

Voluntary National Insurance contributions: call for evidence - ATT and LITRG responses

Personal tax

Employment Tax

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ATT and LITRG support retaining voluntary National Insurance contributions but call for clearer guidance, checks for available credits and reforms addressing affordability, low-paid workers, administrative barriers and payments for periods spent abroad.

The ATT and LITRG have responded to HMRC's [call for evidence on voluntary National Insurance contributions \(NICs\)](#), supporting the continued availability of voluntary contributions while identifying reforms to make the system fairer, easier to understand and more accessible.

Both organisations recognised the important role voluntary NICs play in protecting entitlement to the State Pension and certain contributory benefits where individuals

have gaps in their National Insurance records. They also agreed that many people struggle to understand whether paying voluntary contributions is worthwhile and need clearer, more personalised information to make informed decisions.

A key shared point was that individuals should be able to establish easily whether a payment will increase their entitlement and whether an alternative route, such as National Insurance credits or historic Home Responsibilities Protection, is available. Both ATT and LITRG argued that individuals should not be encouraged to pay voluntary NICs where a credit could provide the same benefit. They supported stronger checks within HMRC's online and telephone services, more flexible backdated claims and refunds where contributions have been paid unnecessarily.

ATT: clearer information and guidance

The ATT broadly supported the current framework, describing voluntary NICs as a fair and proportionate means of protecting State Pension entitlement where genuine gaps arise. It emphasised that reform should be evidence-based, maintain confidence in the system and protect legitimate expectations. Individuals and advisers should be able to understand the consequences of making a payment, including whether paying for a particular year will improve their eventual State Pension.

ATT also called for a single personalised National Insurance and State Pension dashboard showing gaps, credits, eligibility and the effect of voluntary payments. Automatic warnings should alert those who may qualify for credits before any payment is made, while a clear calculation should answer the central question: will this contribution increase the State Pension? ATT also supported simplification of the Class 2 and Class 3 rules where possible.

A further focus for both ATT and LITRG was the payment of voluntary NICs for periods abroad. They stated that the rules should include a transparent and proportionate test of an individual's close connection with the UK. ATT identified uncertainty over what counts as contributions paid in the UK and how insurance periods in countries with reciprocal social security agreements should be treated. Both organisations recommended that HMRC use administrative data and targeted research to assess who pays from abroad and whether the recently changed rules are proportionate.

LITRG: affordability and fairness

LITRG shared the concerns about guidance, credits and informed decision-making, but placed greater emphasis on structural issues across the wider National Insurance system. It argued that many problems arise from the interaction of voluntary and compulsory contributions, National Insurance credits, historic Home Responsibilities Protection, and different rules for employees and the self-employed. In its view, reform limited to voluntary NICs may not resolve the underlying inconsistencies.

One of LITRG's principal concerns was workers with multiple low-paid jobs. As employee NICs are generally calculated separately for each employment, a person may earn more than the Lower Earnings Limit overall but fail to build a qualifying year because no one single job individually reaches the threshold. LITRG says this can leave someone who has worked throughout the year with no practical option other than paying Class 3 contributions.

LITRG also examined affordability in greater depth. Although voluntary NICs can offer good value compared with the resulting State Pension increase, it argued that fairness must take account of ability to pay. It highlighted the substantial difference between Class 2 and Class 3 rates and noted that people in similar financial circumstances can face very different costs because of their employment status.

LITRG stressed that improved digital tools must be supported by accessible and properly resourced telephone services through the Future Pension Centre and the Pension Service, recognising that not everyone can or wants to manage a complex voluntary contributions decision online. It also supported retaining flexible backdating rules, particularly for people who discover gaps late or cannot afford to pay immediately, and cautioned against retrospective restrictions that could disadvantage those who acted reasonably on the information available to them.

LITRG called for guidance to distinguish more clearly between National Insurance credits and circumstances in which contributions are treated as paid, as these are different concepts and may have different consequences. Other issues raised particularly by LITRG included partial-year calculations, Maternity Allowance, Class 2 advance payments and refunds, delays affecting National Insurance credit services, and the need for real-time alerts and 'no benefit' or 'limited benefit' warnings. It also

recommended that decision-making support should explain whether future work or credits may fill a gap and whether an increased State Pension could affect means-tested support.

Overall, both organisations supported retaining voluntary NICs as an important safety net, wanted clearer personalised guidance, and believed credits should be considered before payment. ATT gave particular attention to practical administration, dashboards, legitimate expectations and contributions from abroad. LITRG focused more on affordability, fragmented work patterns and inconsistencies across the wider National Insurance framework. Together, their responses made the case for reform that improves taxpayer understanding and safeguards access to voluntary contributions where they are genuinely needed.

The full responses can be viewed at:

[Call for Evidence: Voluntary National Insurance contributions | The Association of Taxation Technicians](#)

[Call for evidence on voluntary National Insurance contributions – LITRG response | Low Incomes Tax Reform Group](#)

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