

## **Credit Title Guide – Chapters 10 to 13**

### **10 Credits for married or divorced women and widows or widowers**

At a glance - Credits for married or divorced women and widows or widowers

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#### **Credits for Married Women**

1. A married woman cannot be awarded credits for any period during which she has a valid married woman's reduced rate election in force, with the exception of starting credits.
2. Where a woman has been in receipt of benefit for at least 2 complete consecutive tax years, it is likely that her election will have lapsed under the 2 year rule. The lapsing rule provides that where a woman neither pays Class 1 employee rate NICs nor is self employed for two complete consecutive tax years, since 1978, her married woman election is automatically lapsed by NPS.
3. Use the liabilities screen in the eNIRS browser to check whether the reduced rate election has been lapsed. Any claimant wishing to revoke her married woman's election should be advised to contact HMRC.
4. If a married woman queries the award of credits for a spell of incapacity, use the eNIRS browser to check if the claimant has a current married woman's reduced rate election.

#### **Married Woman election is still current**

5. If election is still current, advise the claimant that no credits can be awarded whilst her election is still current. Advise the claimant that if she wishes to revoke her married woman election, she should contact HMRC who will give advice about her NI liability.

#### **Married Woman election has lapsed**

6. If the married woman election has ended or lapsed, check that credits have been correctly awarded for all spells of incapacity that fall in the tax years following the one in which the election terminated.
7. If further credits should be awarded, use the eNIRS browser to enter an appropriate period of liability to cover the missing credit period. Advise the claimant that further credits have been awarded.

#### **Credits for divorced women**

8. Prior to 28 May 1989 women who were divorced were entitled to credits for any tax year during which they were still married, provided that they had paid contributions of at least 25x the lower earnings limit (LEL) in the year prior to termination, or a later year, to enable them to satisfy the contribution conditions for Unemployment Benefit (UB), Sickness Benefit (SB) or MA.

9. No record of the use of these credits was made, either on the Benefit History Sheet or NIRS.

10. These credits were not available for any new claim made on or after 28 May 1989. Special arrangements related to women who had made a (linked) claim prior to that date, to enable them to continue to qualify for benefit based on the award of special credits. These arrangements lasted until either they ceased to be entitled to SB, or became entitled to Invalidity Benefit (IVB).

### **Credits for Widows and Widowers**

11. Widows are entitled to credits for periods of incapacity for work, or maternity, regardless of whether or not they have a reduced rate election.

12. Widows are entitled to special credits to help them to qualify for benefits for incapacity, following cessation of their Widows Mothers Allowance (WMA), for reasons other than co-habitation or remarriage. These are known internally as running start credits.

13. If a widow is unable to satisfy the contribution conditions for ESA (formally IB) on cessation of her WMA she may be entitled to running start credits to enable her to satisfy second contribution condition. The first contribution is treated as satisfied in these cases. Credits are awarded for any tax year up to and including the tax year in which her WMA ceased. These credits are noted locally on the claimant's clerical or system record, but are not recorded on NPS.

14. Since 9 April 2001, credits are available for both widows and widowers where Bereavement Benefit (BB) but not Bereavement Payment, ceases other than by reason of remarriage or co-habitation. Credits can be awarded if BB ceases in the relevant tax year or subsequent year, but they must be awarded prior to any remarriage or co-habitation. They are only available to enable the claimant to satisfy the second contribution condition.

15. For more information on ESA(C) claims see When to Consider Special Credits.

### **Considering Widow Special Credits**

16. For ESA(C) claims, consider the following:

- does the widow satisfied the contribution conditions for ESA(C) based on her own contribution record.
- if claim can't succeed using claimant's own contribution record, check date of widowhood to see if it was before 09/04/2001.
- if claimant was widowed before 09/04/2001, confirm WMA has ceased
- confirm the reason why WMA ceased was not due to co-habitation or remarriage. (If WMA ceased because of co-habitation or remarriage, special credits cannot be awarded)
- if the claimant satisfies the above criteria, award special credits to enable widow(er) to satisfy the contribution conditions for ESA(C). The special credits are used to satisfy the second contribution condition as the first contribution condition is treated as satisfied

### **Considering Bereavement Benefit Special Credits**

17. For ESA(C) claims take the following steps:

- check to see if widow(er) qualifies for ESA(C) on their own contributions
- if claim can't succeed using the claimant's own contribution record, check the date of widowhood to see if it was on or after 09/04/2001.
- if claimant was widowed on or after 09/04/2001, confirm BB has ceased
- confirm the reason why BB ceased was not due to co-habitation or remarriage. (If BB ceased because of co-habitation or remarriage, special credits cannot be awarded)

- if the claimant satisfies the above criteria, award special credits to enable widow(er) to satisfy the contribution conditions for ESA(C). The special credits are used to satisfy the second contribution condition as the first contribution condition is treated as satisfied.

## **11 Previously Replaced Benefits**

### **Sickness Benefit & Invalidity Benefit**

1. Sickness Benefit (SB), along with Invalidity Benefit (IVB) was the predecessor of Incapacity Benefit (IB). Providing the contribution conditions were satisfied SB has been payable since 1948. Prior to 6th April 1975 SB was paid at one of three rates, depending on how many contributions had been paid in the relevant qualifying period.
2. The period for payment of contributions depended on the suffix of the claimant's NI Number. National Insurance contribution years started on the first Monday of March, June, September and December, and the relevant benefit year for each suffix started 5 months later, in August, November, February and May respectively. There was no restriction on the use of credits in determining the contribution condition. In certain circumstances, Class 3 contributions could also be used to satisfy the contribution condition.
3. If incapacity continued from one benefit year to the next the contribution conditions had to be satisfied for the new benefit year. Where the claimant had actually paid less than 156 contributions in their working life, SB was restricted to 312 days, unless the claimant paid further contributions and was able to re-qualify for benefit. In 1975 the 312 day restriction was lifted, but there were transitional provisions to determine whether the claimant continued to qualify for benefit.
4. There were also transitional provisions relating to which contribution year related to which benefit year, depending on the suffix of the claimant's NI Number. The transitional period ended in May 1977, when the 1975/76 tax year became the relevant income tax year (RITY) for all claims to SB. Title to the two lower rates of SB was abolished from October 1988. Claimants in receipt of SB at 13 April 1995 were automatically transferred to the appropriate rate of IB, and subject to the IB rules.
5. IVB was introduced in 1971 and was payable to people who had qualified for SB and had been sick for 28 weeks. People subject to the 312 day rule could not qualify for IVB. IVB was payable at a standard rate, regardless of the rate at which SB had been paid. Claimants, who had qualified for IVB at either 6 April 1975 or May 1977, continued to be entitled to IVB as long as they remained incapable of work.
6. Between April 1979 and April 1991 claimants were able to qualify for an additional pension payable with their IVB. The calculation was similar to that used for calculating additional pension with Retirement Pension, and was provided directly by NIRS (now NPS). Claimants might also have been entitled to an Invalidity Addition (IVA), which was paid at three rates, depending on the claimant's age at onset. The IVA overlapped with additional pension.
7. Claimants in receipt of IVB on 13 April 1995 were automatically transferred to IB. Claimants also kept their additional pension at the existing rate. IB could be paid weekly and was not taxable.

### **Credits for Sickness Benefit & Invalidity Benefit**

8. Credits were awarded for each complete week of sickness, Monday to Saturday, as both were 6 day benefits. Where the contribution conditions for SB were not satisfied the claimant could be awarded credits provided they produced medical evidence to support their incapacity.

## **Subpages**

- Industrial Injuries Benefit
- Non Contributory Invalidity Pension (NCIP)
- Housewives Non Contributory Invalidity Pension (HNCIP)
- Unemployability Supplement
- Employment and Training Schemes
- Local Authority Councillors – Credits available
- Estains
- Impact on Current and Future Awards
- Previously Replaced Benefit Cases
- Legal Position

## **Industrial Injuries Benefit**

9. Prior to 13 April 1995 claimants who did not satisfy the contribution conditions for SB could under certain circumstances, be paid Industrial Injuries Benefit. Prior to 6 April 1975 this was restricted to 26 weeks, and was paid at a higher rate than SB.

10. From April 1975 cases were known as sec 50a cases, then from 1992 as sec 102 cases. This relates to the provision under the 1975 Social Security Act and the 1992 Social Security Contributions and Benefit Act respectively. Providing the incapacity was wholly, or mainly related to the industrial accident or disease SB/IVB was paid in the normal way. Transitional protection exists for those receiving SB/IVB under sec 102 before the introduction of IB.

## **Credits for Industrial Injuries Benefit**

11. Credits for awards of incapacity benefits under the Industrial Injury Scheme were awarded as for normal SB/IVB cases.

## **Non Contributory Invalidity Pension (NCIP)**

12. NCIP was introduced in 1976 as a benefit for men and single women who were incapable of work but who did not satisfy the contribution conditions for Sickness Benefit. Many of those who qualified were long term sick (for example Down's Syndrome and long-term mental illness) and had never worked.

13. Claimants were usually in receipt of Supplementary Benefit and Attendance Allowance. An exercise was undertaken to identify these claimants, and obtain a claim for benefit where appropriate. Where claimants had never been registered for National Insurance, action was taken to allocate them a NINo, so credits due could be recorded on NIRS (now NPS).

## **Housewives Non Contributory Invalidity Pension (HNCIP)**

14. HNCIP was introduced on 17 November 1977 for married women. In addition to being incapable of work they had to be unable to carry out a number of basic household tasks. Most of the women who qualified had chosen to pay NICs at the married women's reduced rate, and so were unable to satisfy the contribution conditions for SB.

15. Both NCIP and HNCIP were abolished from 26 November 1984, with the introduction of SDA. HNCIP was deemed to be discriminatory and contrary to equal treatment legislation. SDA was available to anyone who was incapable of work due to incapacity, and, if they were over 20 when they made the claim, were, or were treated as, at least 80% disabled. Special arrangements were made to transfer claimants in receipt of NCIP and HNCIP to SDA.

16. The introduction of SDA was vigorously publicised and was particularly aimed at those who were still in receipt of Supplementary Benefit on grounds of incapacity. Married women with a reduced rate liability were also able to claim, so long as they satisfied the incapacity and disablement conditions. SDA ceased to be available for new claims from 6th April 2001.

## **Credits for NCIP & HNCIP**

17. Credits were available for NCIP in accordance with the normal rules for incapacity, but not before the claimants 16th birthday. Credits were also available for the 28 week qualifying period.

18. HNCIP Unit was responsible for awarding credits for HNCIP. The conditions for the award of credits mirrored that of NCIP. Where benefit was not payable because the disability criterion was not met, the claim was treated as credits only.

19. Credits were not available to a woman with a valid married woman's reduced rate liability, until after the end of the 2nd tax year following the award, when her reduced rate election would have lapsed. When SDA replaced HNCIP in 1984 this information was not passed to the SDA computer. A special exercise was run in 1987 to identify cases, ensure that future credits were awarded, and to award any missing credits from 1984 to 1987.

## **Unemployability Supplement**

20. Unemployability Supplement (US) is an extra benefit paid with Industrial Injuries Benefit and War Pension. To qualify, the claimant had to be incapable of work. Although US continues to be paid with War Pension, it ceased to be payable with Industrial Injuries Benefit from 6 April 1987, however, existing cases continued to be paid under transitional arrangements.

21. Details of credits awarded for periods of US are recorded on NPS. In War Pension cases a letter was sent to the claimant advising them of the credit position. In II Dis Ben cases the US award notice issued to the claimant provided information about credit entitlement.

22. Credits were not available to a woman with a valid reduced rate election. Where US was disallowed for late claim, credits could be awarded for the relevant period on grounds of incapacity.

23. Where the amount of US being paid extinguishes the amount of IB or ESA, there remains underlying title to both IB and ESA and IB processors maintain the award of credits.

## **Credits for Unemployability Supplement**

24. Class 1 incapacity credits can be awarded to claimants who are entitled to US paid by the Service Personnel & Veterans Agency (SPVA).

25. SPVA will only inform NPS of a US period of liability if the claimant is not already receiving Class 1 credits from a claim to IB, SDA or ESA. If the claimant is not receiving IB, SDA or ESA when US is awarded, SPVA will use the eNIRS browser to enter a US period of liability from the Sunday which includes the first day of payment.

### **Example 1**

US awarded from Tuesday 06/07/10.

SPVA will start the US liability from Sunday 04/07/10 (Note, that the US credit week starts at the beginning of the week even though US has only been awarded from the middle of that week)

26. It is important to inform SPVA as soon as any award of IB, SDA or ESA terminates as SPVA will take over responsibility to award incapacity credits by notifying NPS of the new period of US liability. As soon as IB, SDA or ESA terminates issue form BS34C to SPVA.

### **Example 2**

IB terminates on Wednesday 07/07/10

PSCS transmits the incapacity liability end date 03/07/10 to NPS

Form BS34CC is sent to SPVA showing IB terminated on 07/07/10

SPVA use the eNIRS browser to open US incapacity liability from Sunday 04/07/10

27. In April 2010, SPVA (Veterans Agency) were given access to the eNIRS browser to enable them to input periods of US liability directly onto NPS. SPVA will only enter US liabilities for periods not already covered by IB, SDA or ESA liabilities.

### **Employment and Training Schemes**

28. Over the years the Employment Service, and its predecessors, had a number of schemes to help people back into work. Most of the schemes attracted credits, though some were employer based and did not normally do so. These included Employment Action, Employment Training Scheme, Career Development Loan Scheme, Job Release Scheme, Training for Work, Learning for Work, Modern

### **Apprenticeships and Youth Training Scheme**

29. Most of these schemes were Government organised, and details were notified automatically.

### **Credits for Employment and Training Schemes**

30. Credits were awarded providing the rules for the award of approved training credits were satisfied. Because of the age restrictions few people on the Youth Training Scheme were entitled to approved training credits, but would have been awarded Class 3 starting credits, and may have been entitled to special credits if they claimed SB or UB.

31. Credits were awarded to claimants whose training was arranged under the following schemes:

- The Youth Training Scheme. This was introduced in September 1983, aimed mainly at 16 and 17 year olds. Credits were available if the person was a trainee, not an employee, but the normal age limits for approved training credits applied.
- The Career Development Loan Scheme. This was introduced in July 1988 and credits were available on application by the claimant under the normal approved training scheme regulations.
- Guide Dogs for the Blind. These training courses were introduced in 1988 and details of the course were notified directly to HMRC NIC&EO for action.
- The Employment Training Scheme. This scheme was introduced in September 1988 and credits were available under the normal credits for approved training provisions, and notified automatically to NIRS (now NPS).
- Employment Action. This came into force in October 1991 and credits were awarded under the normal credits for approved training provisions.

32. It is exceptional for a period of Approved Training (AT) to last longer than 12 months. If NPS is holding an open AT liability lasting longer than 12 months it is likely to be an error and must be queried with the JSA team. The JSA team will use the eNIRS browser to enter the correct AT liability end date.

### **Local Authority Councillors – Credits available**

33. In 1987 new rules were introduced in relation to Local Authority (LA) Councillors who were claiming IVB.

34. Because of a delay in legislation, credits could not be awarded on a statutory basis between 12 April and 9 May 1987. Special provisions applied in these cases.

35. In normal circumstances credits are awarded at the end of the tax year where the claimant was still in receipt of benefit. For those who had ceased benefits, credits should be awarded on application following receipt of a Deficiency Notice by the claimant.

## **Estains**

36. Prior to 24 August 1986 there was an agreement between the Department and the Civil Service, and some other organisations (Post Office, British Telecom, some research stations) that staff would not claim SB/IVB while sick and receiving full pay. Once full pay stopped the person could claim IVB providing they satisfied the contribution conditions and continued to be incapable of work. The employing department would advise the Department of the period of approved sickness with full pay (called the Estains period) so that IVB could commence from the appropriate date.

### **Credits for Estains**

37. Credits were not normally awarded for a period covered by Estains. However, if the claimant received a Deficiency Notice for the tax year involved they could apply for credits to be awarded to make that year a qualifying one for benefit purposes.

38. Processing staff were required to confirm the period of sickness covered by Estains from local records or from the employing department. Providing details of the period of sickness was confirmed, credits were awarded and the claimant advised accordingly. Where no credits were due the claimant was advised and any Deficiency Notice returned with the notification.

## **Impact on Current and Future Awards**

### **Sickness Benefit/Invalidity Benefit (SB/IVB)**

39. Credits awarded for SB and IVB claims can be used to help the claimant qualify for later claims to benefit, subject to the contribution conditions of the new benefit (new claims to SB/IB, Widows/Bereavement Benefits, State Pension, and in some circumstances UB/JSA).

### **Industrial Injuries Benefit (IIB)**

40. Credits for incapacity benefits paid under the Industrial Injuries Schemes can be used for future claims to benefit, subject to satisfying the normal contribution conditions for benefit.

### **Housewives Non Contributory Invalidity Pension (HNCIP)**

41. Credits for HNCIP only enabled the claimant to satisfy the second contribution condition for Widows/Bereavement Benefit and basic State Pension. They did not enable the claimant to satisfy the qualifying conditions for SB/IB claims.

### **Unemployability Supplement (US)**

42. US credits can help to qualify for all other contributory benefits. Underlying title to IB is assumed. US is normally awarded for life and overlaps with other benefits.

### **Employment Training**

43. Where credits are awarded for periods of approved training (SS Credits Regs, Reg 7) these can help the claimant to satisfy the contribution conditions for IB, JSA, Widows/Bereavement Benefit and basic State Pension, subject to the contribution conditions for each benefit.

### **Local Authority (LA) Councillors**

44. Credits can help the claimant to satisfy the contribution conditions for IB, JSA, Widows/Bereavement Benefit and basic State Pension, subject to the contribution conditions for each benefit.

## **Estains**

45. Credits can help the claimant to satisfy the contribution conditions for IB, JSA, Widows/Bereavement Benefit and basic State Pension, subject to the contribution conditions for each benefit.

## **Previously Replaced Benefit Cases**

46. If a claimant queries their credit entitlement for an earlier benefit claim, take action to identify the appropriate claim. Use PSCS, JSAPS or clerical papers to identify the period of the claim and whether the claimant should have been awarded credits.

47. If credits have been awarded but not recorded on NPS, use the eNIRS browser to insert the appropriate period of liability. Issue CTG1 to notify the claimant that credits have now been awarded.

48. If the credits can not be awarded for the claim, issue CTG1 to notify the claimant accordingly. If the claimant wishes to appeal or seek a reconsideration follow the process in the Appeals against Award of Credits section.

## **Legal Position**

49. All types of Class1 credit can count towards all future contributory benefits, however, their use for SB/UB/IB became subject to satisfying a further condition. This condition was that a certain number of contributions had to have been paid in a set period before the credits could be used. This meant that people who did not have a significant contribution record, for example those in receipt of SDA, were unable to satisfy this condition.

50. The introduction of a revised first contribution for JSA meant that the use of credits did not need to be considered in the same way. The reform of the contribution conditions for IB, to mirror those of JSA, meant that there is no longer the need to consider the use of credits in the same way. If the first contribution condition is satisfied then any credits awarded in the RITYs can be used to satisfy the second contribution condition.

51. To assist people who had been in receipt of benefit for some years, but had previously had substantial links with employment, the “alternative contribution condition” was introduced in the early 1990s.

52. This meant that where the claimant had satisfied the contribution condition for the original benefit, this could be carried forward to enable them to satisfy the contribution condition for the next benefit.

53. For example, a claimant who was paid UB after satisfying the contribution conditions at the time of claim, could then satisfy the contribution conditions for a new claim to SB based on the credits awarded from their claim to UB, even if they had been in receipt of UB for many years.

54. Self-employed people who had ceased self-employment and been “Credits Only” signers for UB could be entitled to SB so long as they would have satisfied the contribution conditions for SB at the time they claimed UB. See the Alternative Contribution Condition in the IB guide for more information.

## **12 Credits dealt with by HMRC**

### **Credits for Statutory Sick Pay, Statutory Maternity Pay (SSP/SMP) and Statutory Adoption Pay (SAP)**

1. HMRC is responsible for awarding credits for periods of SSP/SMP and SAP. Payment is made by employers to employees who satisfy the qualifying conditions. Depending on the rate due to the claimant, and their earnings for the balance of the tax year, they may pay enough in National Insurance contributions (NICs) to allow the year to be a qualifying one without the need for credits.

2. Where the year is deficient and the claimant was paid SSP/SMP or SAP credits can be awarded for the relevant period. Claimants should contact HMRC (NIC&EO) on receipt of a DN or pension forecast to ask HMRC to award the credits as appropriate.
3. Where a claimant contacts a Jobcentre Plus office about SSP/SMP or SAP credits they should be told to contact HMRC direct.

### **Subpages**

- Credits for Working Tax Credits, Disability Element of Tax Credits and Their Predecessors
- Specified Adult Childcare Credits
- Credits Awarded Automatically by NPS
- Other Credits Awarded by Inland Revenue
- Auto credit abolition timetable

### **Credits for Working Tax Credits, Disability Element of Tax Credits and Their Predecessors**

4. HMRC is responsible for awarding credits for Working Tax Credit, including the disability element (Reg 7c and 7b of the 1975 Credits Regs respectively). Credits are normally awarded automatically at the end of each tax year via an interface between NPS and the Tax Credits System.
5. The HMRC Decision Making Team (DMT) deals with queries and awards any missing credits if appropriate where:
  - credits have not been awarded or
  - the claimant disputes an award
6. Credits can be awarded for the specified member of a couple, or, in all other cases, the claimant, for each week in which working tax credit is paid and the person is either an employed earner or a self-employed earner with a Self-Assessment tax return.
7. Credits are not due if the claimant is also entitled to credits for a period of sickness or unemployment, nor to a married woman with a reduced rate election. As these are Class 3 credits they only count towards basic state pension and bereavement benefits. These credits are available where credits for the disability element are not appropriate.
8. Claimants are entitled to a Class 1 credit for each week in which they are in receipt of the disability element of working tax credit providing they are either an employed earner or a self-employed earner with a Small Earnings Exception. These credits count towards all future contributory benefits. Credits are not due if the claimant is also entitled to credits for a period of sickness or unemployment, nor to a married woman with a reduced rate election.

### **Specified Adult Childcare Credits**

9. Class 3 Specified Adult Childcare credits were introduced on 6 April 2011. The credit is available if:
  - the applicant has cared for a family member under the age of 12,
  - the parent or main carer for the child is in receipt of Child Benefit (CHB) and must have a qualifying year for NICs (without using the Specified Adult Childcare credit)
  - the applicant does not have a qualifying year of NICs,
  - the applicant was providing the care between the age of 16 and State Pension age,

- the applicant is ordinarily resident in the UK meaning England, Scotland, Wales and Northern Ireland. It does not include the Channel Islands or the Isle of Man.

### **Meaning of a Family Member**

10. To apply for the credit applicants must be caring for a child under age 12 and be 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 or former partner of anyone in **1** to **8**;
10. son or daughter of anyone in **5** to **9**;
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.

In relation to the child **5** includes:

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

In relation to the parent **6** includes:

- 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.

### **Entitlement to the credit**

11. Entitlement to the credit 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 credit.

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

13. The parent or main carer must have a qualifying year made up of NICs or other credits, however, which must be achieved without relying on the CHB credits they receive. For example, they must be working and pay NICs.

14. The parent or main carer will be asked by HMRC to confirm that the applicant has cared for the child on their behalf for the weeks covering the period of the application and that they are satisfied that it is appropriate to award the credit to the applicant.

15. Providing the applicant satisfies the qualifying conditions and the applicant is supported by the parent or main carer, the Specified Adult Childcare credits are awarded to the applicant by HMRC.

16. Details of Specified Adult Childcare credits awarded by HMRC can be viewed on the NPS Conts screen.

## **Applying for the credit**

17. There is no time limit on applications for this credit, but must be made after the end of the tax year covered by the application. Applications are made via the HMRC website on form CA9176. The form is designed for on-line completion.

18. Once completed and the required signatures have been entered, the form is sent to HMRC NIC&EO. More information regarding the Specified Adult Childcare credit can be found on the HMRC National Insurance credits website.

## **Credits Awarded Automatically by NPS**

19. NPS automatically awards juvenile and auto credits.

### **Juvenile credits**

20. Class 3 Juvenile credits are awarded to every account for the tax year including the claimants 16th, 17th and 18th birthdays. As Juvenile credits are Class 3 credits, they are only taken into account for basic pension and bereavement benefits if the tax year is not qualifying. Following the reduction in the number of SPA qualifying years, HMRC will stop awarding Juvenile credits from 11 April 2010.

### **Auto Credits**

21. Until April 2010, Auto Credits were awarded to male claimant's accounts for the tax year in which their 60th birthday fell and for the four subsequent tax years, subject to certain conditions relating to residency and liability for self-employed Class 2 contributions. Auto Credits are Class 1 credits and count for all future contributory benefits. Women cannot get Auto Credits.

22. Auto Credits are not awarded for any year in which a person is absent from Great Britain (GB) for more than 182 days in that year, or for any week a self employed person is liable for Class 2 National Insurance contributions.

23. HMRC will adjust these credits where appropriate. HMRC reviews the award of Auto Credits where details of a period abroad are notified after the award of the credits. DWP are responsible for checking dates of birth and periods abroad, in relation to claims to benefit, and ensuring the correct information is shown on NPS.

## **Pension Reform Change to Auto Credits**

24. As part of the Pension Reform changes, men will have their eligibility to Auto Credits removed in stages with credits being phased out in line with the increase in women's State Pension Age (SPa) between 2010 and 2018.

25. Under the new arrangements, Auto Credits will be awarded from the beginning of the tax year in which a man attains women's SPa date rather than the tax year that the man attains age 60. Provided it is not the tax year in which they attain age 65, to the end of the tax year in which the man is aged 64.

### **Example**

Man was born on 06/10/1950 would, if he were female, reach SPa on 06/11/2011. His Autocredit entitlement would start from 06/04/2011 instead of 06/04/2010 (as now) but end (as now) on 05/04/2015.

26. See the Auto credit abolition timetable for the phasing out of Auto credit entitlement for men born on or after 06/04/1950.

## **Other Credits Awarded by Inland Revenue**

27. HMRC is responsible for awarding credits for the following contingencies:

- MOD credits to spouses or civil partners who accompany their partner on an overseas posting
- Jury service
- Periods of Wrongful Imprisonment or detention in legal custody

- Approved training credits where they are not awarded automatically by Jobcentre Plus
- Gulf Crisis Credits, and
- Dealing with queries relating to Home Responsibilities Protection (HRP)

### **MOD Credit**

28. From 6 April 2010, a Class 1 National Insurance credit can be awarded to the spouses and civil partners of HM Forces personnel for the period they accompanied their partner on a posting outside the UK. The new Class 1 credit is awarded by HMRC and will help protect the partners' eligibility to ESA, JSA and State Pension.

29. The Class 1 credits can be used to satisfy the Second Contribution Condition (SCC) for ESA claims being made from 1 Jan 2012.

### **HMRC action to award the MOD credit**

30. Three months prior to the end of the overseas posting, HMF will provide the spouse or civil partner with an application form to apply for credits. HMF will authorise the application form and provide the spouse or civil partner with details of how the form should be sent to HMRC.

31. On receipt of the application form, HMRC will process the application and record the number of Class 1 MOD credits to the NPS account for each week that the claimant accompanied their spouse or civil partner on the overseas posting.

### **Jury Service**

32. Credits are available for each week during which a person was on jury service if earnings from employment were less than the lower earnings limit, and an application was made within the time limits. Credits are not due if the person was self-employed, nor for a woman with a reduced rate liability. They are not available for any period prior to the tax year commencing 6 April 1988.

### **Wrongful Imprisonment**

33. Credits are available for prisoners whose sentence is later overturned by the Court of Appeal, Crown Court or Court of High Judiciary, for the whole tax year during which the period of the sentence relating to those convictions only applied. The prisoner has to make an application in writing for credits. Credits cannot be awarded to married women with a valid reduced rate election. However, if a woman spends more than 2 tax years in prison her election will be lapsed and credits due for the whole period of detention.

### **Approved Training not awarded by JCP**

34. HMRC awards credits for approved training where the claimant has been on a course, which was arranged other than through Jobcentre Plus.

### **Detention in Persian Gulf War**

35. Certain people detained in the Persian Gulf during the first Gulf War are entitled to credits for the period of their detention.

36. A person enquiring about credits for any of the above should be referred to HMRC, NIC&EO, Decision Making Team, Room BP2202, Benton Park View, who will determine the credit entitlement.

### **Auto credit abolition timetable**

Male Date of Birth	Female Pension Age Date	Autocredit Entitlement
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06/04/50 – 05/05/50	06/05/2010	10/11 – 14/15
06/05/50 – 05/06/50	06/07/2010	10/11 – 14/15
06/06/50 – 05/07/50	06/09/2010	10/11 – 14/15
06/07/50 – 05/08/50	06/11/2010	10/11 – 14/15
06/08/50 – 05/09/50	06/01/2011	10/11 – 14/15
06/09/50 – 05/10/50	06/03/2011	10/11 – 14/15
06/10/50 – 05/11/50	06/05/2011	11/12 – 14/15
06/11/50 – 05/12/50	06/07/2011	11/12 – 14/15
06/12/50 – 05/01/51	06/09/2011	11/12 – 14/15
06/01/51 – 05/02/51	06/11/2011	11/12 – 14/15
06/02/51 – 05/03/51	06/01/2012	11/12 – 14/15
06/03/51 – 05/04/51	06/03/2012	11/12 – 14/15
06/04/51 – 05/05/51	06/05/2012	12/13 – 15/16
06/05/51 – 05/06/51	06/07/2012	12/13 – 15/16
06/06/51 – 05/07/51	06/09/2012	12/13 – 15/16
06/07/51 – 05/08/51	06/11/2012	12/13 – 15/16
06/08/51 – 05/09/51	06/01/2013	12/13 – 15/16
06/09/51 – 05/10/51	06/03/2013	12/13 – 15/16
06/10/51 – 05/11/51	06/05/2013	13/14 – 15/16
06/11/51 – 05/12/51	06/07/2013	13/14 – 15/16
06/12/51 – 05/01/52	06/09/2013	13/14 – 15/16

06/01/52 – 05/02/52	06/11/2013	13/14 – 15/16
06/02/52 – 05/03/52	06/01/2014	13/14 – 15/16
06/03/52 – 05/04/52	06/03/2014	13/14 – 15/16
06/04/52 – 05/05/52	06/05/2014	14/15 – 16/17
06/05/52 – 05/06/52	06/07/2014	14/15 – 16/17
06/06/52 – 05/07/52	06/09/2014	14/15 – 16/17
06/07/52 – 05/08/52	06/11/2014	14/15 – 16/17
06/08/52 – 05/09/52	06/01/2015	14/15 – 16/17
06/09/52 – 05/10/52	06/03/2015	14/15 – 16/17
06/10/52 – 05/11/52	06/05/2015	15/16 – 16/17
06/11/52 – 05/12/52	06/07/2015	15/16 – 16/17
06/12/52 – 05/01/53	06/09/2015	15/16 – 16/17
06/01/53 – 05/02/53	06/11/2015	15/16 – 16/17
06/02/53 – 05/03/53	06/01/2016	15/16 – 16/17
06/03/53 – 05/04/53	06/03/2016	15/16 – 16/17
06/04/53 – 05/05/53	06/07/2016	16/17 – 17/18
06/05/53 – 05/06/53	06/011/2016	16/17 – 17/18
06/06/53 – 05/07/53	06/03/2017	16/17 – 17/18
06/07/53 – 05/08/53	06/07/2017	16/17 – 17/18
06/08/53 – 05/09/53	06/11/2017	16/17 – 17/18
06/09/53 – 05/10/53	06/03/2018	16/17 – 17/18

06/10/53 – 05/11/53	06/07/2018	Nil
06/11/53 – 05/12/53	06/11/2018	Nil

## **13 Credits dealt with by Income Support Section**

### **Credits for Parents and Carers**

1. From April 2010 a new Parent & Carers credit was introduced to replace the Home Responsibility Protection (HRP) credit. The Parents and Carers credit can only help satisfy the qualifying years used to award basic State Pension and Bereavement Benefits and up to 6 April 2016, State Second pension (S2P).
2. These credits are normally awarded by Carers Allowance Unit, however, a person receiving Income Support (IS) because they are substantially engaged in caring can also qualify for this type of credit.
3. The weekly credit can be awarded to people who provide care and are unable to take regular employment because they are caring for:
  - children, or
  - a disabled person.
4. If the IS claimant is not receiving Carers Allowance (CA), action must be taken by IS processors to award the credit.

### **Action taken by IS team to award credit**

5. IS processors must notify NPS that credits are due if the claimant is a carer and has not been receiving CA and does not have an underlying entitlement to CA.
6. If the claimant qualifies for the credit, form HRP1 (IS) is completed by the IS processor and sent to HMRC.
7. Further information about how IS processors award this credit and deal with any exception reports generated by NPS can be found in the Income Support guidance.