

**State Pension**  
Information booklet



# State Pension

## The choices available to you

BR33 04/07

## About this information booklet

Please read this information booklet carefully. It explains the choices available to you as regards your State Pension when you reach State Pension age.

State Pension is not paid automatically. If you decide you want to take your State Pension, you need to claim it.

A quick and easy way to claim your State Pension is by phone. If you wish we will tell you more about Pension Credit when you call to claim State Pension. See page 14 for more information.

Please call **0845 300 1084** or ask someone to call for you.

If English is not your first language, you can call **0845 300 1084** and ask for an interpreter.

If you have speech or hearing difficulties and use a textphone please call **0845 300 2086**.

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This information booklet gives general guidance only and should not be treated as a complete and authoritative statement of the law.

## Your State Pension

Your State Pension is based on our records of your National Insurance contributions paid during your working life. It can be made up of different components, including basic State Pension and additional State Pension. The form we have sent you with this information booklet gives you an indication of what you may receive when you claim your State Pension.

If the amount of basic State Pension shown on the form is less than the full rate, you may be able to increase the amount of your basic State Pension by paying additional National Insurance contributions for past years.

If you want to know if you can increase your State Pension in this way, please contact us, even if you do not want to claim your State Pension yet.

You can get information about the full rates of basic State Pension by:

- calling 0845 300 1084 or
- reading leaflet **BRA5DWP** *Social Security benefit rates* which is available from any Jobcentre Plus office, Jobcentre or social security office.

## If you are married

A wife may qualify for a basic State Pension based on her husband's National Insurance contributions. A husband who has reached age 65 may be able to qualify for a basic State Pension based on his wife's contributions, provided she reaches State Pension age on or after 06/04/2010, when the State Pension age begins to be equalised to 65 for both men and women.

## If you are a civil partner

A civil partner who has reached State Pension age may be able to qualify for a basic State Pension based on their civil partner's contributions, provided that their civil partner reaches State Pension age on or after 06/04/2010, when the State Pension age begins to be equalised for both men and women.

**If you are divorced, your civil partnership is dissolved,  
you are widowed or you are a surviving civil partner**

The form that has been sent to you with this information booklet tells you how much money you may be entitled to. This amount is estimated on the current information that we hold.

If:

- you are divorced or your civil partnership is dissolved
- you are widowed or you are a surviving civil partner,

the amount will not include any entitlement from the National Insurance contributions of your:

- late husband, late wife or late civil partner
- ex-husband, ex-wife or ex-civil partner.

**If you are divorced or your civil partnership is dissolved**

You may qualify for a higher rate of State Pension based on your ex-husband, ex-wife or ex-civil partner's National Insurance contributions. If you are divorced or your civil partnership is dissolved and think that this may apply to you, ask when you call us.

**If you are widowed or you are a surviving civil partner**

You may qualify for a higher rate of State Pension based on your late husband, late wife or late civil partner's National Insurance contributions.

If you were widowed on or after 9 April 2001 and are receiving a Bereavement Benefit such as Bereavement Allowance or Widowed Parent's Allowance, payment of that benefit ceases when you reach State Pension age.

You can then either claim your State Pension or put off claiming your State Pension until a later date. Your State Pension may include inherited additional State Pension, inherited from your late husband, late wife or late civil partner.

If you were widowed before 9 April 2001 and are receiving a widow's benefit, such as Widow's Pension or Widowed Mother's Allowance, you can:

- claim State Pension from State Pension age or
- continue to receive your widow's benefit for a further 5 years until age 65 or
- give up your widow's benefit to earn extra State Pension.

The rate of State Pension will not usually be less than the benefit you are receiving now.

**If you are divorced, your civil partnership is dissolved, you are widowed or you are a surviving civil partner and you would like a forecast of your entitlement**

If you are divorced, your civil partnership is dissolved, you are widowed or you are a surviving civil partner and you would like a forecast of your entitlement, including any entitlement from the contributions of your:

- late husband, late wife or late civil partner
- ex-husband, ex-wife or ex-civil partner

you can contact the Retirement Pension Forecasting Team. Please contact them straight away because it may take a long time to get the contributions of your:

- late husband, late wife or late civil partner
- ex-husband, ex-wife or ex-civil partner

and work out your forecast.

You can phone the Retirement Pension Forecasting Team on **0845 3000 168**. Lines are open 8am to 8pm Monday to Friday, except public holidays and 9am to 1pm Saturday.

Calls are charged at local rate based on current charges from BT landlines. Charges for calls from mobile phones and cable networks may be different.

If English or Welsh is not your first language, you can use your own interpreter or one that we can provide. If you have speech or hearing difficulties, a textphone service is available on **0845 3000 169**.

When you call, it will help if you can tell us:

- your late husband, late wife or late civil partner's National Insurance number, and
- your date of bereavement, or
- your ex-husband, ex-wife or ex-civil partner's National Insurance number, and
- your date of divorce or the date your civil partnership was dissolved.

All information you give us is confidential. To make sure our service is of a high standard, calls may be recorded for training and quality monitoring purposes.

### **The Pension Tracing Service**

The Pension Tracing Service may be able to help you trace previous employers or their pension schemes.

You can phone them on **0845 600 2537**. For people who have difficulties with their hearing or speech, a textphone service is available on **0845 300 0169**. Their opening hours are 9am to 5pm, Monday to Friday.

You can find more information about the Pension Tracing Service on our website at **[www.pensionservice.gov.uk](http://www.pensionservice.gov.uk)**

Or, you can write to them at:

Pension Tracing Service  
The Pension Service  
Tyneview Park  
Whitley Road  
Newcastle upon Tyne  
NE98 1BA.

### **Working past State Pension age**

This can increase your retirement income by giving you more time to earn and save for your future.

If you decide to carry on working past State Pension age, you may choose to:

- work fewer hours,
- job-share,
- take on a less demanding role or
- take up seasonal work.

If you do any of these things, you should check if it will affect any occupational pension scheme you have been paying into.

If you work past State Pension age, you can claim your State Pension whilst continuing to work. Your earnings and the hours you work will not affect your State Pension but you may pay tax on your State Pension as well as your earnings.

Or you can put off claiming your State Pension to earn extra State Pension or a lump sum.

You may be able to continue working with the same employer as well as getting occupational pension from them.

You can find more information on your options on working past State Pension age by going to: [www.agepositive.gov.uk](http://www.agepositive.gov.uk)



### **Paying National Insurance contributions after State Pension age**

You do not pay Class 1 National Insurance contributions after you reach State Pension age although your employer will still be required to pay their contribution. If you are self-employed, you do not have to pay any more Class 2 or Class 4 contributions.

If you are working for an employer you will need to give them a Certificate of Age Exception which tells them that you do not have to pay National Insurance contributions on your earnings.

This certificate will be sent to you automatically when you claim your State Pension, if you tell us that you are going to carry on working.

If you are putting off your claim to State Pension and need a certificate, you should contact the HM Revenue & Customs at the address shown below. You may need to provide evidence of your date of birth.

HM Revenue & Customs NICO  
Contributor Caseworkers  
Benton Park View  
Longbenton  
Newcastle upon Tyne  
NE99 1ZZ

### **Putting off claiming State Pension**

You can put off claiming your State Pension, when you reach State Pension age, so that you can get extra State Pension when you do retire.

If you are already claiming State Pension, you can decide to stop your claim to earn extra State Pension or a lump sum. But you can only do this once and you must be normally living in Great Britain.

You will be able to put off claiming your State Pension for as long as you like to build up either extra State Pension or a lump sum.

If you decide to put off claiming your State Pension after April 2005, the following choices are available to you. You can:

- **earn extra State Pension**

You can choose to get extra State Pension of around 1% of your normal State Pension for every continuous 5-week period you do not claim it, but you will not get any State Pension for the weeks you give it up. This means that if you put off claiming your State Pension for a year, when you did claim it, it would be 10.4% more. You must put off claiming for at least 5 weeks in a row after 6 April 2005 to get this increase. Your extra State Pension will be paid to you for the rest of your life and will be increased annually in the same way as the rest of your State Pension.

or

- **get a one-off taxable lump sum payment**

You can get a lump sum as an alternative to the extra State Pension if you put off claiming for at least 12 consecutive months. The lump sum will be based on the State Pension you would have got if you had claimed it at State Pension age, or the date you put off claiming it, plus added interest. The rate of return will be based on the Bank of England's base interest rate, plus 2 percentage points. You can receive the lump sum at the time you claim your State Pension or in the following tax year. You will get your normal State Pension from the time you claim.

You have to put off claiming your State Pension for at least 12 months to be able to choose a lump sum. If you put off claiming your

State Pension for less than 12 months you may still get an increased weekly amount of State Pension. Or you could choose to have arrears of State Pension paid back to you in one payment – without any extra interest. This is known as *backdating*.

Once you decide to claim your State Pension, depending on how long you put off claiming, you will have the choice of extra State Pension, a lump sum or backdating your claim.

- If you put off claiming your State Pension for at least 5 weeks, you may get extra State Pension.
- If you put off claiming your State Pension for at least 12 months, you have a choice of extra State Pension or a lump sum.
- If you put off claiming your State Pension for less than 12 months you can get a one off payment, based on the amount of State Pension you have put off claiming but without interest.

If you decide to backdate your claim for State Pension, it will reduce the amount of extra State Pension or lump sum you could get.

#### **If you claim your State Pension between 6 April 2005 and 5 April 2006**

The maximum period that we can backdate your claim is changing.

- If you claim your State Pension before 6 July 2005, your State Pension may be backdated for 3 months.
- If you claim after 6 July but before 6 April 2006, your claim may be backdated to 6 April 2005.
- From April 2006, your claim may be backdated for 12 months.

If you want to know if this affects you, please ask us when you contact us.

If you are thinking about putting off your claim, you may want to get independent financial advice. You may have to pay for this.

#### **What else do I need to know?**

If you are getting certain other benefits at the same time as you are putting off claiming your State Pension, the days you are getting these other benefits will not count towards any extra weekly State Pension or lump sum. These benefits include Widow's Benefit, Carer's Allowance, Widowed Mother's Allowance and Severe Disablement Allowance. This list is not exhaustive.

You may have to pay income tax on income from the State Pension you get.

So if you decide to take the extra State Pension, the extra money will be taxable too. It will also be taken into account for Pension Credit, Housing Benefit and Council Tax Benefit, just like other types of income.

If you decide to take the lump sum instead of the extra State Pension, you may also have to pay tax on it. The lump sum will not affect your claim for Pension Credit, Housing Benefit or Council Tax Benefit.

### **What do I have to do?**

You do not have to tell us if you want to put off claiming your State Pension, or if you want to continue to put off claiming it.

If you are thinking about putting off your claim to State Pension you can get more information from leaflet *SPD1 Your guide to State Pension Deferral* which can be obtained by calling **0845 731 32 33**.

You may also want to seek independent financial advice. You may have to pay for this advice.

### **If you are currently putting off claiming your State Pension**

You may also benefit from the choices available. For more information please contact us.

### **Payment of your State Pension direct into an account**

We normally pay State Pension directly into an account. This is the safest way to pay you and lets you choose how and when you get your money. You can use a bank, building society or other account provider. Most accounts allow you to make savings on some of your bills by paying them by Direct Debit. You may be able to use a cash machine, which will usually mean you can get your money at any time of the day or night. Most of these machines can be used for free, but some of them may charge you to take your money out. If so, you will be warned by a message on the screen. This will give you the opportunity to cancel your transaction without being charged.

There are arrangements with some banks and building societies to let you collect cash from many of their accounts over the counter at post offices.

With payment directly into an account you can choose to be paid either 4 weekly, 13 weekly or weekly.

### **Information on types of suitable accounts**

If you have an account but you do not wish to use it, for example a joint account, any bank or building society will help you open an account that suits you better. Remember to ask whether their accounts allow you to get your money from the Post Office®, if this is important to you.

**Basic Bank Account:** If you have had problems opening a current account, or if you are worried about being overdrawn, you could ask any bank or building society about opening a basic bank account. These are available from all major banks and offer free banking with no overdraft facility. You can use these accounts to pay money in, pay bills automatically, and get cash out. Many basic bank accounts also allow you to get cash from post offices.

**Other accounts:** Alternatively, you can be paid in to some Credit Union accounts or a Post Office® card account. These accounts may have restrictions on the services provided.

### **Finding out how much is paid into the account**

We will tell you when the first payment will be made and how much it is for. Each payment, after the first one, should be for the same amount unless there is a change in your circumstances. We will tell you whenever we know there is going to be a change in the amount we pay into your account.

You can check your State Pension payments on your account statements. Your statements will usually show your National Insurance (NI) number next to payments that are from us. If you think your payment is wrong, get in touch with the office that pays you.

**If not enough money is paid into the account**

If we do not pay enough money into the account, we will make another payment or add the money we owe you onto your next payment. We will contact you to tell you what we are going to do.

**Sometimes we may pay too much money into the account and you may be overpaid**

If this is because of the way the system works for payments made directly into an account, we have the right to recover any money you are not entitled to. For example, you may give us information which means you are entitled to less money but we may not be able to change the amount already sent out. We will contact you first if we propose to recover any money.

**Pension Credit**

If you are aged 60 or over you may be entitled to Pension Credit, which could mean extra money for you every week. Pension Credit can be paid as well as your State Pension.

Pension Credit is an entitlement for people aged 60 and over who are living in Great Britain. It could top up your weekly income to a guaranteed level. And, if you are 65 or over and have savings for your retirement, you could receive extra money too.

The Pension Service has made it easier for you to apply for Pension Credit. You can apply by contacting us by telephone. If you wish we will tell you more about applying for Pension Credit when you call to claim your State Pension on 0845 300 1084.

Should you decide to apply for Pension Credit by telephone we will ask you about your circumstances. This will include information about any income and savings and investments you or your partner may have, and your housing costs. This is because the amount people get depends on:

- their personal circumstances
- the amount of money they already have coming in, and
- the amount of savings and investments they have.

If you pay rent or council tax you can also apply for Housing Benefit and Council Tax Benefit. The Pension Service can take your claim at the same time as you call to apply for Pension Credit.

People who are entitled to even a small amount of Pension Credit may be eligible for help with their rent or council tax.

We will be able to deal with your application more quickly if you have the following up to date information and values to hand when you call.

- Information about the money you or your partner has coming in.
- Information about any savings and investments you or your partner may have.
- Information about housing costs, such as interest on your mortgage or details of any ground rent.

If you want to know more about Pension Credit, ask for information when you contact us about your State Pension. Or visit The Pension Service website at [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

#### **If you are sick or disabled**

If you are receiving a sickness or disability benefit, it may not be payable after you get to State Pension age.

- **Incapacity Benefit** usually stops when you reach State Pension age, but there are circumstances when payment can continue. If you want to know if you can continue to get your Incapacity Benefit after State Pension age you should contact the office that is paying your benefit.
- Payment of Incapacity Benefit can be paid for short periods of incapacity after State Pension age, but this will be based on your State Pension entitlement.
- You can carry on getting **Severe Disablement Allowance** instead of claiming State Pension.
- If you get **Reduced Earnings Allowance** and your regular employment ends, it will be replaced by Retirement Allowance when you reach State Pension age.
- Claiming State Pension does not affect your **Disability Living Allowance** or **Attendance Allowance**.

### What to do now

The Pension Service can only accept your claim if they receive it no earlier than 4 months before the date you want to start getting State Pension.

If you want to start getting your State Pension in the next 4 months follow the instructions on the form *About your State Pension* that came with this.

Please contact us straight away. If you delay, you could lose money.

**Claiming your state pension couldn't be easier. You can give all of your details over the phone. Our customer advisors will answer any questions you may have.**

**Please call 0845 300 1084 or ask someone to call for you.**

**If English is not your first language you can call 0845 300 1084 and ask for an interpreter.**

**If you have speech or hearing difficulties and use a textphone please call 0845 300 2086.**

**You can also get a copy of our claim form from our website. The address is [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk)**

If you do not want to claim State Pension by telephone or from our website, please call us on **0845 300 1084**. Or you can fill in the tear-off portion in this booklet and send it to The Pension Service, National Pension Centre, RP Tele-Claims Service, Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA.

If you do not want to start getting your State Pension in the next 4 months keep this and accompanying form *About your State Pension* in a safe place. Contact us within 4 weeks of the date you decide you want to start getting your State Pension from.



**A quick and easy way to claim your State Pension is by phone.**

**Please call 0845 300 1084 or ask someone to call for you.**

**If English is not your first language you can call 0845 300 1084 and ask for an interpreter.**

**If you have speech or hearing difficulties and use a textphone please call 0845 300 2086.**

Remember it is really quick and easy to claim by phone by calling **0845 300 1084**. Alternatively, you can complete this tear-off if you want to fill in your own State Pension claim form and return to the address shown on page 16. Please do not send anything else with this tear-off.

**Name**

Mr / Mrs / Miss / Ms

**Your National Insurance (NI) number**

Letters      Numbers      Letter

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**Your date of birth**

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**Address**


Postcode

**Phone number**

Code      Number

**If you are a married man, is your wife 60 or over?**

**No** ☐

We will send you a claim form to fill in for an increase of State Pension.

**Yes** ☐

We will send you a claim form for your wife to fill in.

## Help and advice

If you want more information about State Pension, please get in touch with us.

Please call **0845 300 1084** or ask someone to call for you. If you have speech or hearing difficulties and use a textphone please call **0845 300 2086**. Lines are open 8am to 8pm Monday to Friday, and 9am to 1pm on Saturdays. We are closed on public holidays.

You can also get in touch with your Jobcentre Plus, Jobcentre or social security office. Their address and phone number is in the phone book under Jobcentre Plus office, Jobcentre or Social Security. Or you can visit our web site: [www.thepensionersservice.gov.uk](http://www.thepensionersservice.gov.uk)

If you live abroad, please contact:

The Pension Service  
International Pensions Centre  
Tyneview Park  
Newcastle upon Tyne  
NE98 1BA  
England

Phone +44 191 218 7777

If you want more information about tax, you should contact HM Revenue & Customs. You can find the number in the phone book under HM Revenue & Customs or Inland Revenue or you can visit the HM Revenue & Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

The Pensioners' Guide **PG1** signposts people aged 60 and over to the services, help and advice available to them. It covers a range of topics from:

- Money and tax,
- Health and social services,
- Legal services and crime, to leisure and travel, and
- Learning opportunity and the possibilities of taking part in voluntary or paid work.

It also contains a detailed directory of useful contacts.

You can get a copy of the guide from your post office or by calling **0845 6 065 065**. The guide is also available in large print, on audiotape, Braille and in Welsh.

### How we collect and use information

The Department for Work and Pensions collects information for the purposes of dealing with social security, child support, vaccine-damage issues, employment and training, private pensions policy and retirement planning. The information we collect about you depends on the reason for your business with us, but we may use the information for any of these purposes.

We may check information about you with other information we have. We may get information about you from other people and certain other organisations. We may give information to certain other organisations, as the law allows, to:

- check the accuracy of information
- prevent or detect crime
- protect public funds in any other way and
- use in research or statistics.

These other organisations include other government departments, local authorities, and private-sector bodies such as banks and organisations that lend you money. We will not give information about you to anyone outside our department unless the law allows us to.

The Department for Work and Pensions is the data controller for the purposes of the Data Protection Act.

If you want to know more about what information we have about you, or the way we use your information, please contact us. You can contact any of our offices and ask for leaflet

**GL33 Data Protection Act 1998 – It affects you.** Or you can find a copy of the leaflet on our website. The address is [www.dwp.gov.uk](http://www.dwp.gov.uk)