

RETIREMENT PENSION FORECAST

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YOUR PENSION FORECAST

DEAR MISS CARR,

This is your Retirement Pension Forecast.

For Retirement Pension purposes your working life is 49 years and is counted from the start of the tax year in which you reach age 16 to the end of the tax year before you reach State Pension Age, which for you will be age 65. To get the full amount of Basic Pension you need to have paid or to have been credited with enough full rate National Insurance (NI) contributions for 44 of those years. These are called Qualifying Years.

Your National Insurance (NI) contribution record up to the 5 April 1998 shows that you have 6 qualifying years. This is not enough to give you any Basic Pension. When a tax year ends, it usually takes up to six months for NI contributions for that year to be credited to your account. Therefore, your Retirement Pension Forecast may not include the value of contributions you have paid in the last tax year. A tax year starts on 6 April of one year and ends on 5 April of the next year.

TOTAL WEEKLY PENSION EARNED TO 5 APRIL 1998	£ 0.66
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This is made up as follows:

BASIC PENSION UP TO 5 APRIL 1998	£ 0.00
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PAYABLE ADDITIONAL PENSION TO 5 APRIL 1998	£ 0.66
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GRADUATED PENSION	£ 0.00
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TOTAL	£ 0.66
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If the information you gave us on your BR19 application form does not change, then by the time you are 65 you are likely to have 44 qualifying years giving you the full amount of Basic Pension.

BASIC PENSION UP TO 5 APRIL 2041	£66.75
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PAYABLE ADDITIONAL PENSION TO 5 APRIL 2041	£ 0.66
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GRADUATED PENSION	£ 0.00
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TOTAL WEEKLY PENSION ESTIMATED TO 5 APRIL 2041	£67.41
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All amounts shown are at today's rates.

You can get 5 years of Automatic Credits, starting with the tax year in which you reach age 60. Please see the paragraph headed Automatic Credits for more information about this.

The information in this letter is based on:

- The rules about Retirement Pension that apply now.
- The NI contributions that you already have and our estimate of what you will have by the time you reach State Pension Age.
- The Retirement Pension rates for this year. Rates normally go up every April to keep up with rises in prices, so we cannot tell you what the rates will be when you claim your Retirement Pension.

Please note that this forecast is only an **ESTIMATE** of your future entitlement to Retirement Pension. It could be affected by any future changes in legislation or by any changes in your personal circumstances. It is based on the information we hold when we prepare your forecast. If this information has been incorrectly recorded on your record, your entitlement may be different.

It is not a formal decision. This can only be given by an adjudication officer who will consider your case in the light of the relevant Social Security legislation when a claim for Retirement Pension is made.

Your Forecast is Based on the following facts:

- your date of birth is 25 September 1976.
- you go on working and paying full-rate NI contributions.

Basic Pension

To get Basic Pension you need to have paid or to have been credited with enough full-rate National Insurance (NI) contributions for enough qualifying years. If you want to know more about the conditions for Basic Pension, detailed information is in Leaflet NP46 ("A Guide to State Retirement Pensions").

Your record up to 5 April 1998 shows that you do not yet have enough NI contributions in enough years to get Basic Pension.

If you go on working and pay enough full-rate NI contributions for 38 tax years between 6 April 1998 and 5 April 2041 you could get the full amount. This would be £66.75 a week at today's rates. But please remember, this does not take into account any Automatic Credits to which you may be entitled. But, if you only go on working and paying enough full-rate NI contributions for 5 tax years between 6 April 1998 and 5 April 2041 you could get 25% of the full amount. This would be £16.69 a week at today's rates.

Automatic Credits

You can get Automatic Credits instead of having to pay NI contributions for up to 5 full tax years starting with the one in which you are 60. You can get these credits for a full tax year when:

- you do not work, or
- you work but do not have to pay any NI contributions because your earnings are very low, or
- you work but do not pay enough NI contributions to make that year a qualifying year.

We give these credits automatically at the end of each tax year, you do not have to apply for them. But you

will not get credits for any tax year in which you spend more than 182 days abroad, or if you are liable to pay NI contributions as a self employed person. If you have to stop work before you reach State Pension Age you will get Automatic Credits, as long as you satisfy the above conditions.

Home Responsibilities Protection (HRP)

If you stay at home to look after someone you may have your Basic Pension safeguarded even though you do not pay NI contributions. The Law helps to protect your Basic Pension rights if you have had home responsibilities at any time since 6 April 1978. You can get HRP for each full tax year after 6 April 1978 when:

- that year is not already a qualifying year, and
- you get Child Benefit as the main payee for a child under age 16, or
- you look after someone getting Attendance or Constant Attendance Allowance, for at least 35 hours a week, or
- you get Income Support so that you can stay off work to look after an elderly or sick person at home, or
- you are looking after someone who gets Disability Living Allowance. But this will depend on how much Disability Living Allowance is paid, or
- you have a mixture of any of these home responsibilities.

These rules also apply to people who are working but do not pay enough full-rate NI contributions for them to count towards Retirement Pension.

Please note:

- paying enough full-rate NI contributions in a tax year can sometimes give a higher amount of Basic Pension than a tax year of HRP.
- some people can get Invalid Care Allowance if they are looking after someone getting Attendance or Constant Attendance Allowance. They can then be credited with an NI contribution for each week that Invalid Care Allowance is payable, so they may not have to depend on HRP or pay voluntary Class 3 NI contributions.
- HRP entitlement can be affected by periods of living abroad.

Your record shows that up to and including 5 April 1998, you are not entitled to HRP. When we worked out your Forecast we did not count any years of HRP that you may get in the future.

If you want to know more, detailed information is in leaflet CF411 ("How to protect your State Retirement Pension if you are looking after someone at home").

If you think HRP entitlement is wrong, please contact your local Social Security office.

National Insurance (NI) contributions - some general information

If you go on working until you are State Pension Age, you will have to keep on paying NI contributions as long as your earnings stay above a certain amount. This amount which changes every year is currently £66.00 a week.

The amount for self-employed people, provided they are in receipt of a small earnings exception certificate, is £3770 per year.

Paying NI contributions not paid in the past - the effect on your Basic Pension

People who have not paid enough NI contributions in the last 6 tax years may get more Basic Pension by paying voluntary Class 3 NI contributions. But these can only be paid for a period when there was no liability to pay either Class 1 NI contributions as an employee or Class 2 NI contributions as a self-employed person. We tell you in this paragraph if you can improve your Basic Pension by paying Class 3 NI contributions for a past period. We have assumed that you have paid any Class 1 or Class 2 NI contributions that were properly due.

Detailed information about the payment of voluntary Class 3 NI contributions is in Leaflet CA08 ("National Insurance voluntary contributions") and Leaflet CA07 ("National Insurance unpaid and late paid contributions").

Your record shows that you have enough NI contributions and credits in the time limits allowed up to 5 April 1998 to count towards your Basic Pension, so you cannot improve your Basic Pension by paying any Class 3 NI contributions for a past period.

Additional Pension (AP):

Additional Pension is the part of Retirement Pension that is based on full-rate NI contributions you paid as an employee on earnings since 6 April 1978. It is sometimes called SERPS - the State Earnings-Related Pension Scheme.

When we estimate entitlement to Additional Pension:

for tax years between 6 April 1978 to 5 April 1997, we use all earnings on which NI contributions have been paid, including those paid during a period of membership of a contracted-out occupational pension scheme or an appropriate personal pension scheme.

The rules about contracting-out of SERPS changed from 6 April 1997; for tax years from 6 April 1997 onwards, we exclude any earnings on which NI contributions have been paid during a period of membership of a contracted-out occupational pension scheme or an appropriate personal pension scheme.

Any Additional Pension earned for tax years between 6 April 1978 and 5 April 1997, is reduced as a result of membership of

a contracted-out occupational pension scheme, or

an appropriate personal pension scheme.

This deduction is known as the contracted-out deduction (COD). If you are contracted-out of SERPS, you pay a reduced rate of NI.

For members of contracted-out salary related schemes the contracted-out deduction is the minimum amount of occupational pension payable by the scheme, and is also known as the guaranteed minimum pension (GMP).

For members of contracted-out money purchase and appropriate personal pension schemes the contracted-out deduction may be more or less than the pension provided by the scheme. This is because the pension is based on the value of the fund built up in the scheme (that is the part of the pension that takes the place of the Additional Pension), known as the protected rights.

Contracted-out employment does not affect Additional Pension earned from 6 April 1997. This is because from that date members of contracted-out occupational pension schemes or appropriate personal pension schemes no longer build up entitlement to Additional Pension.

The amount of AP you get from the State may change if in the future you decide to leave or join a contracted-out pension scheme or a personal pension scheme used instead of SERPS.

If you want to know more about Additional Pension, detailed information is in NP46 ("A Guide to State Retirement Pensions").

Additional Pension: present value

Your record up to 5 April 1998 shows that the present value of your Additional Pension is £ 0.66 a week payable by the State. This is how we worked it out:

- Total Additional Pension to 5 April 1997.....	£ 0.67
- Less Contracted-out Deduction.....	£ 0.24
- Additional Pension payable by.....	£ 0.43
the State to 5 April 1997	
- Additional Pension From 6 April 1997.....	£ 0.23
- Plus payable Additional Pension.....	£ 0.43
to 5 April 1997	
- Total Additional Pension payable.....	£ 0.66
by the State	

Please note, the value of your contracted-out deduction may increase yearly at a greater rate than your Additional Pension. This will decrease the amount of Additional Pension payable by the State.

Additional Pension at State Pension Age:

Your record shows you are currently contracted-out of the State Earnings Related Pension Scheme (SERPS). Because of this you cannot increase your Additional Pension entitlement.

However, any contracted-in NI contributions you may pay in the future will be used in the calculation of your Additional Pension when you reach State Pension Age.

Graduated Retirement Benefit (GRB)

GRB is based on the amount of graduated NI contributions a person paid when the Graduated Retirement Benefit scheme was in operation, between April 1961 and April 1975. If you were an employee during this period and paid graduated NI contributions you may be entitled to GRB.

Self Employed Class 2 NI contributions did not count towards GRB.

The amount of GRB a person gets depends on how many units they are entitled to and the value of a unit at the time they claim their pension.

Your record shows that you are not entitled to any Graduated Retirement Benefit.

How To Get Leaflets

This letter gives you a lot of information about your Retirement Pension. But it cannot tell you everything you may want to know. This is why we tell you which leaflets to get if you want more detailed information. You can get these leaflets free of charge from any Social Security office.

Finally.....

- a form inviting you to claim your State Retirement Pension will be sent to you automatically four months before you reach State Pension Age. So it is very important that you tell your local Social Security office if you change the address you gave us on your forecast application form. But if for some reason you do not get a claim form, please contact your local Social Security office without delay for advice. The address and phone number are in the phone book under "Social Security". Please tell them the reference

number shown at the top of this letter.

- you cannot start getting Retirement Pension until you are State Pension Age and have made a proper claim.
- you can still get your Retirement Pension even if you are working after State Pension Age.

We are always striving to improve the service we provide at the RPFA Unit. If you are in any way dissatisfied or have any comments you would like us to consider, write to the RPFA Customer Care Officer. The address is shown at the top of this letter.

If you need any more help or advice about your Retirement Pension Forecast, please get in touch with us as soon as possible.

You can phone us on the number shown at the top of this letter any time between 9.00am and 5.00pm, Monday to Friday. An answerphone service is available out of office hours. Please quote your reference number which is also shown at the top of this letter.

Yours sincerely,

S HOLLAND