



HM Revenue
& Customs

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Chief Executive and First
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Dear Harriett,

Thank you for your letter of 19 January 2024 requesting further information on the 16 January 2024 update on the Government's plans to amend the parents' National Insurance (NI) credit. Since its initial announcement on 27 April 2023, officials in HMRC and DWP (as the policy owners for NI credits) have worked closely to progress this measure which is intended to ensure that parents do not miss out on their State Pension entitlement.

You asked why the announcement of further policy detail regarding the credit was included in an announcement focused on simplification. The Written Ministerial Statement reiterated the four principles of simplification, one of which is that "tax policy should not unnecessarily distort the decisions of taxpayers and result in poorly informed choices." Child Benefit claim rates have reduced in the last decade, meaning individuals may have unintentionally missed out on the NI credit associated with claiming Child Benefit. This measure provides a route for parents who have missed out on their State Pension entitlement to fill gaps in their NI records. The measure will be delivered through HMRC Online and App services to ensure a good customer journey, minimising the number of times individuals need to interact with HMRC. This will build on the changes HMRC made earlier this year, enabling parents to claim Child Benefit online, making it far easier for parents to make the right choices going forward.

You also asked about the implementation timeline. The Government wants to provide certainty as soon as possible to affected individuals that they will be able to claim the NI credit and fill gaps in their State Pension, so has prioritised announcing policy detail in advance of implementation. Since the initial announcement in April 2023, HMRC and DWP have been working closely together to develop and agree the detailed policy framework for the credit. Implementation of the credit will depend on both passing legislation and IT system development, and our work undertaken so far on IT development suggests April 2026 is the earliest viable delivery date. Individuals will be able to claim the NI credit for prior periods dating back to 2013, meaning they should not be disadvantaged by this implementation timeline.

Information is available in large print, audio and Braille formats.
Text Relay service number – 18001



HMRC continues to advise customers who are eligible to claim Child Benefit as this remains the primary route for accessing the credit.

In relation to communications with eligible customers, HMRC cannot identify individuals who may have been eligible for Child Benefit but did not claim. This is because, without a Child Benefit claim, we cannot establish who is responsible for a child and hence who may be eligible for Child Benefit. However, HMRC and DWP will promote the NI credit via relevant channels, including using existing Child Benefit communications on GOV.UK, social media channels and through third party parenting groups. HMRC and DWP will also engage with media commentators and all other relevant groups, to ensure that eligible individuals are aware that they can claim.

I hope this response has been helpful in setting out the benefits and planned approach to encourage parents to claim the new NI credit. Further details will be released in due course.

Yours sincerely,



Jim Harra
CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY