



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

Tel 020 7219 5769 Email treascom@parliament.uk Website www.parliament.uk/treascom

Jim Harra CB
First Permanent Secretary and Chief Executive
HM Revenue and Customs
[via email]

19 January 2024

Dear Jim,

Simplification: Amending the parents' National Insurance Credit (Child Benefit)

In a recent HMRC Policy Paper *Simplification update – January 2024*, published on 16 January 2024, further details were provided on the Government's plans to legislate to “introduce a route for people to apply for National Insurance Credits for parents and carers for tax years where they have not claimed Child Benefit, to ensure that people do not miss out on their State Pension entitlement.” This is to be active from April 2026.¹ This followed an initial announcement on 27 April 2023.²

This Committee, and its predecessors, have long been concerned about the impact on individuals from not claiming Child Benefit, potentially due to their concerns around the High Income Child Benefit Charge, and in so doing losing National Insurance credits.

In anticipation of the secondary legislation being brought forward, I would welcome your answers to the following questions:

- Why was this policy announced as a ‘simplification’, given that it seems to require further contact with the tax system?
- The announcement states that those affected will be able to claim from April 2026. This work was first announced in April 2023. Why will it have taken three years to implement? Did you advise HM Treasury that you would be unable to commence a system any earlier?
- Will HMRC actively identify those who may be eligible to claim, and proactively encourage them to do so? If not, why not?
- Will there be an advertising campaign to encourage those who may have missed out to claim, and if so, has a budget been set aside to allow this to occur?

In line with the Committee's usual practice, I will place both this letter and your response in the public domain once received. I would be grateful for a reply by 2 February 2024.

With best wishes,

Harriett Baldwin MP
Chair of the Treasury Committee

¹ <https://www.gov.uk/government/publications/tax-simplification-update-january-2024/tax-simplification-update-january-2024>

² <https://www.gov.uk/government/publications/tax-administration-and-maintenance-summary-spring-2023/summary-of-tax-administration-and-maintenance-spring-2023>