



OVERSEAS CHILD BENEFIT AND LOSS OF PENSION CREDITS WHEN SERVING ABROAD



Issue

At a recent Veterans' Plenary Conference queries were raised during question and answer periods concerning the linkage between Overseas Child Benefit and the loss of pension credits when wives accompany servicemen on overseas tours of duty. Following consultation with the Child Benefit Office and the National Insurance Contributions Office we have learnt that it is possible for those wives who have lost pension credits in such circumstances to claim them back. The scheme is called Home Responsibilities Protection (HRP) and information about the scheme and how to claim back lost entitlements is contained below.

Background

Home Responsibilities Protection

The purpose of HRP.

HRP has been available for complete tax years since 6 April 1978.

It may:

help protect the basic State Pension and bereavement benefits of people who are precluded from regular employment because they were at home caring for children or a person who is ill or disabled.

And from 6 April 2002, qualify you for additional State Pension through the State Second Pension.

For a full basic State Pension HRP cannot reduce the number of qualifying years below 20. From 6 April 2020, when State Pension age is equalised at 65, HRP cannot reduce the number of qualifying years below 22.

Will you need HRP?

You will need HRP if the amount of your earnings in the tax year is less than the level needed to make the year a qualifying year.

HRP can cover each tax year from 6 April 1978 in which:

You do not work at all and have no qualifying earnings for the full tax year

You do some work but your earnings for the tax year are not enough to make it a qualifying year.

Can you get HRP?

You can get HRP for any tax year from 6 April 1978 if, throughout the year:

You were the person who received the Child Benefit for a child under 16, or you have been regularly looking after someone for at least 35 hours a week who has been getting Attendance Allowance, Constant Attendance Allowance or the highest or middle rate care component of Disability Living Allowance throughout the whole of tax years up to 5 April 1988 and for at least 48 weeks in tax years from 6 April 1988, or

You have been getting Income Support and were not required to be available for employment so that you could look after a sick or disabled person at home, or

You are a Registered Foster Carer - *for tax years from 6 April 2003 only* or

You have been covered by a combination of these conditions.

Married Women and Widows cannot get HRP for any tax year in which they have reduced contribution liability. But you will have lost your right to reduced liability if, for any two whole consecutive tax years since 6 April 1978, you have not been liable to pay NI contributions or you have not been self-employed.

How to get HRP

HRP is awarded automatically if you claimed Child Benefit for a child under 16 for the whole tax year. HRP will be given to you for the past period when the Child Benefit stops or your youngest child reaches 16, whichever is earlier, or you have been getting Income Support as a carer.

You must apply for HRP for each tax year if you are looking after someone who is getting Attendance Allowance, Constant Attendance Allowance or the highest or middle rate care component of Disability Living Allowance. From 6 April 2002, you must claim HRP.

Time Limits

It is best to claim HRP at the end of each tax year however, if you are claiming HRP for complete tax years:

Between 6 April 1978 and 5 April 2002, you can claim any time up to state pension age

After 6 April 2002, a new rule comes into force. You must claim HRP within three years of the end of any tax year you spent caring for someone with a long-term illness or disability. This time limit only applied to caring which takes place during or after the 2002/2003 tax year.

This rule does not apply if you are awarded HRP automatically for Child Benefit or Income Support as a carer.

Her Majesty's Forces and Civil Servants abroad

When a member of the HMF or Civil Servant is absent from Great Britain, entitlement to Child Benefit continues. However for administrative reasons, the Service Authority or Employing Department, is responsible for making payments. The Service Authority or Employing

Department is also responsible for the notification to Child Benefit Centre of any changes in circumstances or new claims to Child Benefit that occur abroad in order that the Child Benefit Centre computer can be updated. As HM Forces personnel and Civil Servants retain Child Benefit whilst abroad, it follows that HRP entitlement is also retained. Although in HM Forces cases, payment is made via the husband's service pay account, the wife is technically the person entitled to HRP.

Recording of this information is not done automatically and it may be necessary to apply for the period you were abroad.

How to apply for HRP

If you have to apply for HRP, complete form CF411 *'How to protect your state Retirement Pension if you are looking after someone at home'*, which you can get from your local Social Security office or by contacting Inland Revenue on telephone numbers 084591 55224, 084591 58225, 084591 58226, 084591 58227.

If you need further information or advice about HRP please contact:

Inland Revenue
National Insurance Contributions Office
Caseworker DM Team
Room H5014
Benton Park View
Newcastle on Tyne
NE98 1ZZ

How to apply for a Pension Forecast

A pension forecast will give you an estimate of the pension you can expect to get when you reach state pension age. It will include all the qualifying years used in the calculation. The number of HRP years recorded and information about paying Class 3 voluntary contributions.

You can ask for a State Pension forecast at any time prior to four months before you reach State Pension age. For a forecast of both your basic State Pension and additional State Pension, get form BR19 from your social security office or by telephoning the Retirement Pension Forecasting helpline on 0845 3000168.

Questions and Answers

Q. My wife has accompanied me on an overseas tour of duty and I understand that she may be entitled to reclaim some of her pension credits. How do I find out if she is entitled and if so how do I claim these back?

A. You will need to contact the Inland Revenue to ascertain whether your wife is entitled. If she is, they will be able to advise you how to claim. The numbers to contact the Inland Revenue on are 0845 9155224/ 0845 9158225/ 0845 9158226/ 0845 9158227.

Q. I am about to accompany my husband on an overseas tour of duty and our child will also be going with us. Do I lose the right to Child Benefit whilst we are abroad.

A. You will need to contact the Inland Revenue to find out whether you are still entitled to Child Benefit for the period that you are overseas. The numbers to contact to contact the Inland Revenue on are 0845 3021454.