

Specified Adult Childcare credits Factsheet

This Factsheet contains background information about the new credits and a series of frequently asked questions. Combined with the application form you will have a comprehensive view of the new credits.

Background information

The Chancellor announced in the 2009 Budget that grandparents looking after children while the parents work will be able to get, if they apply for them National Insurance credits towards their basic State Pension. As the policy was developed, it was decided to expand eligibility to all extended family that look after children on behalf of the parent or main carer.

The credit was introduced in April 2011 and the first year that these credits were available was the 2011/12 tax year. They must be applied for and are a Class 3 National Insurance credit which means they help build entitlement to the basic State Pension and certain bereavement benefits.

What is a National Insurance credit?

If you're not paying National Insurance contributions (NICs) because, for example, you can't work due to illness or you're caring for someone, you may be able to get National Insurance credits. Credits can help maintain your National Insurance record and so protect your entitlement to the basic State Pension and certain other state benefits.

Who can get these credits?

You should apply for these credits if:

- You have cared for a family member under the age of 12
- The Parent or main carer for the child must be in receipt of child benefit, and must have a qualifying year of NICs (without using the Credits for parents and carers).

- You do **not** already have a qualifying year of NICs
- You were 16 years old or above and below State Pension age when you provided care.
- You are ordinarily resident in the United Kingdom (UK) meaning England, Scotland, Wales and Northern Ireland. But not the Channel Islands or the Isle of Man.

You cannot apply for these credits for any period before 6th April 2011, **See – How do the credits work?**

What counts as a “family member”?

You may get these new NICs if, in relation to a child under 12 who you are caring for, you are a:

1. Mother or father,
2. Grandparent;
3. Great-grandparent;
4. Great-great-grandparent;
5. Brother or sister;
6. Aunt or uncle;
7. Husband or wife or former husband or wife of anyone in **1** to **6**.
8. Civil partner or former civil partner of anyone in **1** to **6**;
9. Partner/former partner of anyone in **1** to **8**;
10. Son or daughter of anyone in **5** to **9**;

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11. In respect of the son or daughter of anyone in **6**, that person's:

- a. husband or wife or former husband or wife;
- b. civil partner or former civil partner; or
- c. partner or former partner.

5 and **6** include:

- a half-brother or half-sister;
- a step-brother or a step-sister; and
- an adopted brother or an adopted sister.

For **9** and **11c**, a partner is the other member of a couple consisting of:

- a man and woman who are not married to each other but are living together as husband and wife; or
- two people of the same sex who are not civil partners of each other but are living together as if they were civil partners.

How do the credits work?

Entitlement to these new credits partly depends on the parent or main carer satisfying certain conditions, and agreement from the parent or main carer that the applicant can receive the Specified Adult Childcare credits:

The parent or main carer must have entitlement to credits for parents and carers which is linked to their claim for child benefit for the child.

The parent or main carer must have a qualifying year made up of NICs or other credits. But that must be achieved without relying on the credits for parents and carers that they receive. For example they may be working and pay NICs.

The parent or main carer will be asked to confirm you have cared for the child on their behalf for the weeks for which you are applying for this new credit and that they are satisfied it is appropriate to award the applicant the credits, **See – What do I have to do as the counter-signatory?**

Entitlement to these credits also depends on the applicant for these new credits meeting the qualifying conditions, **See - Who can get these credits?**

Providing the applicant satisfies the qualifying conditions and the application is supported by the parent or main carer, as described above, Specified Adult Childcare credits are awarded to the applicant.

Why does the parent or main carer have to have a qualifying year?

These credits were introduced to recognise that some family members provide childcare to enable parents to work. In some circumstances, the parent's or main carer's are using the benefit of the credits for parents and carers on their own National Insurance record. The benefit of those credits can only be used once.

So, if the parent or main carer does not already have a qualifying year covering the period the caring took place, they cannot agree to the benefit of that credit, for that year, being available to someone else.

Is there a time limit on applications for these credits?

There is not a time limit on applications for these credits, but the application must be made after the end of the tax year in question and cannot be made for dates before 6th April 2011.

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However there are time limits if the credits by themselves don't give you a qualifying year and you need to top up the shortfall by paying Class 3 NICs. You normally have to do this within six years of the end of the tax year for which the contributions are being paid.

Why do I have to be below State Pension age to qualify for these credits?

Your basic State Pension is calculated when you reach State Pension age and it is not possible to improve your State Pension record using tax years when you are already over State Pension age. For this reason, the credits would not be worth anything for tax years after your State Pension age. However you can still apply for the credit if you are over State Pension age but you cared for a child before you reached State Pension age.

I provided care in the year I was aged 16, when can I apply?

You can apply for these credits for the whole week in which you turn 16. This is in line with liability to pay National Insurance contributions. If you turn 16 halfway through the tax year you could apply for these credits for the next tax year, when it is possible to build a whole qualifying year (if you have cared for a family member under the age of 12). These credits do not have any value beyond helping to build a qualifying year. **For more information about qualifying years go to - [Qualifying for a basic State Pension](https://www.direct.gov.uk/pensions) at www.direct.gov.uk/pensions**

Why can't I apply until after the end of the tax year?

In order to assess your application, we need to make sure that the parent or carer has a qualifying year. This can take some months following the end of the tax year. Therefore, applications cannot be processed straight away. Normally applications can be processed from around October following the end of the tax year.

I live in Northern Ireland – can I apply for these credits?

Yes, eligibility extends across the whole of the UK. You can find out more information by visiting www.nidirect.gov.uk

Do I have to claim every year?

We would expect applications to be made after the end of the tax year that the caring took place. However if you do not apply at this time, for example if you did not realise that you could be entitled to the credit until some years later, you can still apply in a single application.

If I have turned State Pension age since I provided care, will these credits improve my state pension?

If you provided care before you reached State Pension age, you have less than 30 qualifying years and you could get an extra qualifying year through applying for these credits, they may increase the amount of state pension that you receive. You may apply for any tax years between 6th April 2011 and your final relevant year (The final relevant year is the last complete tax year before a person reaches state pension age). When your application has been processed your state pension amount will automatically be revised and you will receive backdated payments for any deficient awards.

What if I am self employed?

If you have been self-employed during the time you helped care for the child you will still remain liable to pay self employed Class 2 NICs as normal.

How do I claim the credits?

You can get an application form (CA9176, Application for Specified Adult Childcare credits) for these new credits from www.direct.gov.uk/pensions The form is on the internet and has been designed so that as far as possible it can be completed online.

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Information to help you complete the application has been built into the form. The form has to be printed and signed by both the applicant and the parent (or main carer).

Once it has been completed and signed the form should be posted to the National Insurance Contributions & Employer Office in HM Revenue and Customs (HMRC). The full address is on the form.

Please note - If you are entitled to Specified Adult Childcare credits you may not need to pay Class 3 NICs for that year. If you have already paid, you can contact HMRC to ask if a refund of your paid National Insurance is possible. Contact details are on the website, see www.hmrc.gov.uk

What do I have to do as the counter-signatory?

By counter signing the form you are confirming that the applicant has provided care for the stated child in the weeks given on the application form. To counter-sign this application you must:

- Be receiving child benefit for a child under 12
- Have a qualifying year of NICs without the National Insurance credits for receiving child benefit.
- Only act as counter-signatory for one person for any given week that they have provided care.

What if two people provide childcare for the same period of time?

The counter-signatory is responsible for deciding who can get the Specified Adult Childcare credit if more than one person is sharing responsibility for caring for their child or children. Where necessary, the counter-signatory is expected to agree with the carers who should receive the benefit of the Specified Adult Childcare credits, and make sure the right person receives the benefit of the new credit.

For example; if there is more than one child to care for and the caring responsibilities are shared between more than one carer for the same period.

The counter-signatory can authorise applications for two carers or more for the same year. But the applications will need to be clear which weeks in the year each carer was responsible for. Only one application for any individual week will be accepted.

- Where the caring is shared between more than one carer over the year and the Specified Adult Childcare credits split between different applicants, the credits by themselves will not be enough to provide a qualifying year for State Pension. Applicants will need to check if they need to take any further action to make sure the year for which the credits are awarded is a qualifying year. They need to be aware there are time limits for paying Class 3 NICs to top up the credits to a qualifying year, **See - Is there a time limit on applications for these credits?**

Once you have countersigned an application, you cannot withdraw the credit from the applicant. This means that you cannot change your mind about who received the Specified Adult Childcare credits once an application has been made. For this reason, you should ensure before you sign an application that there are no other applicants for the Specified Adult Childcare credits that you wish to countersign.

Where can I go to find out about other credits and State Pension?

To find more information go to www.direct.gov.uk/pensions and click on '**State Pensions an introduction**' then click on '**What happens when you can't pay National Insurance?**'