Factsheet 19

State Pension

April 2024

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1 What is State Pension?

State Pension can be paid when you reach State Pension age, provided you

2

If the estimate shows you have insufficient qualifying years to get a full State Pension, ask if you can make up the shortfall before reaching State Pension age.

If not, ask HMRC for a NI statement, check this and query any gaps. Consider paying voluntary NI contributions to make up gaps (see section 12.4).

4 Calculating the amount

For

Online

Go to

6.2 Putting off or deferring State Pension

When you reach State Pension age, you can put off or *defer* claiming State Pension, which means you may receive a higher rate of State Pension later on. If you start receiving State Pension, it is possible to change your mind and start to defer it, but this can only be done once.

You must defer for at least nine weeks. Your new State Pension increases by one per cent for every nine weeks you defer or about 5.8 per cent for a full year. You can defer claiming for as long as you like.

This increased amount is paid on top of your new State Pension when you start claiming and counts as taxable income. You cannot take the extra amount as a lump sum payment and if you die before your spouse or civil partner, they cannot inherit any of your increase.

This may not be right for everyone and whether you gain overall depends on your specific circumstances.

In particular, if you or your partner claim certain benefits such as Pension Credit, Universal Credit, or income-related Employment and Support Allowance, you do not receive any increase for each whole week in which you receive the other benefit. The unclaimed State Pension also counts as notional income for these benefits.

Action

If you are thinking about deferring your State Pension, it is important to consider the full implications, especially if you claim other benefits. Seek advice from Age UK Advice if so.

In **Wales**, contact Age Cymru Advice and in **Scotland**, contact Age Scotland.

7 Decisions and payments

Once your claim has been processed, the Pension Service send you a decision notice including details of how much your State Pension will be, how and when it will be paid, your duty to report relevant changes in your circumstances, and your appeal rights.

7.1 If you disagree with a decision

If you think you have been awarded the wrong amount of State Pension or disagree with a decision about your State Pension, you can ask for the decision to be revised *Mandatory Reconsideration* .

If you are still unhappy with the decision after MR, you can appeal to an independent tribunal. There are time limits that apply, so it is important to act quickly. See factsheet 74, *Challenging welfare benefit decisions,* for more information.

8.2 Inheriting a protected payment

You can inherit half of a
claiming your own State Pension if your marriage or civil partnership began before 6 April 2016 and ***both*** the following apply:

they reached, or would have reached, State Pension age on or after 6 April 2016, and

they died on or after 6 April 2016.

8.3 Inheriting a deferral payment

You get any A

9.3 Going into a care home

State Pension is

Your old State Pension can be made up of a combination of:

Basic State Pension (section 11.1)

Additional State Pension (section 11.2)

Gr

11.4 National Insurance

The amount of old State Pension you are entitled to depends on your NI contributions record. You can receive the full amount of a Category A State Pension if you have 30 or more qualifying years.

If you have fewer than 30 qualifying years, you get a reduced pension provided you have at least one qualifying year. Each qualifying year entitles you to $1/30^{th}$ of the full amount.

If you do not get the full amount, you may be able to increase your State Pension by relying on a spouse or civil partner (see section 11.6) or by paying voluntary NI contributions (see section 12.4). For more information about NI contributions and credits, see section 12.

11.5 Putting off or deferring State Pension

If you chose to put off or defer claiming State Pension, you can get extra State Pension or a lump sum at a later d

If you are widowed or a surviving civil partner

If you did not remarry or form a civil partnership before reaching State Pension age, you may be able to use their NI contributions to increase your basic State Pension up to a maximum of £169.50 a week.

This applies if you had reached State Pension age when your partner died. The amount depends
, NI contributions record.

If you are divorced

If you are divorced but do not qualify for a full Category A State Pension,

the amount of basic State Pension to the maximum of £169.50 a week.

up to when your marriage ended is substituted for your own, either from the start of your working life up to your divorce, or just for the period of your marriage.

If you remarried or formed a civil partnership before State Pension age,

contributions record. However, if you did so after State Pension age, you do
contributions record.

If your civil partnership has been dissolved

12 National insurance contributions and credits

This section explains the types of National Insurance contributions and credits you can use towards new and old State Pension entitlement.

12.1 Checking your NI record

Check for gaps in your NI record by requesting a statement from HMRC. You can do this online at *www.gov.uk/check-national-insurance-record* or call the helpline on 0300 200 3500. Request a State Pension forecast for an estimate of how much you will get when you claim. See section 3.1 for more information.

12.2 NI contributions in work

Employees between 16 years of age and State Pension age pay NI contributions depending on the level of their earnings. If you are an employee with earnings of £123 a week or more (the level of the Lower Earnings Limit in 2024/25), you build up qualifying years that count towards entitlement to State Pension.

You do not start to pay NI contributions until your earnings reach £242 a week. If you earn between £123 and £242, you are treated as though you pay NI contributions and build up qualifying years that count towards entitlement to the State Pension and other contributory benefits.

W *paid* this includes people with earnings between £123 and £242 a week who do not actually pay NI but are treated as having paid NI contributions.

Employees pay Class 1 NI contributions as a percentage of earnings, and these are collected with Income Tax. Employers also pay NI contributions. If you have insufficient NI contributions for a full State Pension but have m

You are more likely to have contracted out if you worked in public sector organisations and professions such as the NHS, local councils and the civil service, fire services, teachers, police forces and the armed forces.

Note
Contracting out was abolished from 6 April 2016 and everyone now automatically pays standard National Insurance.

Self-employed

You no longer need to pay Class 2 contributions when self-employed. If your relevant profits are at or above the small profits limit, you continue to have access to State Pension without paying Class 2 contributions. If your relevant profits are below the small profits limit, you can choose to make voluntary Class 2 contributions, see section 12.4.

Working abroad

NI contributions paid abroad may help you qualify for State Pension if you worked in an EEA country, or one with a reciprocal agreement with the UK.

12.3 NI credits

If you are under State Pension age, you can be entitled to a credit in place of a NI contribution, if you:

receive Universal Credit, Working Tax Credit, or Employment and Support Allowance

receive Income Support (IS) as a carer, CA or CSP, or would receive CA/CSP if not for overlapping benefit rules

do not get CA, CSP or IS but provide care for at least 20 hours a week for one or more people getting AA, Constant Attendance Allowance (CAA), DLA middle or high rate care component, PIP daily living component, ADP or CDP in Scotland, or whose need for care has been certified by a health or social care professional (*Carer's Credits*)

receive Child Benefit for a child aged under 12

are a grandparent or other adult family member providing childcare for a child aged under 12 or you are an approved foster carer

are married to, or in a civil partnership with, a member of the armed forces and you accompanied them on a posting outside the UK. This is available to women born on or after 6 April 1953 or men born on or after 6 April 1951 for tax years from 1975/76. The credits are available to widows, widowers, divorcees and former civil partners provided they were married or in a civil partnership with the member of the armed forces at the time of the accompanied posting.

You need to apply to get Carer's Credits, credits as a foster parent or
these
credits before the end of the tax year following the one in which you are entitled to them. Late applications may be accepted if there is a good reason for not applying earlier.

Grandparent s credits must be applied for after the end of the tax year following the one in which you are entitled to the credits. You need to apply for credits for military spouses and civil partners but there are no time limits for applying. Different credits and paid contributions can be combined to make a full qualifying year. See *www.gov.uk/national-insurance-credits* for more.

Home Responsibilities Protection (HRP)

From

12.4 Voluntary NI contributions

If you are not paying NI contributions and are not entitled to credits or HRP, you can pay Class 2 or 3 voluntary contributions to protect your State Pension. You cannot pay voluntary contributions for any year in

Useful organisations

Citizens Advice
England or Wales go to www.citizensadvice.org.uk
Northern Ireland go to www.citizensadvice.co.uk
Scotland go to www.cas.org.uk
In England telephone 0800 144 8848
In Wales telephone 0800 702 2020
In Scotland telephone 0800 028 1456

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Disability Service Centre
www.gov.uk/disability-benefits-helpline

Provides advice or information about claims for Disability Living Allowance, Personal Independence Payment or Attendance Allowance.

Attendance Allowance (AA)
Telephone 0800 731 0122

Disability Living Allowance (DLA)

If you were born on or before 8 April 1948
Telephone 0800 731 0122

If you were born after 8 April 1948
Telephone 0800 121 4600

Personal Independence Payment helpline
Telephone 0800 121 4433

Future Pension Centre
Telephone 0800 731 0175

Gov.uk
www.gov.uk

Official government website with information about pensions planning, State Pension, and workplace, personal and stakeholder pensions.

HM Revenue and Customs
www.gov.uk/government/organisations/hm-revenue-customs

Contact HMRC for more information about taxes and National Insurance contributions. The National Insurance contributions office is listed below.

HM Revenue and Customs Tax Credits Office
www.gov.uk/topic/benefits-credits/tax-credits
Telephone 0345 300 3900

International Pension Centre
www.gov.uk/international-pension-centre
Telephone +44 (0) 191 218 7777

MoneyHelper
www.moneyhelper.org.uk/en/pensions-and-retirement
0800 011 3797

Offers information and guidance on different types of pensions. They can help you if you want to complain about a workplace or private pension.

National InsurannBTnt to

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice
www.ageuk.org.uk
0800 169 65 65
Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru Advice
www.agecymru.org.uk
0300 303 4498

In Northern Ireland contact

Age NI
www.ageni.org
0808 808 7575

In Scotland contact

Age Scotland
www.agescotland.org.uk
0800 124 4222

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