extent of this subsidy can be reduced by increased contributions. The feeling that benefits are "purchased" by contributions causes less resentment of increases than higher rates of direct tax.

Examination of the table below shows another area in which UK practice is sharply different from the other countries, particularly those in Europe. Social security contributions in France and Germany in 2004 absorbed 12.1 per cent and 9.2 per cent GNP respectively compared with only 4.7 per cent in the UK. Moreover, although this percentage has increased everywhere since 1998, except in Germany, the increase has been least in Britain. As a result, Social Service expenditure (including the National Health Service) in Britain on goods, services, grants to persons and capital expenditure amounted to some 3 pounds per head of the population in 1994, less than in any country including the US, and well below the German and French figures. On the other hand, the proportion of Social Security costs financed by contributions is much less than in other countries, being equivalent to 42 per cent only of total expenditure by comparison with 60-75 per cent in Germany, Sweden and the US, and 87 per cent in France. On the basis of these figures, Britain is, contrary to popular belief, far from being a generous welfare state. Finally, on this subject one other important difference must be noted. In all the other countries, Social Security Contributions are graduated in accordance with income, in the UK, flat-rate contributions are the rule and the regressive nature of this system must be taken into account when considering the burden of income tax.

SOCIAL SECURITY CONTRIBUTIONS IN RELATION TO GNP

	1998	2004	increase
	%	%	%
France	9,5	12,1	+27