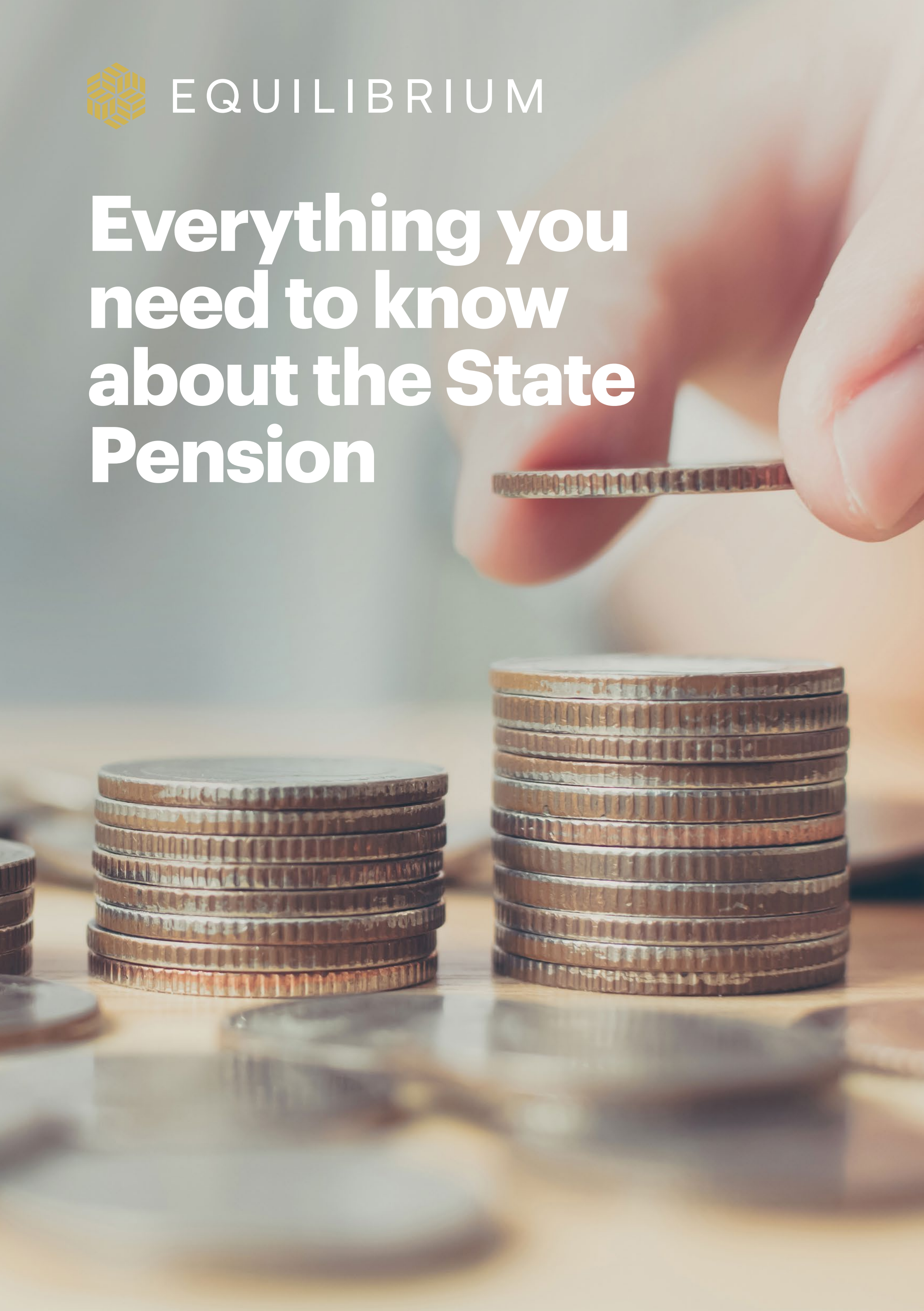
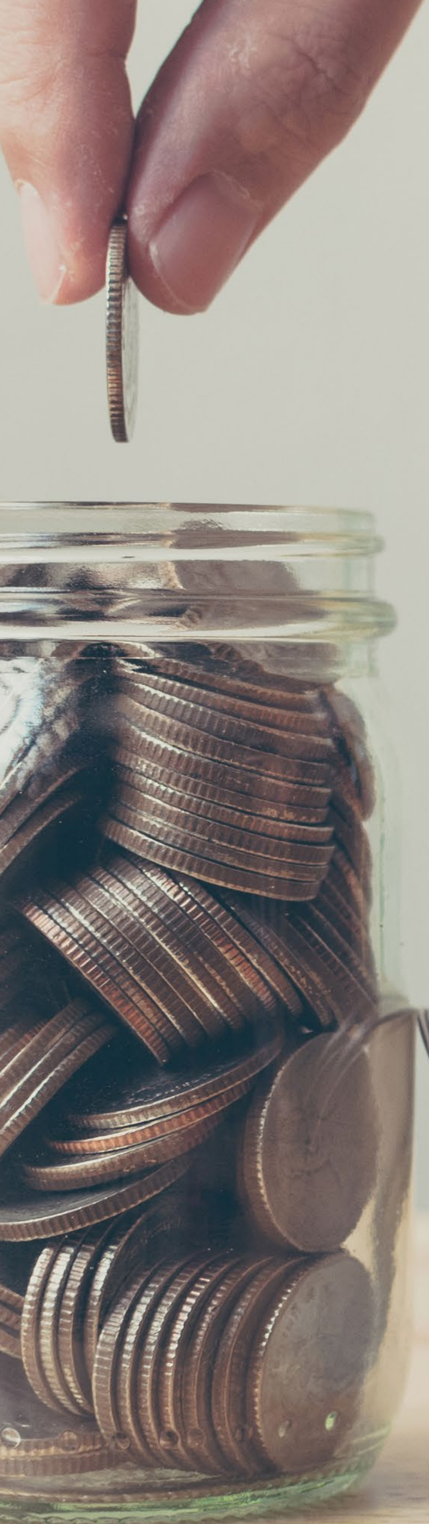
EQUILIBRIUM

Everything you need to know about the State Pension





Why is my State Pension important?

Many people are dismissive of their State Pension, believing it to be an insignificant part of their financial plan.

However, it's a reliable source of income that should be factored into your future. Although it may not be a sum that you'd want to live on, it is a significant amount of money that can play an important role in making your life better.

Pension rules and regulations can seem complicated and off-putting, but they don't have to be.

This guide will outline everything you need to know about your State Pension in simple, jargon-free language.

When can I get my State Pension?

The State Pension is a regular payment from the government which most people can claim at state pension age.

State Pension age for men and women is currently 66.

It is set to rise to 67 between 2026 and 2028 and could potentially rise again to 68 between 2037 and 2039, although the revised timetable has not been confirmed yet.

Click here to use the gov.uk calculator and find out:

- when you will reach State Pension age;
- your Pension Credit qualifying age; and
- when you'll be eligible for free bus travel;
- the amount you get depends on the number of qualifying years you have and this is based on your National Insurance record.
- the rules surrounding the number of qualifying years changed in April 2016.

State Pension rules

Pre 2016

Anyone reaching state pension age on or before 6 April 2016 had to build up 30 years' worth of NICs to get a full state pension.

People in this age group may also be entitled to the additional state pension and partners may be able to inherit a portion of this upon their partner's death.

Post 2016

In April 2016, the number of years' National Insurance contributions (NICs) that are needed to qualify for a full State Pension increased to 35 years for both men and women.

To get any State Pension, you will usually need at least 10 qualifying years of NICs - they do not have to be 10 qualifying years in a row.

The amount you get is proportionate to your contributions - for example, if you have 15 years' full contributions, you will get 43% (15/35) of the full amount.

The State Pension also changed from a two-tier system (basic state pension and additional state pension) to a single-tier system.

In the current tax year (2024-25), the full level of the new state pension is £221.20 per week (£11,541.90 per year), based on 35 qualifying years of

Triple lock

Under the triple lock system, the State Pension increases each April in line with the higher of the following three measures:

- inflation, as measured bu the Consumer Prices Index in the September of the previous year
- the average increase in wages across the UK
- or 2.5%

How much State Pension will I get?

You can obtain a State Pension forecast from the government.

This will provide you with an estimate of how much State Pension you could get when you reach State Pension age and the number of qualifying years on your National Insurance record.

You can request a forecast using the following methods below:

- Online via the gov.uk website **here**.
- Fill out a **BR19 application form** and send it by post (or we can do this for you).
- Call the **Future Pension Centre** who will post it to you.

You cannot obtain a State Pension forecast if you're already receiving your State Pension or if you've delayed claiming it. In this instance, if you would like more information about your State Pension, contact the **Pension Service** if you're in the UK or the **International Pension Centre** if you live abroad.

Warning

- Your forecast is not a guarantee and is based on current legislation.
- The estimated State Pension value does not include any inflationary increases.

Can I top up my State Pension?

It may be possible to top up your pension if you fit the eligibility criteria to pay voluntary National Insurance contributions.

You can usually pay voluntary contributions for the past six years and you have until 5 April each year to make these up. For example, you have until 5 April 2030 to make up for gaps for the tax year 2023 to 2024.

If you want to make voluntary contributions for the tax years 2016 to 2017 or 2017 to 2018, the deadline has been extended until 5 April 2025.

Rates

The rates for 2024 to 2025 tax year are:

£3.45 a week for Class 2

£17.45 a week for Class 3

You usually pay the current rate when you make a voluntary contribution.

When you pay different rates

If the gap in your National Insurance record was between 6 April 2016 and 5 April 2023, you'll pay the rates that applied in the 2022 to 2023 tax year:

The rates are:
£3.15 per week for Class 2
£15.85 per week for Class 3

You will also pay these rates if you are **a man born after 5 April 1951** embolden or **a woman born after 5 April 1953** and you want to make up any gaps between 6 April 2006 and 5 April 2016.

You have until 5 April 2025 to pay voluntary contributions. After this date, you may have to pay higher rates or be ineligible to pay.

Check to see if you're eligible by visiting gov.uk website **here**.

You can also find out how and when to pay **here**.

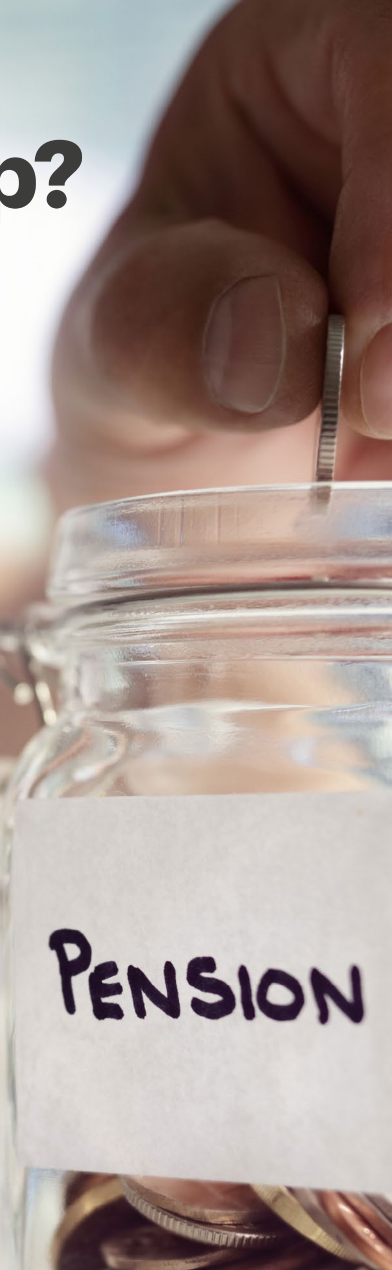
Should I top up?

Firstly, you need to check whether any voluntary contributions will actually increase your State Pension as it is not always the case.

It may only be worth considering if:

- you're near to State Pension age and you don't have enough qualifying years to get the full state pension.
- you know you won't be able to get the qualifying years you need to get the full State Pension during your working life.
- you're self-employed and you don't have to pay Class 2 contributions because you have low profits or live outside the UK, but you want to qualify for some benefits.

If you are unsure of what to do or would like to know more information about your State Pension entitlement, get in touch with one of our friendly experts using the contact details overleaf.



Click here to book a no-obligation, 20-minute chat with one of our friendly experts

Head Office
Ascot House, Epsom Avenue,
Handforth, Wilmslow,
Cheshire SK9 3DF

Chester Office
19a Telford Court,
Chester Gates Business Park,
Chester CH1 6LT

New enquiries: 0161 383 3335
Existing clients: 0161 486 2250
askus@equilibrium.co.uk
www.equilibrium.co.uk