

New National Insurance credits for wives, husbands or civil partners of members of Her Majesty's forces on an accompanied assignment outside the UK

April 2010

DWP Department for
Work and Pensions

Introduction

You may not be paying UK National Insurance if:

- you are married to, or in a civil partnership with, a member of Her Majesty's forces, and
- you are on an accompanied assignment outside the UK (England, Scotland, Wales and Northern Ireland).

So you may have gaps in your National Insurance contributions record unless you are entitled to other National Insurance credits.

The Government has introduced new National Insurance credits that will be available from **6 April 2010**.

These new National Insurance credits will help maintain your National Insurance contributions record. They may also protect your entitlement to the basic State Pension and contribution-based Social Security benefits such as Jobseeker's Allowance, and Employment and Support Allowance.

The new National Insurance credits relate only to the UK National Insurance and UK Social Security systems.

This factsheet tells you more about the new National Insurance credits – there are also links at the end for more information.

The new National Insurance credits will help maintain your National Insurance contributions record. They will also maintain the position you were in when you left the UK to accompany your spouse or civil partner. On their own, they will not provide entitlement to benefits.

Who can get the new National Insurance credits?

You can get the new National Insurance credits if you:

- are married to a member of Her Majesty's forces (*their spouse*), **or**
- have registered a civil partnership with a member of Her Majesty's forces (*their civil partner*), **and**
- are on an accompanied assignment outside the UK, **and**
- make an application to Her Majesty's Revenue & Customs (HMRC) that is signed and stamped by your Families or Welfare Officer.

You cannot get the new National Insurance credits for any period before 6 April 2010. For example, if the accompanied assignment outside the UK began on 1 January 2007 and ended on 30 June 2010, you could only get the new National Insurance credits for the period 6 April 2010 to 30 June 2010.

Can I get the new National Insurance credits if I am not a UK citizen?

Nationality or citizenship does not affect your entitlement to the new National Insurance credits.

What if I am not a UK citizen and have never had a National Insurance number?

If you are not a UK citizen and you therefore need to register for a UK National Insurance number, you will need to do this before the HMRC can deal with your application for credits. This will enable the new National Insurance credits to be added to your contributions record.

You should send your application for the new credits to
Fastpath Section
Glasgow NDC
Portcullis House
21 India Street
Glasgow
G2 4PH

The Department for Work and Pensions (DWP) will then contact you to register you for a UK National Insurance number at the address you have given.

If the DWP decides to give you a National Insurance number, it will pass your application for credits to HM Revenue & Customs (HMRC).

What if I have been working for an employer while outside the UK?

You may start or continue to work for an employer while you are outside the UK and pay UK National Insurance contributions throughout this time.

Therefore, you may not have a gap in your National Insurance contributions record. You can check with your employer whether you have been paying UK National Insurance for the period you have been outside the UK.

What if I have been self-employed while outside the UK?

You may start or continue self-employment while you are outside the UK and remain liable to pay self-employed Class 2 National Insurance contributions.

You can still claim and receive the new National Insurance credits at the same time. Class 1 National Insurance **credits** may be more beneficial to you than Class 2 National Insurance **contributions**:

- **Class 1 National Insurance credits** count towards entitlement to the State Pension, bereavement benefits and some other state benefits.
- **Class 2 National Insurance contributions** count towards certain benefits, like the basic State Pension, Maternity Allowance and Bereavement Benefit. But they do not count towards the additional State Pension, Statutory Sick Pay or Jobseeker's Allowance.

Are you paying Class 2 or Class 3 National Insurance contributions voluntarily to maintain your National Insurance record?

If you are entitled to the new National Insurance credits for a full tax year, you do not need to pay any voluntary National Insurance contributions for that year.

If you pay, or have paid, voluntary National Insurance contributions for any week for which you later successfully claim the new National Insurance credits, you may not be able to get them refunded. If you do not need to pay voluntary National Insurance contributions, you should cancel any payment arrangements you have made.

It may be that you will be entitled to the new National Insurance credits for only part of a tax year. In that case, if you want that year to count towards your basic State Pension entitlement and bereavement benefits, you will need to pay voluntary National Insurance contributions for the other weeks in the year.

If you do so, you should make sure you only pay for the weeks for which you will not receive the new National Insurance credits. If you want to check how many weeks you need to pay for when you have been awarded the new National Insurance credits, contact the National Insurance Enquiry helpline on **0845 302 1479**.

Receiving other Social Security benefits while you are outside the UK

Are you receiving Employment and Support Allowance while you are outside the UK, and will you get it during the whole of the accompanied assignment outside the UK? If so, you are already entitled to National Insurance credits. So you may not have a gap in your National Insurance contributions record.

If you have been receiving Child Benefit or Tax Credits (or both) but no other UK Social Security benefit, you should still apply for the new National Insurance credits. This is because they may entitle you to UK Social Security benefits such as Jobseeker's Allowance.

How do I apply for the new National Insurance credits?

You can get an application form (MODCA1) for the new National Insurance credits from

www.hmrc.gov.uk/forms/modca1.pdf

If you cannot access or use the internet, please visit your local welfare office; staff there will be able to print a form for you.

After completing your form

Please take your completed form to your Families or Welfare Officer, who will:

- check what you have put
- validate it (sign and stamp it), and
- give it back to you.

We recommend that you make a copy of your validated form for your own records.

Then send the original validated form to:

HM Revenue & Customs
National Insurance Contributions Office Individuals Caseworker
Decision Making Team
Benton Park View
NE98 1ZZ

Or, if you are not a UK citizen and you need to register for a National Insurance number, send the form to:

Fastpath Section
Glasgow NDC
Portcullis House
21 India Street
Glasgow
G2 4PH

Are there time limits for applications?

You can apply when you have a confirmed end-date for the accompanied assignment outside the UK. You should not normally apply before that date, as your application may not be accepted.

However, you should not apply very close to the end-date because you may find it harder to get the application validated by the Families or Welfare Officer.

In addition, HMRC may not accept your application if you send it after the end of the tax year following the one in which the accompanied assignment outside the UK ended.

Example: your accompanied assignment outside the UK ended on 31 May 2010; this is in the tax year 6 April 2010 to 5 April 2011. Therefore, HMRC must receive your validated application before the end of the next tax year – 6 April 2011 to 5 April 2012. In this case, if HMRC gets it later than 5 April 2012, they may not accept it.

Applying for the new National Insurance credits on time will help ensure your National Insurance contributions record is kept up to date. This will improve your entitlement to Jobseeker's Allowance and Employment and Support Allowance.

Returning temporarily to the UK

If you or your husband, wife or civil partner who is a member of Her Majesty's forces has to return to the UK temporarily (for example, to go into hospital), then you will still be entitled to the new National Insurance credits.

What if there are back-to-back assignments?

Your husband, wife or civil partner might move from one assignment outside the UK to another (for example, from Germany to Cyprus).

If this happens, and you accompany them on each assignment, you will need to send separate validated applications at the end of each accompanied assignment outside the UK.

What if my accompanied assignment ends earlier than planned?

If the accompanied assignment outside the UK ends earlier than planned (for example, because of a relationship breakdown), then you should send a validated application as soon as you know the exact end-date when you will cease to occupy the Service Family Accommodation outside the UK.

Where can I get more information?

For more information, please use the following:

- The regulations on the new National Insurance credits:
http://www.england-legislation.hmso.gov.uk/si/si2010/pdf/uksi_20100385_en.pdf
- The explanatory memorandum:
http://www.england-legislation.hmso.gov.uk/si/si2010/em/uksiem_20100385_en.pdf
- National Insurance and benefits that depend on National Insurance contributions:

National Insurance

http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/DG_4015904

- UK State Pension: State Pension
<http://www.direct.gov.uk/statepension>
- UK Social Security benefits: Benefits and financial support
<http://www.direct.gov.uk/MoneyTaxAndBenefits>
- To claim Jobseeker's Allowance or Employment and Support Allowance, call: **0800 055 6688** (*if you are in the UK*).

Important information

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure the leaflet is correct as of April 2010. Some of the information may be oversimplified or may become inaccurate over time, for example because of changes to the law. We recommend that you get independent advice before making financial decisions based on this leaflet.

**The leaflet is available in Welsh and other formats:
phone 0845 7 31 32 33.**

If you can't speak or hear clearly, you can order our leaflets from our textphone service on **0845 604 0210**.

Go to **www.direct.gov.uk** for the latest and widest range of public service information.

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