Class 2 National Insurance Contributions

Media and Stakeholder Briefing

HM Revenue and Customs (HMRC) and Department for Work and Pensions (DWP) has started writing to Self Assessment customers who became self-employed between 2015 and early 2024. The letter explains an issue that could affect their State Pension and sets out the action being taken to ensure they do not miss out.

Since 2015, customers who became self-employed have been required to register their status with HMRC by completing a CWF1 form to ensure they're correctly registered.

Even if customers have completed the self-employed section of the Self Assessment form, without completing a CWF1 form, the change in status won't have been picked up.

As a result, some self-employed customers may not have paid sufficient Class 2 National Insurance contributions (NICs) and may have gaps in their National Insurance (NI) record, which could affect the level of State Pension they receive.

The issue has now been resolved. HMRC is not actively seeking to collect any NI not properly paid but is giving customers the opportunity to make additional NI top up payments should they choose to do so.

HMRC believes approximately 800,000 customers may have gaps in their NI record because of this issue.

Based on current HMRC data, it's estimated around 160,000 customers aged above or within 2 years of State Pension age may be affected – but this number may be lower once reconciled with DWP data. These affected customers will receive a letter by summer 2027 and those above State Pension age may also receive pension arrears.

For affected customers not within 2 years of the State Pension age, HMRC is upgrading the online 'Check Your State Pension Forecast' tool so that, from Spring 2027, self-employed people can use it to identify gaps themselves and make voluntary contributions.

There is no need for any impacted customers to contact either DWP or HMRC at this stage. The letter will detail everything that the customer needs to do.

Anyone who receives a letter or uses the upgraded online pension forecast tool (from Spring 2027) and identifies gaps in their NI record directly linked to this issue, will be able to make contributions beyond the usual 6 previous tax years and at the original rate.

Myrtle Lloyd, HMRC's Chief Customer Officer said:

“There is no need for people to do anything now. We have identified those affected and are contacting them to reassure that processes have been set up to remedy the situation now and for the future. We want to make sure no one misses out on their State Pension entitlements.”

Customers who are self-employed and say so at the point of registering for Self Assessment are not affected and are charged the correct Class 2 National Insurance rate.

Customers who want to check if they have correctly registered can check their previous Self Assessment returns to see if Class 2 is correctly reflected. Customers are advised not to retrospectively register – as this may disrupt the process of identifying those affected.

For more information go to GOV.UK.