

About these notes

These notes will help you decide whether you want to pay voluntary National Insurance contributions (NICs). Please read these notes before you fill in the application form on pages 3 and 4.

Why pay voluntary NICs?

Gaps in your NICs record could reduce the amount of basic State Pension you receive when you reach State Pension age. Voluntary NICs are paid by people who are not liable to pay any other class of NICs and count towards:

- basic State Pension
- Widowed Parent's Allowance
- Bereavement Payment
- Bereavement Allowance.

For 2013-14 Voluntary NICs are £13.55 a week.

Voluntary NICs do not count towards:

- Jobseeker's Allowance
- the earnings-related part of State Pension or of Widowed Parent's Allowance
- Employment and Support Allowance, or
- Industrial Injuries Disablement Benefit.

Who can pay voluntary NICs?

You can pay for any tax year where you are:

- over 16
- not working
- not liable to pay Class 1 and/or Class 2 NICs as a self-employed person
- a woman who revokes her married woman's or widow's reduced rate election part way through a tax year
- exempt from paying Class 2 NICs as a self-employed person.

You may also be able to pay for periods where you have been abroad.

Who cannot pay voluntary NICs?

You cannot pay:

- if you are a married woman or widow who opted to pay reduced rate NICs during the whole tax year
- if you are paying for the tax year in which you reach State Pension age, or for any subsequent tax year
- if you are self employed and not exempt from paying Class 2 NICs
- for any week that you are entitled to National Insurance credits.

Protecting your basic State Pension

The amount of basic State Pension you receive depends on the NICs you have paid, or are treated as having paid, or have been credited with. These are called qualifying years.

The Department for Work and Pensions' (DWP) White Paper on the Single-tier Pension was published on 14 January 2013. It contains proposals to reform the State Pension system for individuals who reach State Pension age on or after 6 April 2016.

Proposed changes include:

- Increasing the number of qualifying years needed from 30, under the current system, to 35 to get a full Single-tier Pension.
- Introducing a minimum number of seven to ten qualifying years needed to get the minimum amount of Single-tier Pension.

For more information go to www.dwp.gov.uk/single-tier-pension

Getting credits towards your State Pension

Before you consider paying voluntary NICs you should consider whether you might be entitled to credits instead.

Sometimes you may not pay NICs if you:

- are ill
- are unemployed
- don't work because you are caring for someone, or
- don't earn enough to pay NICs.

In many cases the government may give you credits towards your State Pension in respect of those periods. NI credits can help maintain your NICs record and they help protect your entitlement to the basic State Pension. Some credits can also protect your entitlement to working-age contribution based social security benefits.

Before 6 April 2010 the government also provided a scheme called Home Responsibilities Protection (HRP) to protect entitlement to State Pension for people who received Child Benefit and some other people who were caring for someone.

For more information about credits or Home Responsibilities Protection go to **GOV.UK**

Deciding to pay

Before you decide to pay voluntary NICs, you should get information about your State Pension entitlement, including the number of qualifying years you have to date.

To do this:

- visit Working, Jobs and Pensions at **GOV.UK**
- if you live in the UK phone the Future Pension Centre on **0845 3000 168**, textphone **0845 3000 169**
- if you live outside the UK phone **+44 191 218 3600**.

For our opening hours go to hmrc.gov.uk

The information provided on the Pension Statement will be based on the current pension system. If you retire after April 2016 you should wait until Pension Statements for Single-tier Pensions become available before you decide whether to pay voluntary NICs.

Time limits for payment

You must pay voluntary NICs before the end of the sixth tax year following the tax year you are paying for, for them to count towards State Pension and bereavement benefits.

Following the announcement of the introduction of Single-tier Pension, HMRC are reviewing the time limits that apply.

For more information go to

www.hmrc.gov.uk/payinghmrc/class3NICs.htm

Higher rates for late payment

If you pay more than two years after the end of the tax year for which you are paying, you may have to pay at a higher rate.

Following the announcement of the introduction of Single-tier Pension, HMRC are reviewing the higher rate provisions that apply.

To allow for possible delays in bank processing (for which HMRC is not responsible) please allow at least five bank working days for your payment to reach us. Bank working days are Monday to Friday excluding bank holidays.

What years can I make payment for?

If you want to make payment or check the time limits for paying, you should:

- write to us at
HM Revenue & Customs
National Insurance Contributions & Employer Office
Individuals Caseworker
Benton Park View
NEWCASTLE UPON TYNE
NE98 1ZZ
- call the NI helpline on **0845 302 1479**.

Additional Class 3 NICs

If you reach State Pension age between 6 April 2008 and 5 April 2015 you will be able, if you want, to pay Class 3 NICs for up to an additional six non-qualifying years going back to the 1975-76 tax year if you:

- already have 20 qualifying years (which may include full years of HRP) and
- reached State Pension age before 6 April 2010 and you have one qualifying year from paid, or treated as paid, contributions.

Payment(s) for the additional years can be made up to six years after the date on which you reach State Pension age.

Married women or widows cannot pay additional Class 3 NICs for any tax year during the whole of which a reduced rate election is in force. A woman who revokes (or revoked) her election part way through a tax year may be entitled to pay additional Class 3 NICs for the whole of that tax year. For more information go to **GOV.UK**

This does not affect any Class 3 NICs you may be able to pay under the usual time limits.

Refund of voluntary NICs

There is no automatic right to a refund of voluntary NICs. We can only refund NICs if:

- you were not entitled to pay them, or
- you paid insufficient Class 3 NICs to make the year count for basic State Pension and certain bereavement benefits, or
- they were paid in error.

If you are unsure whether it would be beneficial to pay voluntary NICs, ask for advice from the Pension, Disability and Carers Service before making any payments. For more information go to **GOV.UK**

What to do if you want to pay voluntary NICs

If you have decided you want to pay voluntary NICs read the 'How to Pay' section below, tick your preferred payment option on the application form and complete the declaration. If you choose to pay by Direct Debit, complete the 'Instruction to your bank or building society to pay by Direct Debit'. Keep these notes, detach pages 3 and 4 and return them to:

HM Revenue & Customs
National Insurance Contributions & Employer Office
Individuals Caseworker
Benton Park View
NEWCASTLE UPON TYNE
NE98 1ZZ

telling us of any change in your circumstances.

How to pay

You can pay voluntary NICs by:

Direct Debit - we will collect NICs from your bank or building society once a month. It can take at least 21 days to set up a Direct Debit with your bank or building society. We will write to you to confirm the date of the first payment.

Payments are made in arrears and will cover NICs for four or five weeks, depending on the number of Sundays in the preceding tax month. Depending on the date you have chosen to start paying NICs, the first payment may cover more than one month. Subsequent payments will be collected for as long as you want and will be deducted from your account on or up to three working days after the second Friday of each month. Please make sure you have enough funds in your account.

Quarterly bill - If you choose to pay quarterly we will send you a bill every 13 weeks, in July, October, January and April each year. You can pay your bill at any Post office and will not be charged for the transaction.

There are special arrangements for people who are abroad, or are going abroad. For more information on paying HMRC, go to **hmrc.gov.uk** and under *Quick links* select *Paying HMRC*.

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information, go to **hmrc.gov.uk/charter**



The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the amount, date or frequency of your Direct Debit HM Revenue & Customs will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request HM Revenue & Customs to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by HM Revenue & Customs or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society
 - If you receive a refund you are not entitled to, you must pay it back when HM Revenue & Customs asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

- Please use capital letters and write clearly in black ballpoint pen.
- **Instruction to your bank or building society to pay by Direct Debit** - at *Reference*, please enter your National Insurance number.
- Send us pages 3 and 4. Keep the notes on pages 1 and 2.
- When we receive your reply we will update your National Insurance account.

Your details

1	Surname	<input type="text"/>
2	First name(s)	<input type="text"/>
3	Title - Mr, Mrs, Miss, Ms or other	<input type="text"/>
4	National Insurance number	<input type="text"/>
5	Date of birth DD MM YYYY	<input type="text"/>
6	Address	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
		Postcode

7	Phone numbers	<input type="text"/> Home <input type="text"/> Mobile
8	Marital or civil partnership status	<input type="text"/>
9	From what date do you wish to start paying voluntary National Insurance contributions (NICs)? See 'How to pay' on page 2 for more information about the start date DD MM YYYY	<input type="text"/>

— Do not detach —

	<h3>Instruction to your bank or building society to pay by Direct Debit</h3> <p>Please fill in this form in capital letters using a black ballpoint pen and send it to HM Revenue & Customs, NIC&EO, Self-employment Services, Benton Park View, NEWCASTLE UPON TYNE, NE98 1ZZ.</p>												
	Name(s) of account holder(s) <input type="text"/>	Service user number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>											
Bank/building society account number <input type="text"/> <input type="text"/>	Reference <input type="text"/> <input type="text"/>	Instruction to your bank or building society Please pay HM Revenue & Customs Direct Debits from the account detailed in this instruction, subject to the safeguards assured by The Direct Debit Guarantee. I understand that this instruction may remain with HM Revenue & Customs and, if so, details will be passed electronically to my bank/building society.											
Branch sort code <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/>	Name and full postal address of your bank or building society <table border="1"> <tr> <td>To: The Manager</td> <td>Bank/building society</td> </tr> <tr> <td colspan="2">Address</td> </tr> <tr> <td colspan="2"><input type="text"/></td> </tr> <tr> <td colspan="2"><input type="text"/></td> </tr> <tr> <td colspan="2">Postcode</td> </tr> </table>			To: The Manager	Bank/building society	Address		<input type="text"/>		<input type="text"/>		Postcode	
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<i>Banks and building societies may not accept Direct Debit instructions for some types of account</i>													

10 Tell us about the work you do or have done before the date you wish to start paying voluntary NICs. Please tick the appropriate box(es)?

Employed?

from DD MM YYYY

to DD MM YYYY

Self-employed?

from DD MM YYYY

to DD MM YYYY

Unemployed?

from DD MM YYYY

to DD MM YYYY

Non-employed?

from DD MM YYYY

to DD MM YYYY

How to pay

I wish to pay by Quarterly bill **Go to Declaration**

I wish to pay by Direct Debit

Please complete the Direct Debit instruction on page 3. Banks and building societies may not accept Direct Debit instructions for some types of account.

Declaration

This is my application to pay voluntary NICs. I would like to pay in the way shown in 'How to pay'. I understand the following:

- Voluntary NICs cannot help me to qualify for Jobseeker's Allowance, the earnings-related part of the State Pension, the earnings-related part of bereavement benefits, Maternity Allowance, Incapacity Benefit and/or Employment and Support Allowance and Industrial Injuries Disablement Benefit. They do count towards basic State Pension, Widowed Parent's Allowance, Bereavement Allowance and Bereavement Payment.
- I am under no legal obligation to make voluntary NICs.
- If I pay less than 52 weeks of voluntary NICs, in any one tax year, you may automatically stop sending me quarterly bills.

Tick this box if you receive or have received Child Benefit, otherwise leave blank.

Signature(s)

Date DD MM YYYY

What to do now

Detach your completed form on pages 3 and 4 and send it to: HM Revenue & Customs, National Insurance Contributions & Employer Office, Individuals Caseworker, Benton Park View, NEWCASTLE UPON TYNE, NE98 1ZZ.