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'It's ridiculous to dock mums' state pension for failing to claim child benefit they aren't entitled to' Ex-



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By ROS ALTMANN FOR THIS IS MONEY

PUBLISHED: 07:33, 20 November 2018 | **UPDATED:** 07:33, 20 November 2018



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This is Money is campaigning on behalf of parents who end up with a smaller state pension [because of mistakes over child benefit forms](#).

Here, ex-Pensions Minister Ros Altmann voices support for our call to the Government to fully backdate the years that mums and dads - but mostly mums - have lost from their National Insurance records.



Ros Altmann: 'Failing to claim a benefit for children, which you know you won't receive, means the National Insurance system docks your pension'

The state pension age for women and men has just been equalised, but although there is equality of pension age, there remains significant gender inequality in the amount - women, on average, receive less state pension than men.

In fact, women can lose out in many ways in our National Insurance system, due to complicated rules which they are usually unaware of.

The most recent problem relates to child benefit. Tens of thousands of women are at risk of losing future state pension rights because of a little-known loophole in the child benefit rules introduced in January 2013.

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Yes, I know it seems odd that child benefit affects your state pension, but that's how our National Insurance system rules are designed. I am delighted to see This is Money campaign to stop this injustice.

Child benefit used to be paid to all parents, regardless of their income. However, for the past few years, it has been means-tested.

If you stay at home to look after children under 12 and your partner earns more than £60,000 a year, you are not entitled to child benefit. If your partner earns between £50,000 and £60,000 you get a reduced rate, but after £60,000 you lose the benefit altogether.

However, many do not know that they lose out on state pension, unless they actually claim the child benefit which they know they are not entitled to! Quite frankly, this is rather ridiculous.

Failing to claim a benefit for children, which you know you won't receive, means the National Insurance system docks your pension.

This strange anomaly clearly penalises women and many may have already lost nearly six years' worth of state pension entitlement on their National Insurance record.

Their number of missing years will keep on rising, until they realise and even if they belatedly sign up for child benefit, they cannot backdate the years they have missed unless the Government relents over the rules.

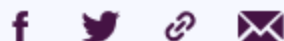
This matters. Women cannot now claim on a husband or partner's National Insurance record either, so it is vital that they have their own entitlement protected.

In order to qualify for the full new state pension (£164-35 a week this year), you currently need a record of at least 35 years. If your record is not complete, you cannot get the full pension.

The minimum number of qualifying years may increase in future, so ensuring your record is as complete as possible is really important

Have you lost state pension by not signing up for child benefits or filling form in wrong?

If this has happened to you, contact tanya.jefferies@thisismoney.co.uk and tell us your story.



record is as complete as possible is really important.

If you are a mother staying at home looking after your children (or you only work part-time without earning enough to qualify for National Insurance) you could lose all those years' worth of state pension entitlement.

And you can never get them back again. You can only backdate a claim by three months, so even if you discover your state pension record has been damaged, you cannot recover the lost years.

It is perhaps understandable, in private pensions, that women's caring responsibilities, career paths and lower lifetime earnings will typically give them less pension than men. However, there is no excuse for disadvantaging women in the state pension too.

Changes to National Insurance pensions over the years were supposed to ensure equality, so women would not suffer loss of state pension when taking time off to look after young children.

At the moment, due to the unfair rules of our National Insurance system, this is not always the case.

It cannot be right to disadvantage women in this way. The Government should allow full backdating so all those ineligible for child benefit are still credited for National Insurance state pension.

If it does not, the problem will get worse, as parents who have already unwittingly lost six years of state pension credits could see that rise much further. Is the Government going to wait until people have a 10-year hole in their state pension, or an even bigger one, before it sorts this out?

It is important to tackle these injustices which risk compounding pension inequalities faced by women. We have made big strides in some areas of gender equality, but not yet in pensions.

I do hope This is Money's campaign will be successful in persuading the Treasury to ensure that women's state pension rights are not damaged in this way in future.

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Why we are campaigning to help parents who lost out on pensions

Child benefit and state pension - It's not the most obvious link.

Unfortunately, some mums or dads who stopped work to look after children are now finding they've missed building up their state pension.

It should be easy to fix, but HMRC and the government have been stalling parents affected. That's why This is Money has started [a campaign to get this child benefit mess fixed](#), before it gets any worse.

Listen to the podcast below to find out why we are campaigning.

