

A REMINDER THAT HIGH-EARNERS WHO OPT OUT OF CHILD BENEFIT MAY LOSE PENSION RIGHTS

High income earners who have decided to 'opt-out' of receiving child benefit payments will still need to complete a child benefit claim form to protect their state pension rights. This 'under-reported' fact could affect the 155,000 people who have already opted out of their child benefit payments. Receiving the benefit gives you a credit in your National Insurance Contributions (NIC), which build up entitlement to your state pension and other benefits.

It is important that a child benefit claim form is still completed, even if you have 'opted-out' as the entitlement, rather than the payment will ensure that the credit in your NIC's continue. The child benefit claim form can be found using the following link; <http://www.hmrc.gov.uk/forms/ch2-online.pdf>

It is expected that these changes will affect 1.2million families, with 70% of these families losing the benefit in full and a further 330,000 families losing a proportion of the benefit. These changes are expected to save the government £1.5billion in 2013/14 and £1.7billion in 2014/15.

