EQUITY

Equity submission – Call for evidence on voluntary National Insurance contributions

September 2026

About

1. Equity is the largest UK creative industries trade union with 50,000 members united in the fight for fair terms and conditions across the performing arts and entertainment. Our members are actors, singers, dancers, designers, directors, models, stage managers, stunt performers, circus performers, puppeteers, comedians, voice artists, supporting artists and variety performers. They work on stage, on TV and film sets, on the catwalk, in film studios, in recording studios, in night clubs and in circus tents.

2. The majority of work undertaken by Equity members is conducted through short-term contracts with limb (b) employment terms, with workers considered self-employed for tax and national insurance purposes. A minority of work is contracted as classically self-employed and there are an even smaller number of employees in our industries.

3. Equity is the only UK trade union to offer an in-house advice service specialising in tax, national insurance and social security. This response includes evidence from casework with Equity members.

Summary

4. Voluntary National Insurance Contributions (NICs) are incredibly important for Equity's members. They enable access to essential forms of social security paid in the event of some of life's biggest challenges which would otherwise not be available for those who work in intermittent, low-paid self-employment such as that common in the creative industries.

5. The system is very complex and difficult to navigate, available information from government is not clear about the ways in which voluntary NICs can be used and which class of voluntary contribution a person is eligible to pay. This results in onerous interactions with HMRC, DWP and the National Insurance Contributions Office (NICO), often when individuals are experiencing ill-health or are pregnant.

6. Several changes would greatly improve the clarity and accessibility of the voluntary NIC system:

   - The delay in displaying NI contributions and credits on a record must change. For example, when someone makes a voluntary NIC, their record should update immediately

   - Taxpayers should have access to an overview of their NI record which shows up-to-the-minute information about all their NI contributions and credits, including 1) which credits (Class 1 or Class 3) they have been awarded and why and, 2) whether paid Class 2 contributions derive from the treated as paid provision

- A unified office between the Department for Work and Pensions and National Insurance Office dealing with all aspects of NI-based social security to simplify the process.

Contact

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1.	**Do you agree that these are the right guiding principles for the voluntary NICs system or do you believe there are others we should consider?**
2.	**Do you feel that some of these objectives are more important than others**

7. In general, we agree with the principles that the voluntary NICs system should be fair, proportionate, clear and accessible. As we set out in our evidence below, the system is currently not functioning in a way that could be described as clear or accessible in the experience of many of Equity's members. There are clear steps that could be taken to improve the system and we make several recommendations throughout.

8. It should be a fundamental principle underpinning any ambition towards reform that the voluntary NIC system and NIC system more broadly must continue to allow those on low incomes to access contributory social security support.

9. Payments of voluntary Class 2 NICs allow access to essential forms of social security paid in the event of the biggest challenges in life such as sickness (Employment and Support Allowance), maternity (Maternity Allowance), old age (state pension) and bereavement (bereavement support payment). They are the very least that a societal safety net should offer and Equity would not support reforms that make it harder to fulfil entitlement requirements for access to this support.

10. We are clear that the third principle listed in the consultation must not undermine the role of the system in providing this crucial element of social security support to the widest extent possible.

3.	**Who is currently using voluntary NICs and why?**
4.	**In what circumstances do people have gaps in their National Insurance record that voluntary NICs are intended to address (including where credits or compulsory NICs are not available)? Please provide examples**

11. The majority of Equity contract work undertaken by Equity members in the arts and entertainment industry is conducted through freelance 'limb (b)' employment terms,

with workers treated as self-employed for tax and national insurance purposes[1]. A minority of this work is treated as self-employed, where our members work alone in sectors such as comedy or variety, and there are an even smaller number of employees in our industries. For the purposes of tax and social security, the overwhelming majority of Equity's members are treated as self-employed – including both limb (b) workers and the 'classically' self-employed.

12. Patterns of work are fluctuating and intermittent, with workers frequently having periods of time when they are not actively working on an industry engagement. Engagements in theatre are often just a few months long whilst those in film and TV can be a matter of weeks. For engagements in audio or videogames, engagements can be as short as one day. Earnings in the industry can range significantly, however, research with Equity members has found that, on average, earnings from industry work amount to £15,270 per year.[2]

13. Due to this fluctuating pattern of work, whilst take home of £15,270 may mean that an Equity member is treated as having paid Class 2 NICs for one tax year, fluctuations in neighbouring years mean there will be gaps which hinder entitlement to Maternity Allowance and contributory Employment & Support Allowance (cESA) and, over the longer term, State Pension. Voluntary NICs are a way for our members to ensure that they are able to access this crucial support whilst engaging in the fluctuating pattern of work that is characteristic of the industry.

14. We advise our members that, in a year of pay below the Small Profit Threshold (SPT), it is usually in their interests to pay voluntary Class 2 NICs even when they are not obliged to do so and would not get credits or contributions from elsewhere.

15. Since the advent of the 'treated as having paid' Class 2 NIC provision, there has been confusion and lack of awareness of what this provision means for nearly every member that has come into contact with Equity's Social Security and Tax advice team regarding their NI record. For example, the difference between credits and 'treated as paid' is not made clear.

Contributory Employment and Support Allowance

16. The self-employed and limb (b) workers are typically excluded from accessing statutory sick pay, which makes contributory cESA their de-facto sick pay. To qualify for cESA, a person must have paid, or be treated as having paid, at least 26 weeks of Class 1 or Class 2 NICs on earnings at the Lower Earnings Limit in one of the last two complete

[1] HMRC guidance ESM4121 is the main sectoral guidance for actors and performers. It says they are generally considered self-employed by HMRC

[2] [2] Ashton, H., a report for Equity by the University of Warwick, *'Not Here to Help': Equity members' experiences of UC and the Minimum Income Floor,* 2024

tax years before the start of the relevant benefit year and must have paid, or in the case of Class 1 NICs, been treated as having paid, contributions on earnings of at least 50 times the Lower Earnings Limit, or received certain NI credits in each of the two complete tax years immediately before the relevant benefit year.

17. There are some typical situations in which a self-employed worker may want to claim cESA but not have the necessary NI record to qualify and Equity's social security advice team has advised on numerous cases in recent years. For example, those who have been claiming Universal Credit for a few years and, therefore, only have Class 3 NI credits would need to pay two years of voluntary Class 2 contributions to get cESA. Similarly, those who have earned below the SPT who want to claim cESA would need to pay voluntary class 2 contributions as, without doing so, their NI record would be blank. At the time of needing to know whether there is or could be a cESA entitlement, the NI record is not up-to-date and is often incomplete, so the NI record needs to be investigated as a first step.

Maternity allowance

18. Limb (b) workers and the self-employed are not typically eligible for statutory maternity pay (SMP) and may not have access to enhanced contractual maternity pay. Therefore, they may wish to claim for Maternity Allowance (MA) to account for loss of earnings during maternity. For those who do not yet have 13 weeks of Class 2 contributions on record during the test period being able to pay 13 weeks of voluntary Class 2 contributions enables access to MA. This problem arises for self-employed MA claimants due to the business-as-usual retrospective allocation of NI contributions to their record and is more confusing for those with fluctuating incomes. We elaborate below on issues particular to MA that create significant confusion for those looking to claim.

State Pension

19. As with the other entitlements above, the self-employed and limb (b) workers may not have a contractual pension and, therefore, be reliant on state pension. Those who either do not have the minimum of 10 years' worth of contributions, or those who have a record falling short of the maximum entitlement are able to pay up to 6 years' worth of voluntary contributions to plug these gaps.

5.	**Are there groups who would like to use voluntary NICs but cannot access them, or for whom the current eligibility rules lead to outcomes that feel unfair or inconsistent? What changes would improve fairness, clarity or access (including how people find out whether they are eligible)?**

20. Available information from the government about voluntary NICs and the wider NIC system is unclear and, in some cases, incorrect. In order to improve clarity and access

around the use of voluntary NICs for those who would benefit from them, this information should be made much clearer and easier to follow.

21. We understand that this is in part due to the nature of the system being so complex as it can be difficult to convey correct information in its complexity in a digestible way. However, as an example, the screenshot shown in Appendix 1,taken from www.gov.uk/national-insurance/what-national-insurance-is-for, implies that only Class 3 contributions can be voluntary. This contributes to a general misunderstanding amongst taxpayers that paying Class 3 NICs is the only voluntary option, even if they are registered self-employed and entitled to pay voluntary Class 2 NICs, and when Class 3 contributions do not establish eligibility for certain benefits such as cESA or MA.

22. This misunderstanding and lack of clear information extends to interactions with staff administering NICs. When Equity members contact the HMRC helpline wanting to pay voluntary Class 2 contributions, they are commonly, incorrectly, told that Class 2 contributions cannot be contributory.

Case study: Mr A

Mr A is a disabled actor with young children. His earnings from self-employment fluctuate. A year ago he claimed ESA following severe ill health including a hospital admission. He has not been paid ESA throughout this time due to apparent gaps in his NIC record. He explained to us that he has never been able to understand under what circumstances he should make voluntary class 2 NIC payments from available gov.uk information. Throughout this time he has repeatedly contacted HMRC and DWP without clear advice on his case. At one point, he made voluntary class 2 NIC payments to HMRC, however these were allocated to the wrong year to secure ESA entitlement. HMRC have since rectified this following intervention from his MP. The episode has caused significant stress and impacted on his health recovery; the lack of much needed income has also impacted on his family life.

Mr A was advised to contact Equity by a friend. Following discussion with us and access to our information and resources he is now able to understand what NI payments are required for entitlement to ESA.

23. Our members encounter a similar issue when trying to make voluntary Class 2 payments for a year in which they have NI credits. For example: Universal Credit claimants are awarded Class 3 NI credits which count towards eligibility for State Pension, but not for cESA or MA. In this scenario, it is advisable for claimants to pay voluntary Class 2 contributions, however, HMRC systems present obstacles to doing so.

24. The self-assessment system does not always allow taxpayers to elect to pay voluntary Class 2 contributions. Our work with HMRC has found that this is due to HMRC blocking the option to pay voluntary Class 2 contributions for taxpayers with NI credits for the relevant year. In this situation, the taxpayer must navigate payment through the National Insurance Contributions Office helpline which is an onerous process. The process is made more onerous by the above-mentioned common misunderstanding among HMRC staff that Class 2 contributions cannot be voluntary and further refusal to accept payment for such contributions for the same reason that they are blocked in the self-assessment process.

Case study: Ms B

Ms B is a disabled actor with fluctuating earnings. She is in receipt of ESA and PIP. She is neurodivergent and requires a support worker to deal with her personal administration. In order to understand her rights and address regular maladministration in relation to her social security, she contacts Equity. We have advised her on the need to make voluntary payments of class 2 NICs in order to secure continued entitlement to ESA should she ever stop claiming and need to reclaim. Because there is no facility to pay voluntary class 2 NIC through the tax return (for those with profits under SPT) every year she has to call HMRC to make a payment over the phone. Every year, she encounters varying levels of HMRC staff understanding about this and different suggested processes on how to pay. Every year, HMRC cannot tell her exactly when these voluntary payments will be added to her record. She finds the entire process very stressful and confusing.

25. In addition, Equity's Social Security and Tax advice team often advise members who come up against issues caused by a lack of long-term record keeping in HMRC which tracks alongside different policy changes to the way that NICs have been administered historically. This leaves taxpayers unable to identify and rectify (if possible) historic gaps in their records even if they are aware that they can do so via voluntary contributions.

26. Rights exist which allow for late payments of national insurance, however, they are not well advertised or administered. Trying to assert these rights in practice is fraught with difficulty due to poor quality and inconsistent advice provided via the HMRC helpline, and considerable delays in response from the national insurance decision making team, who can only be contacted by postal letter.

27. **Case study: Mr C**

Mr C is a professional actor. He reached state retirement pension age in 2024. From 2023 he started contacting HMRC in order to understand the gaps in his national insurance record, why they have arisen, and what he can do about it. He was provided with inconsistent advice over the phone so contacted HMRC by letter for clarification. He did not receive a response. He sought advice from Equity and we have been representing him to assert his right to pay late national insurance ever since. To date (August 2026), and despite MP intervention, we have not received a factually or legally accurate decision letter from HMRC which is required to start the appeal process.

28. **Case study: Mr D**

Mr D was approaching state retirement pension age after a long career as an actor and director. During this time, he had paid considerable class 4 national insurance and engaged an accountant. Upon receiving his state retirement pension forecast he was shocked to find a considerable gap of qualifying years for state pension purposes. He contacted the social security and tax advice team at Equity for advice having no idea what his rights were. We represented him with an appeal for late payments, however, it took more than two years to sort out due to delays on the HMRC NIC team side, including an intervention from Mr D's MP.

6.	**Are there barriers that prevent eligible individuals from receiving credits (for example, awareness, complexity, or administrative steps), leading them to pay voluntary NICs instead? Please provide evidence and examples.**

29. Historic policy changes which have affected eligibility for and entitlement to credits over decades mean that many people miss out on credits and have to top up their records with voluntary payments. The below case study illustrates a real case that Equity's social security and tax advice team are currently working on:

Case study: Ms E and Mr F

Ms E and Mr F are a couple. Mr B claims Adult Disability Payment (ADP) and previously claimed Personal Independence Payment. Ms E is a carer for Mr F and works in the creative industries. They were receiving Working Tax Credit (WTC) and Housing Benefit and now, following managed migration, they receive Universal Credit (UC).

Under the WTC system, Class 1 credits were awarded for a disabled worker's WTC award. If WTC was claimed as a couple, those credits were allocated to the member of the couple who was the primary WTC claimant, the first named person on benefit letters, even if that person was not the disabled worker.

As Ms E is a carer for Mr F and does all of the administration, she was the primary WTC claimant and all WTC letters were addressed to her. Therefore, the disabled worker credits went to Ms E and not Mr F. The fact that the WTC letters were addressed to Ms E was consistent with all of their arrangements. This meant that Mr F had zero National Insurance record for three tax years (2020, 2022, 2023).

Mr F has now paid voluntary Class 2 contributions to top up those three missing years at a cost of £486.20. Ms E was also receiving Class 1 credits for being a carer for those three years so the WTC credits that she received meant that she had 'double credits' while Mr F had none. Ms E felt that HMRC's NI credits arrangements 'made her steal' the credits from her disabled partner and she worries that this opaque and complex system may lead to the abuse of disabled people.

Equity supported Ms E to make a complaint to HMRC. HMRC say that they provided adequate information to claimants about this arrangement so Ms E and Mr F should have known and switched payee. Equity is of the view that information was not given or explained at the right time and, when information was later available, it was not adequate. This has caused significant detriment to the couple and a feeling that the system is letting them down. The Parliamentary and Health Service Ombudsman's office has recently decided this issue is not of sufficient public interest or gravity to investigate.

30. **Case study: Mr G**

Mr G sought advice on his NIC record in preparation for claiming his state pension. The last 5 years on his record were missing contributions/credits. After a lot of administrative difficulty and delay, HMRC accepted late voluntary class 2 NIC payments for these years and updated his record. However, after seeking advice from Equity, it then became apparent that he should have received class 3 credits for these years as a result of a tax credit claim. After a year of correspondence with HMRC on his behalf, these were finally added to his NIC record retrospectively and he was refunded the voluntary class 2 NIC he had paid.

31. The current government webpage overviewing NI credit eligibility is inadequate. It does not explain that if a person receives cESA and UC at the same time they get Class 1 credits as opposed to Class 3 credits, nor does it explain that Class 1 credits are better for future cESA claims.

32. This is particularly important information for those working in industries with fluctuating earnings, such as Equity's members, as in such industries it is common for a disabled worker or a worker with long-term ill-health to come on and off of UC and / or cESA. For this reason, information about long-term cESA entitlement is particularly important for our members yet, when claimants were migrated to UC under Move to UC they were often not told of the advantage to their NI record of maintaining cESA alongside UC.

33. As with voluntary NICs, Equity members find that they are often misadvised by HMRC and DWP staff when navigating the system. For example, Equity's Social Security and Tax advice team are aware of cases in which people are incorrectly advised that the only way to get NI credits during periods of ill-health, if they do not have the NI record to claim cESA, is to claim UC. This is not the only option available for those experiencing ill-health who could claim Limited Capability for Work credits instead of going through an onerous and complicated UC claim.

34. In order to reduce instances where eligible individuals are prevented from receiving credits in this way, we believe that taxpayers should be able to see more detail in their NI record than is currently possible. For taxpayers to be able to better navigate the system, credits listed on their online record should show whether those credits are Class 1 or Class 3 which will allow better understanding of entitlements. In addition, where contributions are 'treated as paid' the record should reflect this.

35. In order to help establish whether a taxpayer has received all the credits that they are entitled to, it would be beneficial for taxpayers with identified gaps to be able to ask a series of questions to establish potential historical entitlement. For example, whether they have been the primary carer for a child; whether they have had caring responsibilities; whether they have had periods in which they have been unable to work due to ill-health or disability and; whether they have received welfare benefits with an option to agree to check what these where and when. Answering yes to any of these questions could then direct the taxpayer to a dedicated team with an understanding of eligibility to establish whether they are missing any credits.

36. Following a voluntary payment or correction to missing credits it can take weeks for a taxpayer's NI record to update. This has detrimental effects on those who are waiting to establish eligibility for MA or cESA as it makes it very difficult for those already going through what can be a stressful time or period of ill-health to have certainty about their entitlements. To improve access and ease of navigating the system, a person's NI record must be updated in a timely manner following the payment of voluntary NICs or correction of missing credits to avoid putting, often vulnerable individuals, through onerous and lengthy processes simply to receive what they are entitled to.

37. Further, essential adjustments to HMRC systems of communication are required in order for legal representatives to act on behalf of their clients in respect of NIC and social security matters as the next case study illustrates:

Case study: Ms H

Ms H is a profoundly deaf dancer and actor. She is experiencing ill-health and needs to claim ESA. For the past several years she has earned over the SPT therefore should have been treated as having paid Class 2 NIC, a qualifying condition for ESA. However, her NI record for the requisite years states that she has contributions from credits on the basis of ill health and unemployment. It is not clear why this is the case. Ms H cannot call HMRC to check why this is the case. She has attempted to use both the text relay service and the British Sign Language service, however, neither she nor the HMRC staff were able to clearly communicate what the issue was given its legal complexity. Equity's social security and tax advice service contacted HMRC through web chat (extra support) but they were unable to advise on her case as there is no upload facility to show we have authority to act for her. Two months down the line we have not received a response to our written enquiry Ms H's behalf. Clarification on this fundamental matter is required in order to accurately advise on her ESA entitlement.

7.	**Are there circumstances where credits and voluntary NICs overlap or interact in ways that create confusion, duplication, or unintended outcomes? If so, what changes would improve fairness and clarity?**

38. The contribution conditions for cESA can be met with a combination of credits and paid contributions. When a claimant seeks to claim cESA they are faced with the question of whether they need to make a voluntary Class 2 payment and, if so, how much they need to make.

39. Currently, claimants are not able to see the class of the credits on their record and so are unable to be certain whether they have qualifying credits for cESA and, if not, which years they need to make voluntary contributions for without calling the National Insurance Contributions Office (NICO). Whilst it is possible to obtain this information from NICO, the below case study illustrates just how difficult this can be:

    Case study: Ms I

    Ms I moved to UC from working tax credit (WTC) under managed migration as a disabled worker. Her capital meant that her UC eligibility ended after 12 months. Due to this, Ms G wanted to claim cESA instead as it is not affected by capital. In order for her limited capability for work and work-related activity (LCWRA) status to transfer and to ensure the shortest possible gap in payment, Ms I needed her cESA to overlap with her UC award. If she had Class 1 credits for one of the years, she would need to pay one year of Class 2 voluntary contributions; if she did not, she would need to pay two years. It was impossible to know this information from her NI record. The entire process of establishing whether Ms I needed to make voluntary Class 2 contributions and, if so, for which years, took 12 weeks with many hours of Ms I's time liaising with HMRC and DWP and many hours of time from Equity's Social Security and Tax Officer supporting her to do so. It is typical for taxpayers and advisers to spend large amounts of time on these cases. Ms I found the uncertain and opaque system very distressing.

40. In order to improve clarity in the system, taxpayers should have access to an up-to-the-minute overview of the NI contributions and credits record which shows 1) which credits (Class 1 or Class 3) they have been awarded and why and; 2) whether paid Class 2 contributions on the record derive from the 'treated as paid' provision. This would greatly reduce the burden for taxpayers who are seeking to claim contributory benefits but do not know whether they need to make voluntary contributions to ensure their eligibility.

8.	**How do individuals decide whether to pay voluntary NICs, and to what extent to people use voluntary NICs as a long-term way to build qualifying years (including what information they use, who advises them, and what prompts them to act)?**

41. Equity is the only UK trade union to offer members support from a dedicated in-house team specialising in social security and tax issues. Our members, as detailed, often work in intermittent and precarious positions where income is often low and fluctuating. Many do not have the resource to pay for someone to provide support with tax or navigating the social security system, yet due to the nature of their work our members often find themselves needing to pay voluntary NICs or rely on social security support.

42. We advise our members that paying voluntary class 2 NICs is recommended, if they are earning below the SPT and are eligible, to ensure that they maintain their eligibility for important protections such as cESA and MA.

43. Often, members are prompted to act and make voluntary NICs on realisation that they are not eligible for support such as MA or cESA. Many times, attempting to claim MA is the first time that a member may interact with the social security system in any capacity which can also be the moment that they may realise that they don't have an adequate NI record to provide access to contributory elements of the system.

9.	**To what extent does the current pricing of voluntary NICs affect perceptions of fairness compared with compulsory NICs paid through work?**
10.	**Who benefits most from being able to pay voluntary NICs at lower cost, and how does this relate to ability to pay (for example, income, wealth, or being supported by other sources of income)? Please share any analysis or data.**

44. As set out in our response to question 1, Equity's members benefit from the ability to pay voluntary Class 2 NICs to ensure eligibility for certain contributory benefits. It should be a fundamental principle that the voluntary NIC system enables those on low incomes to be eligible for the essential forms of social security support that the currently voluntary Class 2 system allows for.

45. The protections offered by cESA, MA and State Retirement Pension are fundamental elements of the safety net that should be provided to all. Equity will oppose any reforms that in any way seek to reduce eligibility for such support.

46. Work in the creative industries is project-based and incomes of those working in the industries can fluctuate hugely. The average take-home from industry work for Equity members is £15,270 per year which is significantly below the national living wage. Those with low incomes do not have the resources to set aside money for the

eventuality that they may get sick or become disabled or to support themselves for a period of maternity leave, which leaves them reliant on the support offered by contributory benefits cESA and MA.

47. Our casework shows that a reduced availability of occupational pension for the self-employed means they often save for their future outside the pension structure, such as in investments and property. This means that even fairly low-earning self-employed people are more likely than employed people to have capital which takes them outside means-tested social security limit of £16,000 because pension savings do not count towards the limit whereas investments and property do. This increases the importance of contributory social security for this group.

48. Being able to pay voluntary NICs at a lower cost enables those in low-income, precarious work, such as Equity's members, to have access to a social security net that they would not otherwise have.

12.	**How effective is existing guidance (including digital journeys and helplines) in helping people understand whether paying voluntary NICs is in their interests, and what would improve it?**

49. Casework with Equity members has identified several issues in existing guidance and processes that undermine people's ability to access and easily navigate the voluntary NIC system.

50. As highlighted in response to earlier questions, much of the information published online by the government is far too complex to navigate and in several instances is incorrect. This extends to the interactions that Equity members have with staff in HMRC and DWP when contacting helplines to make voluntary NICs.

51. Members frequently report to us that they are refused the option to make Class 2 voluntary payments when they call helplines even when this is the correct option for them to update their record. Similarly, members find that they are often told that the only option that they have is to make Class 3 payments with no consideration of their eligibility to make Class 2 payments.

52. A common issue that members come across is that when they contact either HMRC or DWP via the helpline, they find that they are told that their issue is outside of the remit of the office that they have called and are sent to the other, only to call the other and be told the opposite. In order to improve the experience of those interacting with existing guidance and helplines whilst navigating the system there should be a much smoother interaction between DWP and HMRC. We recommend the creation of a unified office between DWP and the National Insurance Office which would deal with all aspects of NI-based social security. This would significantly simplify the process by

ensuring that staff are trained to give specific advice relating to NI-based social security.

53. In our experience, the Future Pension Centre (FPC) appears to be providing good information but only if the caller knows which questions to ask. This still requires the caller to have a level of understanding of the rules of the system that they may not have but may assume that the FPC will be able to advise on, which they cannot.

54. The process for claiming MA is often convoluted, resulting in a pregnant claimant needing to go through a lengthy process with HMRC and DWP to ensure their eligibility. The NI record does not reflect the correct position at the time that it is needed for self-employed MA claimants. Due to this, those who earn above the small profits threshold, but whose NI record has not yet been updated with their 'treated as paid' Class 2 contributions must make voluntary Class 2s to establish entitlement to MA. Once the NI record is updated in due course, in line with normal HMRC practice, the claimant must then apply for a refund of the voluntary payment.

55. This issue arises because the relevant dates for MA eligibility do not fall logically. The below hypothetical example illustrates:

In July 2026 an 8-month pregnant woman wants to claim MA. Her test period runs from 04/05/2025 to 08/08/2026 and during that period she must have 13 weeks of Class 2 payments on her NI record. Most of the test period falls in the 2025/26 tax year and the rest in the 2026/27 tax year. The 2025/26 tax return is due 31/01/2027 and, even if filed early, the claimant's NI record would not be updated until the last return date (31/01/2027). A typical process for this hypothetical 8-month pregnant claimant would look like this:

July 2026:

- Make MA claim to DWP
- MA claim refused or awarded at a low level as the claimant's NI record does not show 13 weeks of Class 2 payments in the test period.
- Claimant then has to call HMRC and make voluntary Class 2 payments for at least 13 weeks during the test period. Sometimes agents do not understand why a taxpayer would want to do this and can refuse or need persuading.
- The claimant then needs to wait for their payment to be allocated to their NI record. This means that they need to call HMRC to check that it has been allocated to their record.
- The claimant then needs to call DWP to tell them that their NI record is now complete and ask them to process the MA claim or increase to the higher amount. Sometimes a mandatory reconsideration is needed to achieve this.

February / March 2027 (with a small baby)

- Claimant needs to check with HMRC that their 2025/26 record contains the 'treated as paid' Class 2 contributions from their previous earnings above the small profits threshold for that year.
- Claimant then needs to apply for a refund of the voluntary Class 2 payment made in July 2026. If she does not first check the 'treated as paid' contributions are there, she risks a refund bringing an end to her MA award.

13.	**Are there risks of poor outcomes linked to misunderstanding or third-party advice (including where individuals pay when it provides little or no benefit)? What safeguards or changes could improve decision making?**

56. As highlighted in answer to previous questions, there are instances that Equity members have come across incorrect advice when interacting with HMRC, DWP and the NICO. In particular, when agents tell taxpayers that they must make Class 3 voluntary contributions either without consideration that they might be able to make Class 2 contributions, or because they, incorrectly, advise that Class 2 contributions cannot be made voluntarily this can have an adverse effect for those on low incomes. It can also mean that taxpayers are losing out on eligibility for important NI-based social security due to having incomplete Class 2 contribution records as a direct result of such misinformation.

14.	**In what circumstances do individuals end up with partial year gaps in their NI record?**
15.	**How effectively does the current system enable individuals to fill partial-year gaps in their NI record, and to what extent do current arrangements deliver outcomes that are proportionate and fair?**

57. Given the fluctuating nature of work in the creative industries, many of Equity's members use regular PAYE work to provide a stable supplementary income whilst income from industry work fluctuates. The nature of PAYE work varies, with some members having a regular PAYE employer that they can return to in periods when industry work is infrequent whilst others take on several different PAYE contracts at the same time alongside industry work.

58. As this PAYE work is often not for the full year, members might need to use voluntary contributions to fill the partial year gaps in their record to ensure their entitlements to contributory benefits. It is important that this ability remains and remains accessible to those on low incomes to ensure that eligibility for contributory support can be maintained. Equity's Social Security and Tax advice team often see instances where a member's NI record lists a number of weeks' contributions from employment that leave a partial-year gap that it is then too late for the member to close with voluntary NICs. Clearer information would have enabled them to top up their record.

20.	**What reforms to voluntary NICs should the government consider to improve fairness?**
21.	**What further reform of the voluntary NICs system should the government consider?**

59. As detailed throughout this evidence submission, voluntary NICs are an important part of the way that Equity's members ensure that they can access contributory benefits in a cost-effective manner whilst working in fluctuating, short-term positions.

60. We have made several suggestions for changes to the system to improve access and efficiency for taxpayers and for the departments involved in administering it, and we are clear that any reforms to the system must ensure that there is a way for those working in careers such as those undertaken by Equity's members have a low-cost and flexible way to ensure that they can update their NI record and maintain eligibility for crucial contributory support.

61. Outside of this call for evidence, we are aware that the government has committed to exploring reforms to employment status to introduce a single status of worker. Equity is in support of the aim to extend rights enjoyed by employees to a broader group of workers. However, as an element of this reform we will continue to make the argument that we have previously put forward that any single worker status system should ensure that the current treatment of performers as self-employed for tax purposes is maintained, despite their status under a new employment law regime.

62. This mirrors practice across Europe where in many countries the creative industries have targeted tax and employment statuses which recognise the unique nature of work and remuneration in the industries worldwide.

Appendix 1. Screenshot from www.gov.uk/national-insurance/what-national-insurance-is-for

What National Insurance is for

National Insurance contributions count towards the benefits and pensions in the table.

	Class 1: employees	Class 2: self-employed	Class 3: voluntary contributions
Basic State Pension	Yes	Yes	Yes
Additional State Pension	Yes	No	No
New State Pension	Yes	Yes	Yes
New Style Jobseeker's Allowance	Yes	No	No
Contribution-based Employment and Support Allowance	Yes	Yes	No
Maternity Allowance	Yes	Yes	No
Bereavement Support Payment	Yes	Yes	No