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About this guide
This is one of several guides that give detailed information about social security benefits. We have written it for professional and voluntary advisers but it may be useful for other people who want to know more about State Pensions.

This guide and the law
The State Pension scheme is contained primarily in the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992. These Acts provide the framework for the scheme. Other more detailed rules are contained in the Regulations made by the Secretary of State and approved by Parliament. Pages 78 to 81 list all the relevant legislation.

Throughout the text there are references to the relevant Acts and Regulations to allow you to consult the actual legislation. The numbers are the relevant sections of the Acts or the specific Regulations. We explain the abbreviated forms of the references on pages 78 to 81. The list of abbreviations is on page 77.

The information contained in this leaflet is correct at time of going to press. Changes to the law after that time may affect some of the rules explained here and there may be information that has been superseded by recent announcements. For up to date information, see the Department for Work and Pensions (DWP) website [www.dwp.gov.uk](http://www.dwp.gov.uk).

Following the publication in May 2006 of the White Paper “Security in retirement: towards a new pensions system”, the Government introduced a Bill which became law in July 2007. The Pensions Act 2007 made a number of major changes to the State Pension system mainly affecting those reaching State Pension age on or after 6 April 2010. These changes are explained in detail in the main text of this guide but the following provides a summary.
Summary of the changes

Those changes include:

- reducing the number of qualifying years needed for a full basic State Pension to 30 for those who will reach State Pension age on or after 6 April 2010. At the moment women need 39 years and men need 44;
- introducing a new system of credits which would help to increase the number of people, including carers, who would become entitled to a State Pension;
- treating periods for which Home Responsibilities Protection has been awarded as credits;
- enabling those with very few qualifying years to get at least some basic State Pension;
- gradually increasing the State Pension age for all from 65 to 68 between 2024 and 2046;
- in future, the Government plans to increase the basic State Pension in line with average earnings. This will happen by the end of the next Parliament at the latest.

The basic State Pension will still be based on qualifying years built up through National Insurance contributions (whether paid, treated as paid or credited) but the proposed changes are designed to increase the number of people who receive a full basic State Pension or who receive any State Pension at all where they otherwise might not have been able to accrue entitlement to it.

[\textit{Pensions Act 2007}]\n
The Pensions Act 2007 is available on the DWP website at: \url{www.dwp.gov.uk/pensionsreform}\

\textbf{How changing gender may affect a person’s benefits}\n
From 4 April 2005, if a person has a full Gender Recognition Certificate, their State Pension age and the amount of State Pension they may get could change. A full Gender Recognition Certificate is given to a person who successfully applies to the Gender Recognition Panel to be legally recognised in the sex of their choice.

Get more information on the effect Gender Recognition Certificates have on State Pension and benefits from the section ‘Guidance on Benefits and Pensions’ within the Gender Recognition application form. A copy of the form can be found on the Gender Recognition Panel website at \url{www grp gov uk}, or ask the Gender Recognition Panel Secretariat for a copy, by writing to: GRP, PO Box 6987, Leicester LE1 6ZX, or by telephoning: \textbf{0845 355 5155}.

[\textit{Gender Recognition Act 2004 section 13 and Sch 5}]
Civil Partnership Act
The Civil Partnership Act 2004 came into force on 5 December 2005. This changes the way the DWP treats same-sex couples. People of the same sex who have formed a civil partnership will be treated, as far as possible, in the same way as a married couple. Same sex couples who are living together as if they were civil partners (but who have not formed a civil partnership) will be treated in the same way as unmarried couples. References in this leaflet to people in a civil partnership or to civil partner apply to same sex couples who have formed a civil partnership.

[Civil Partnership Act 2004 Sch 24]

People who live, or have lived, in Scotland
Scottish law used to recognise a form of irregular marriage by co-habitation with habit and repute. The existence of such a marriage could be confirmed by a decree of declarator of marriage pronounced by the Court of Session. It may not have been necessary to have this declaration if a decision maker in The Pension Service decided that the court would be likely to grant it. This was rarely used in practice and except for very particular circumstances, was abolished by the Family Law (Scotland) Act 2006.

From 4 May 2006 as a result of the Family Law (Scotland) Act 2006, irregular marriages cannot be constituted in Scotland except in rare circumstances concerning invalid overseas marriages. However, claims to benefit based on an irregular marriage will still be considered where the irregular marriage:
• ended before the commencement date of 4 May 2006;
• began before, but ended after, the commencement date of 4 May 2006.

People who think they may be affected by these rules should contact us for up to date information.

[Family Law (Scotland) Act 2006]

People who live in Northern Ireland
The DWP has published this guide for Great Britain so some information will not apply in Northern Ireland. Addresses may also be different. You can get the Northern Irish version of this leaflet from social security offices in Northern Ireland or from their website at www.dsdni.gov.uk
Introduction
This guide covers most of the things people will need to know about their State Pension and we hope you will be able to use it to answer the following major questions:

- What is a State Pension?
- How to get a forecast of State Pension entitlement?
- How to qualify for a State Pension?
- How is State Pension worked out?
- How to claim State Pension?
- What happens after claiming State Pension?

(People who need individual information about their State Pension should contact us.)

What is a State Pension?
The State Pension is payable at State Pension age and is based on a person’s record of National Insurance contributions and credits. In some circumstances, we may use the record of contributions or earnings of a husband, wife or civil partner or a late or former husband, wife or civil partner to work out how much State Pension a person may receive.

[SSCB Act 1992 Part II]

The State Pension has several parts – a person may qualify for more than one part. For example, if a person is aged 80 or over they may get a basic State Pension, Graduated Retirement Benefit, an additional State Pension and an age addition. These four parts will, together, form their State Pension.

How does someone qualify for a State Pension?
A person builds up their National Insurance record over their working life. From the age of 16 onwards a person will build up a record of earnings, payments and credits to the National Insurance scheme.

This record is the basis on which we will work out the State Pension.

If the person marries or forms a civil partnership they may be able to use their husband’s, wife’s or civil partner’s National Insurance record to help complete their own record and so help them qualify for a State Pension. They may be able to use the record even if their husband, wife or civil partner has died or if their marriage ended in divorce or annulment or their civil partnership ended in dissolution (legally ended) or annulment.

To get a State Pension, the person must have reached their State Pension age (currently 60 for a woman born before 6 April 1950 and 65 for a man¹) and meet the contribution qualifying conditions.

[SSCB Act 1992 section 122 (1)]

¹ The State Pension age is changing. The changes begin in April 2010 – see pages 18 to 21.
How to get a State Pension forecast

If someone wants to check the position of their State Pension, they can apply* for a State Pension forecast at any time up to 30 days (four months in the case of an on-line forecast) before they reach State Pension age (currently age 60 for women born before 6 April 1950 and age 65 for men). They can also get a forecast of the extra State Pension they may get if they decided to put off claiming their State Pension.

*Important information: We are temporarily unable to provide customers who reach State Pension age on or after 6 April 2010 with a State Pension forecast. This is because the computer systems used to provide State Pension forecasts are in the process of being updated to reflect the recent changes to the State Pension rules. Over the next year we will be updating the computer systems used to provide State Pension forecasts, to enable us to provide a service that will be available for all to use. We aim to have the system changes in place by autumn 2008. In the meantime, customers who cannot get a forecast and want to find out how the changes may affect their State Pension can speak to an adviser at the State Pension Forecasting Team by calling 0845 3000 168.

People who reach State Pension age before 6 April 2010 can continue to get a forecast. There are four ways in which they can get a State Pension forecast:

• visiting our website at www.thepensionservice.gov.uk and following the link to the online forecasting service;
• printing out an application form from the resource centre of our website and posting the completed form to the State Pension Forecasting Team;
• contacting the State Pension Forecasting Team, either in writing or by telephone, and asking them to send an application form. (The customer should fill in the form and send it to the address on the form.);
• calling the State Pension Forecasting Team and asking them to send an application form, which the customer should fill in and return to the address on the form.

They can be contacted at:
The State Pension Forecasting Team, The Pension Service, Room TB201, Tyneview Park, Whitley Road, Newcastle-upon-Tyne. NE98 1BA
Telephone: 0845 3000 168

Customers with speech or hearing difficulties can call textphone 0845 3000 169.
What do people qualify for?

A State Pension may have several parts to it – most of these will be based on the earnings and contributions made and the credits awarded to the person’s National Insurance record. It may also depend on the payments made by, or credits awarded to, their wife, husband or civil partner in their working life.

State Pension may include:

• basic State Pension (Category A, Category B or Category D (the Category C pension was paid to men who were over State Pension age in 1948 and their widows, so it is now exceptionally rare). This may also include a dependency addition (an extra part if someone depends on the person for support);

• additional State Pension (from the State Earnings-Related Pension Scheme (SERPS) and from the State Second Pension);

• Graduated Retirement Benefit;

• Age addition for people aged 80 and over;

• an increase for incapacity if the person is entitled to the Age addition with long-term Incapacity Benefit; and

• extra State Pension, if people put off claiming State Pension when they reached State Pension age (or decided to give up State Pension for a while after they started to receive it) and chose to receive extra State Pension instead of a one-off lump-sum payment.

How we calculate your State Pension entitlement

When someone claims their State Pension, we will need to check their age. We will also check their National Insurance record to see what credits and contributions they have made, or have been treated as having made, since they reached age 16. (This may include periods of insurance in countries in the European Economic Area (EEA) and countries with which the UK has an agreement on pensions – see page 26.)

We also check to see if the person is entitled to use the record of their husband, wife or civil partner, (even if the husband, wife or civil partner has died or they are divorced or the civil partnership has been dissolved) to improve the record of contributions and credits.

Based on these records and the information supplied with the claim for State Pension, we will decide if the person qualifies for a State Pension or not. If they do qualify, we will decide what parts a person qualifies for and how much is payable to them. If the person does not agree with the decision, they have the right to dispute or disagree with it. See page 66 for more information about how to dispute a decision.
Category A pension

What is a Category A pension?
A Category A pension is a pension based on the National Insurance contributions a person has paid, been treated as having paid or been credited with, during their working life.

It has two parts:
• the basic State Pension – this depends on the number of qualifying years the person has built up in their working life;
• the additional State Pension – this depends on the earnings or deemed earnings during their working life since additional State Pension was introduced in April 1978.

To be entitled to a Category A pension, a person must have:
• reached State Pension age (see pages 18 to 21);
• claimed their State Pension (it is not paid automatically); and
• met the relevant contribution conditions.

When to claim it?
The State Pension age for women will gradually increase for those born on or after 6 April 1950 but before 6 April 1955, so that it will eventually be the same as that of a man born on the same date (age 65).

Men and women born on or after 6 April 1955 but before 6 April 1959 have a State Pension age of 65.

The State Pension age for both men and women will increase in stages from 65 to 68 between 6 April 2024 and 5 April 2046. These further changes will affect anyone born on or after 6 April 1959. Each increase of one year is phased in over two years.

People affected by the phasing arrangements will not reach State Pension age on their birthday but on a specified date between birthdays.
See pages 18 to 21 for details of the date people will be able to claim their State Pension from.

[SSCBA 1992 section 122(1); Pensions Act 1995 section 126 and Sch 4 (1); Pensions Act 2007 section 13 and Sch 3]

However, people don’t have to claim their State Pension when they reach State Pension age. They may put off claiming their State Pension for as long as they want and if they put off claiming their State Pension for at least five weeks they will get more State Pension.

[SSCBA 1992 section 55 and Sch 5; Pensions Act 2004 section 297 and Sch 11]

This extra money may be paid as:

• a lump-sum for those who have put off claiming their State Pension for 12 months or longer; or

• extra State Pension to the weekly amount a person receives when they do decide to claim their State Pension.

See page 58 for more details of the rules for getting extra State Pension or a lump sum by putting off claiming State Pension.
Basic State Pension

What is it?
The basic State Pension is awarded to a person who has claimed it and who is at or over State Pension age and meets the qualifying conditions summarised below. The award is based on their National Insurance record of contributions and credits. In some circumstances the record of contributions and credits made by a husband, wife or civil partner, or a late or former husband, wife or civil partner, may be used in the calculation of how much State Pension a person may receive.

[SSCBA 1992 Part II]

How does someone qualify for a basic State Pension?

People reaching State Pension age before 6 April 2010
There are three parts to qualifying for a basic State Pension:
• a person must have reached their State Pension age before they can qualify for a State Pension; and
• they must have paid, or been treated as having paid, Class 1, 2 or 3 contributions for one qualifying year (or paid 50 flat-rate National Insurance contributions at any time before 6 April 1975); and
• they must have:
  – paid; or
  – been treated as having paid; or
  – been credited with;
  enough National Insurance contributions for the necessary number of qualifying years in their working life (see pages 14-16).

People reaching State Pension age on or after 6 April 2010
There are two parts to qualifying for a basic State Pension:
• a person must have reached their State Pension age; and
• they must have:
  – paid; or
  – been treated as having paid; or
  – been credited with;
  enough National Insurance contributions for the necessary number of qualifying years in their working life (see pages 14-16).

[Pensions Act 2007 section 1]
What contributions count towards State Pension?

We will include Class 1, 2 or 3 National Insurance contributions paid, credited, or treated as paid when we work out State Pension. However, a minimum number of contributions is needed to qualify for a State Pension. See pages 15-16 for details of these rules. Basic State Pension is paid at a full rate when the contribution conditions are met in full, or otherwise at a reduced rate (subject to the minimum conditions being satisfied). National Insurance contributions are payments to the National Insurance Fund.

[SSCBA 1992 sections 5-9 and 11-14]

If a person earns less than the Primary Threshold (currently £105 a week for 2008/09), but at or above what is called the Lower Earnings Limit (currently £90 a week for 2008/09), they will be treated as if they had paid contributions, although no contributions will actually be paid.

If a person is self-employed they will have to pay Class 2 National Insurance contributions unless HM Revenue & Customs (HMRC) have given them what is called a Small Earnings Exemption. People with this exemption may choose to pay Class 2 contributions. Class 2 contributions are paid at a flat rate (currently £2.30 a week for 2008/09). They may also have to pay Class 4 contributions which HMRC normally collect with their income tax. Class 4 contributions do not count for benefit purposes.

If a person does not work, or if they earn below the Lower Earnings Limit either some, or all, of the time, they may choose to pay Class 3 voluntary National Insurance contributions. Class 3 contributions currently cost £8.10 a week for 2008/09.

What is meant by 'enough contributions'?

A person has to have paid, been treated as having paid or been credited with enough National Insurance contributions on their earnings in a given tax year for it to count as a qualifying year.

[SSCBA 1992 section 122 (1)]

What counts as earnings for basic State Pension?

Earnings on which Class 1 and Class 2 contributions have been paid, and Class 3 contributions, will count towards State Pension. Earnings on which full rate Class 1 contributions have been paid or are treated as having been paid count as qualifying earnings.

Earnings on which Class 1 contributions have been paid or treated as paid (up to the Upper Earnings Limit (UEL) of £770 a week in 2008/09) and Class 2 and Class 3 contributions count towards State Pension. Each Class 2 or 3 contribution counts as one week’s earnings at the Lower Earnings Limit. For 2008/09 this means that if a person paid 20 Class 2 contributions, they would count as earnings of 20 x £90, and this would count as earnings of £1,800.
Earnings from married women and widows who have chosen to pay reduced-rate National Insurance contributions do not count as qualifying earnings. Instead, they have opted to pay a lower rate of National Insurance from their earnings.

[SSCBA 1992 section 22; SS Earnings Factors Regs 1979]

There are separate rules for credits to the National Insurance scheme. See page 22 for more information.

What is meant by the 'Lower Earnings Limit'? The Lower Earnings Limit (£90 a week for 2008/09) is set by Parliament each year. If a person has earnings for the tax year that fall below this level then they will not pay National Insurance contributions or be treated as having paid them to the National Insurance scheme.

[SSCBA 1992 section 5]

National Insurance contributions if the earnings are below the Primary Threshold People whose earnings are more than the Lower Earnings Limit, but are below the Primary Threshold (£105 a week for 2008/09) set for that tax year, will not have to pay National Insurance contributions based on their earnings. They will be treated as if they have paid contributions. These contributions will count when we work out their State Pension.

[SSCBA 1992 section 5]

What is meant by ‘a qualifying year’? Since April 1978 a qualifying year has meant a tax year in which a person received (or was treated as having received) qualifying earnings of at least 52 times the weekly Lower Earnings Limit set for that year.

[SSCBA 1992 section 122]

For the tax years 1975/76 – 1977/78, a qualifying year is 50 times the weekly Lower Earnings Limit set for each year.

[SS Act 1975 Sch 3]

For the period before April 1975, we change the flat rate National Insurance contributions into a number of qualifying years by dividing the total number of contributions paid, (or credited with having been paid) by 50. There is a limit on this number. This means that the figure cannot be more than the number of years in a working life up to 5 April 1975.

[SS (WB and RP) (Trans) Regs 1979 Regulation 7(2)]
Working life

From the start of the tax year in which a person becomes 16 to the end of the tax year before the one in which they reach their State Pension age, or in which they die, if they die before reaching that age, is what we call the working life. This is the period over which a person can meet the contribution conditions for basic State Pension. Currently, men have a working life of 49 years and women have a working life of 44 years. This difference reflects the different State Pension ages for men and women. 

[SSCBA 1992 Sch 3 Para 5(8)]

State Pension age for women will increase from 2010, and for both men and women from 2024. This will mean that for women born after 5 October 1950 and men born after 5 October 1959, their working life will gradually be extended. So for women born on or after 6 October 1954, it will be the same as that for a man – 49 years, gradually increasing to 52. This will also mean that from 6 April 2020, women will have to have the same working life as men born on the same day to be entitled to a basic State Pension.

As a result:

• for women a working life will be:
  – 44 years for women born on or before 5 October 1950;
  – 45 years for women born on 6 October 1950 to 5 October 1951;
  – 46 years for women born on 6 October 1951 to 5 October 1952;
  – 47 years for women born on 6 October 1952 to 5 October 1953;
  – 48 years for women born on 6 October 1953 to 5 October 1954;
  – 49 years for women born on 6 October 1954 to 5 October 1959;

• for men and women, a working life will be:
  – 50 years for those born 6 October 1959 to 5 October 1968;
  – 51 years for those born 6 October 1968 to 5 October 1977;
  – 52 years for those born on or after 6 October 1977.

What is the 'necessary number of years'?

People reaching State Pension age before 6 April 2010

A person must have enough qualifying years to equal at least 25% of the years of their working life to qualify for any basic State Pension. To qualify for a full basic State Pension, they must have qualifying years for at least 90% of the years of their working life.

[SSCBA 1992 Sch 3 Para 5(8); Pensions Act 1995 Sch 4 Part 1 Para 1]
The table below shows the percentage of full basic State Pension that will be paid according to the number of qualifying years in a working life.

**Percentage of the basic State Pension a person will get for a working life**

<table>
<thead>
<tr>
<th>Number of qualifying years</th>
<th>Number of years in the working life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44</td>
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<tr>
<td>6</td>
<td>0</td>
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<td>80</td>
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<td>32</td>
<td>83</td>
</tr>
<tr>
<td>Number of qualifying years</td>
<td>Number of years in the working life</td>
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<td>44</td>
<td>100</td>
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<td>or more</td>
<td>100</td>
</tr>
</tbody>
</table>

If they have qualifying years for at least 25% but less than 90% of their working life, they will qualify for a reduced-rate basic State Pension.

If they have fewer than the 25% qualifying years, they may not qualify for any basic State Pension. (However, a person may still qualify for an additional State Pension or for Graduated Retirement Benefit based on their contributions from their earnings – see pages 30 and 55.)

**Example**

Derek reaches State Pension age (65) in January 2009. He will need to have built up 44 qualifying years to get a full basic State Pension. (His working life is defined as 49 years and covers the ages 16 to 65.) Dorothy (aged 60 in January 2009) needs to have built up 39 years to get a full basic State Pension (her working life is 44 years and covers the ages 16 to 60 because the State Pension age for a woman is currently 60).

**People reaching State Pension age on or after 6 April 2010**

To qualify for a full basic State Pension, a person will need to have 30 qualifying years in their working life. If they have fewer than 30 years, they will qualify for a basic State Pension of 1/30th of the full rate of basic State Pension for each complete qualifying year they have built up. This means that the only people reaching State Pension age on or after 6 April 2010 who will not be entitled to any basic State Pension, are those who have not built up one qualifying year through contributions they have paid or are treated as having paid, or credits.

[SSCBA, Pensions Act 2007 section 1]
Example

Denise will reach her State Pension age on 6 July 2014 when she is 62 and two months. (She was born on 6 May 1952.) She will have a working life of 46 years (which covers the ages 16 to 62). To qualify for a full basic State Pension, she will need to have paid contributions, or be treated as having paid contributions, or have qualified for contribution credits, for 30 of those years.

People who do not have enough contributions

If a person does not have enough contributions based on their own record they may be able to use the record of their husband, wife or civil partner or their former husband, wife or civil partner for the calculation of their basic State Pension.

[SSCBA section 48]

If their record is not complete, they may be able to pay for the missing contributions in order to qualify for, or improve, their basic State Pension. (There are time limits on making these payments – please see HMRC website for more information on this www.HMRC.gov.uk) Before deciding whether to pay, they should check whether they may qualify for any National Insurance credits. They also need to find out if they got Home Responsibilities Protection for any year or they could apply for it.

[SSCBA section 44A and Pensions Act 2007 section 3]
State Pension ages for women born between 6 April 1950 and 5 April 1959

Women born on or before 5 April 1950 reach State Pension age on their 60th birthday.

Women born on or after 6 April 1955 and before 6 April 1959 reach State Pension age on their 65th birthday.

Women born between those dates should see the table below for when they can claim their State Pension.

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Pension date</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 April 1950 to 5 May 1950</td>
<td>6 May 2010</td>
</tr>
<tr>
<td>6 May 1950 to 5 June 1950</td>
<td>6 July 2010</td>
</tr>
<tr>
<td>6 June 1950 to 5 July 1950</td>
<td>6 September 2010</td>
</tr>
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<td>6 July 1950 to 5 August 1950</td>
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<td>6 March 1955 to 5 April 1955</td>
<td>6 March 2020</td>
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<tr>
<td>6 April 1955 to 5 April 1959</td>
<td>65th birthday</td>
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State Pension ages for men and women born on or after 6 April 1959

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<tr>
<th>Date of birth</th>
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<tr>
<td>Increase from 65 to 66</td>
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<td>6 March 1960 to 5 April 1960</td>
<td>6 March 2026</td>
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<tr>
<td>6 April 1960 to 5 April 1968</td>
<td>66th birthday</td>
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<tr>
<td>Increase from 66 to 67</td>
<td></td>
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<tr>
<td>6 April 1968 to 5 May 1968</td>
<td>6 May 2034</td>
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<tr>
<td>6 March 1969 to 5 April 1969</td>
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<td>6 April 1969 to 5 April 1977</td>
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<td>Date of birth</td>
<td>Pension date</td>
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<td>6 April 1977 to 5 May 1977</td>
<td>6 May 2044</td>
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<td>6 March 1978 to 5 April 1978</td>
<td>6 March 2046</td>
</tr>
<tr>
<td>6 April 1978 onwards</td>
<td>68th birthday</td>
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</tbody>
</table>

**Deficiency Notices**

HMRC (formerly the Inland Revenue) send notices to certain people to tell them if they have not paid, been treated as having paid or been credited with enough contributions in a tax year for it to count as a qualifying year. HMRC ask people to decide if they want to make up the shortfall in their contribution record by paying voluntary Class 3 contributions. There are time limits for making these payments.

Notices were not sent for the tax years 1996/97 to 2001/02, but in November 2003 an exercise began to send a notice to everyone who would have received one in that period. HMRC re-started sending Deficiency Notices* for single tax years in October 2003.

If someone has received a notice, they need to consider what they want to do. In some circumstances it may be appropriate to make a payment so that they will then have a qualifying year to count towards their State Pension entitlement. Someone else may find that making up the shortfall in a given year will not affect the amount of basic State Pension they could receive – for example, they may be able to use their former, or late, husband’s, wife’s or civil partner’s record for the same period instead. As a result it is important that people get advice on the options available.

They may find it helpful to get a forecast of the position of their State Pension before they make a decision. See page 7 for details.

*Deficiency Notices are issued each year in batches between September and the following January. They are issued about 18 months after the end of the tax year to which they relate. For example, Notices for 2005/06 tax year were issued between September 2007 and January 2008.
Paying Class 3 contributions for previous years

It may be possible to pay Class 3 contributions (for example, to make up for gaps in previous tax years) to qualify for a basic State Pension or to increase the rate of the basic State Pension. Class 3 contributions can be paid after a person reaches State Pension age, but they will not normally count towards backdating State Pension for a past period. They will only count from when the contributions were actually paid.

Married women and widows cannot pay Class 3 contributions for any tax year when they had liability to pay reduced-rate National Insurance contributions for the whole year.

Contact the State Pension Forecasting Team for advice about a pension forecast. See page 7 for contact details. For more advice about contributions, contact HMRC.

National Insurance credits and protection

People reaching State Pension age before 6 April 2010

National Insurance credits

In some circumstances, people may get credits on their National Insurance record. This means they do not actually pay National Insurance contributions, but are credited with them. People will get these credits added to their National Insurance record if they satisfy certain conditions and they were:

- getting Working Tax Credit;
- incapable of work through illness or disability;
- unemployed and available for, and actively seeking, work;
- on an approved training course;
- doing jury service;
- serving a prison sentence for a conviction which was subsequently quashed;
- getting Statutory Maternity Pay;
- getting Statutory Adoption Pay;
- getting Jobseeker’s Allowance (contribution-based);
- getting Jobseeker’s Allowance (income-based);
- getting Incapacity Benefit or Employment and Support Allowance;
- getting Carer’s Allowance.
Since 1975 people will get credits automatically for the tax year in which their 16th birthday fell and the two following years. (Prior to 1975 contributions could be credited to any person who had not attained the age of 18 for any week of education, apprenticeship or training provided there was no liability to pay a contribution. The class of credit depended on their circumstances, but for someone who had not regularly worked it was a credit as a non-employed person (similar to the present Class 3). Men currently also get credits for the tax year in which their 60th birthday fell and the four following years. These will be phased out from April 2010 in line with the increase in women’s State Pension age. Men born after 5 October 1954 will not get these credits. Men born earlier will get between one and five full years of automatic credits depending on their date of birth.

[SSCBA 1992 section 22 (5); SS (Credits) Regs 1975]

<table>
<thead>
<tr>
<th>Example</th>
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<tbody>
<tr>
<td>Gary and Geraldine were both born on 14 February 1952. Geraldine reaches her State Pension age on 6 January 2014 (she will be aged 61 and 11 months). This date falls in the 2013/14 tax year. Geraldine will not get any automatic credits. Gary could get automatic credits for the 2013/14 tax year and for the following tax years up until the end of the tax year before he reaches his State Pension age on 14 February 2017. He'll get these so long as he does not have to pay contributions.</td>
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</table>

| Home Responsibilities Protection |

Home Responsibilities Protection has been available since 6 April 1978 for people who are not working or those whose wages are low (and so not paying National Insurance contributions) and who are caring for children, or for a person who is ill or disabled. In 2003, Home Responsibilities Protection was extended to include approved foster parents.

[SSCBA 1992 section 44A(2)(c) Para 5(7) and Sch 3; SS Pensions (Home Responsibilities) Regs 1994]

Home Responsibilities Protection will protect a person’s basic State Pension and certain bereavement benefits for their husband, wife or civil partner. It may also help people qualify for additional State Pension through the State Second Pension scheme. (See page 30 for more information.)

Home Responsibilities Protection reduces the number of qualifying years needed for a full basic State Pension, but it cannot reduce this below 20. People with fewer than 20 qualifying years may get a basic State Pension at a reduced rate.
How to qualify for Home Responsibilities Protection?
To qualify for Home Responsibilities Protection in a given tax year since 1978, a person must have:
• been awarded Child Benefit throughout the year for a child aged under 16;
• regularly spent 35 hours a week throughout the year looking after a person who received Attendance Allowance, Constant Attendance Allowance or the middle or highest care components of Disability Living Allowance for at least 48 weeks in the year;
• got Income Support throughout the year and did not need to look for work because they were caring for a disabled person;
• been an approved foster parent throughout the year from 2003; or
• had a combination of some of the above circumstances apply to them.

It can help people who do not do any paid work and those who do some work but do not have enough earnings in the tax year to make it a qualifying year.

Exclusion from Home Responsibilities Protection
Married women and widows cannot get Home Responsibilities Protection for any tax year in which they would be paying married women’s reduced rate National Insurance contributions if they were working. However, women lose their right to reduced liability if for any two whole consecutive tax years since 6 April 1978, they have not had any earnings on which Class 1 National Insurance contributions needed to be paid or treated as paid and they have not been self-employed. This is known as the two-year test. Unless they are sure what their position is, they should check it with HMRC. They may find that they no longer have reduced liability and so can get Home Responsibilities Protection if they claim it or it may have been awarded to them automatically.

When to claim Home Responsibilities Protection
Since April 2002, Home Responsibilities Protection must be claimed within three years of providing care if a person is caring for a sick or disabled person. It is important to regularly let the HMRC know the situation.

People must apply for Home Responsibilities Protection for each tax year using form CF411 *Home Responsibilities Protection form*. This will apply if they are:
• looking after someone who is getting Attendance Allowance, Constant Attendance Allowance or the middle or highest care component of Disability Living Allowance;
• covered for the whole tax year only by a combination of the qualifying reasons – for example, if their youngest child reaches 16 in August, and from August to 5 April of that tax year they look after someone who is sick or disabled; or
• a foster carer. (They must also enclose a letter from the local authority or agency which employs them to confirm that they have been an approved foster carer throughout the full tax year.)
However, they **do not need to claim** Home Responsibilities Protection if, for the whole tax year, they:

- get Income Support and do not need to look for work because they are looking after a sick or disabled person at home; **or**
- are awarded Child Benefit for a child under 16.

They must make sure that the people paying the benefit know the right National Insurance number. If they get Income Support and are not required to look for work because they look after a sick or disabled person, their Home Responsibilities Protection should be recorded at the end of each tax year. If they are the person awarded Child Benefit, their Home Responsibilities Protection will be awarded when the Child Benefit stops being paid to them or their youngest child reaches 16, whichever is earliest.

People do not need to apply for Home Responsibilities Protection if they get Incapacity Benefit or Carer’s Allowance as they will get credits towards their National Insurance contribution record.

**People who reach State Pension age on or after 6 April 2010**

For people reaching State Pension age from 6 April 2010, Home Responsibilities Protection will be replaced by weekly National Insurance credits for parents and carers. Credits will be awarded for each week for which a person is:

- getting Child Benefit for a child under 12;
- caring for 20 hours a week for one or more people getting Attendance Allowance, Constant Attendance Allowance or the middle or highest rate of the care component of Disability Living Allowance.

We are looking into whether health or social care professionals could help to certify caring for 20 hours a week where the person being cared for is not receiving Attendance Allowance or Disability Living Allowance, but no details are available at present.

The credits will count towards basic State Pension and bereavement benefits for a spouse or civil partner and will also count for State Second Pension.

Some of the detail around these changes is subject to further Parliamentary approval.

Any Home Responsibilities Protection awarded before 6 April 2010 to a person who does not reach State Pension age until after that date will be converted to qualifying years of credits.

*SSCBA section 23A; Pensions Act 2007 section 3*

**If a person stops or gives up work before they reach State Pension age**

If a person claims certain social security benefits they may be credited with National Insurance contributions – for example, if they get Jobseeker’s Allowance, Incapacity Benefit or Employment Support Allowance. If they do not qualify for these benefits, or do not get credits, they may need to pay Class 3 National Insurance contributions to protect or raise their basic State Pension.

See HMRC’s more detailed leaflets on voluntary National Insurance contributions or contact HMRC for more information.
People who have lived or worked abroad

If a person has worked abroad during their working life, they may be able to benefit from the social security contributions they made while they were resident abroad. They may be entitled to a State Pension from the other country or they may be able to take advantage of a reciprocal agreement where any social security contributions they made there, or the fact they lived there, may help them meet the contribution conditions for the UK basic State Pension.

[SSCBA 1992 section 179 and EC Reg 1408/71]

If a person has lived in an EEA* country (including Gibraltar), in Switzerland or in any of the following countries we have a reciprocal agreement with, we will need to contact that country. The countries are: Barbados; Bermuda; Canada; Guernsey; Israel; Jamaica; Jersey; Mauritius; New Zealand; the Philippines; Turkey; the USA and the now separate republics of the former Yugoslavia: Bosnia-Herzegovina; Croatia; Montenegro; the Republic of Macedonia; and Serbia. We will find out about the period of employment or residence there to see if, under the reciprocal agreement, it will help the individual’s contribution record.

The agreement with Australia ended in 2001. If a person lived in Australia before April 2001 they must tell us when they claim their State Pension so we can consider the residence in Australia when we work out their State Pension.

If they lived in any other country during their working life they will need to make their own arrangements to contact that country to find out what, if any, entitlement they have to a pension from them.

For more advice they should contact:
The Pension Service
International Pension Centre
Tyneview Park
Newcastle-upon-Tyne
NE98 1BA.

Telephone: 0191 218 7777 (+44 191 218 7777 from overseas) or see the DWP website www.thepensionservice.gov.uk/ipc

*EEA countries
Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK. (While Switzerland is not in the EEA, Swiss nationals have the same rights as EEA nationals.)
People living abroad
If a person is living abroad at the time they claim their State Pension, but they used to live, and have a National Insurance record here, in the UK, we will look at their record for the time they were in the UK.

Insurance/residence in the EEA and certain reciprocal agreement countries may also be used, where appropriate, to help establish or improve entitlement to a UK basic State Pension. (Living in certain countries might mean they do not get an increase in their State Pension when it is considered each year by Parliament. See page 72 for more information.)

For more advice they should contact the International Pension Centre (see page 62).

People who work beyond State Pension age
If someone works for an employer when they have passed their State Pension age:

- they cannot pay any more Class 1 National Insurance contributions;
- their employer must continue to pay contributions for them as they would have done had they been under State Pension age; and
- if they claim their State Pension, we will send them a Certificate of Age Exception (form CA4140) to give to their employer so they know the person does not have to pay Class 1 National Insurance contributions. A person can also get this certificate if they decide not to claim their State Pension straight away – for example, if they want to put off claiming it to qualify for extra State Pension. In this case they must contact HMRC to get a certificate.

Call 0845 302 1479 for more information – they may need to provide evidence of their date of birth. If they have more than one employer, each employer will need a certificate. You can get extra copies from us or HMRC.

[SSCBA 1992 sections 6(3), 11(2) and 17(2)]

Certificate of election or certificate of reduced liability of contributions
If a married woman or a widow has either a certificate of election or a certificate of reduced liability for contributions, they should return it to HMRC when they reach State Pension age.

The employer continues to take National Insurance contributions
If the employer continues to take contributions from the person’s earnings after they have reached State Pension age, the employee must give the employer a Certificate of Age Exception, if they have not already done so (see above). They must also ask the employer to pay back to them the overpaid contributions.
Self-employed

People who are self-employed when they have passed their State Pension age don’t have to pay:

• any more Class 2 contributions; and
• Class 4 contributions for the tax years after the one in which they reach State Pension age.

To get more information contact HMRC – see page 76 for their contact details.

People who have been married or have formed a civil partnership

There are special rules for a Category A pension for people who have been widowed and those whose marriage has ended in divorce or annulment or civil partnership has been dissolved or annulled.

Widows

A widow may be entitled to:

• a Category A pension based on her own National Insurance contribution record; or
• a Category A pension based on her own record and by substituting her late husband’s record of qualifying years for either:
  – all the tax years in her working life up to the end of the tax year in which she was widowed; or
  – all the tax years in her working life from the beginning of the one in which she married up to the end of the tax year in which she was widowed; or
• a combination of Category A and Category B pensions based on her own contribution record (Category A) and the Category B pension based on her late husband’s contribution record.

See page 44 for details of Category B pension entitlement. When a widow claims her State Pension, we will check which option will give her the best basic State Pension.

See page 30 for details of additional State Pension and page 56 for Graduated Retirement Benefit that she may inherit from her late husband.

Widowers and surviving civil partners

It may be possible for a widower or a surviving civil partner whose Category A pension is less than the full rate, to use their late wife’s, or their late civil partner’s, National Insurance record to improve their State Pension.

They may be able to do this if:

• the wife or civil partner died before the survivor reached State Pension age; and
• the widower or surviving civil partner has not remarried or formed a new civil partnership; or
• the wife or civil partner died before reaching State Pension age after the survivor reached State Pension age.
We will check to see if they will be better off if their basic State Pension is worked out using their National Insurance record, and their late wife’s or civil partner’s record of qualifying years. This is done to substitute either all the tax years:
• of their working life up to the end of the tax year in which they became a widower or became a surviving civil partner; or
• from the beginning of the year in which they were married or became a civil partner (up to the end of the one in which their wife or civil partner died).

If both the survivor and the late wife or civil partner had reached State Pension age when they died, the widower or surviving civil partner may qualify for a Category B pension based on their late wife’s or civil partner’s contribution record. See page 44 for details of Category B pension, page 30 for details of the additional State Pension and page 56 for Graduated Retirement Benefit that they may inherit.

**People who are divorced, whose marriage has been annulled, or who have had their civil partnership dissolved or annulled**

A person who:
• is divorced or had their marriage annulled; or
• had their civil partnership dissolved or annulled;

before they reach State Pension age may be able to use the record of their former husband, wife or civil partner to improve their Category A basic State Pension, as long as they have not remarried or formed a new civil partnership before they reach that age. They may only use the record for the tax years up to the tax year in which the marriage or civil partnership ended.

Similar arrangements apply if the marriage ends on or after 6 April 1979 or the civil partnership ends on or after 5 December 2005 when the person is at or over State Pension age. If they later remarry or form a new civil partnership, they can still use the record of their former spouse or civil partner.

If the person has had more than one marriage or civil partnership then only the record from the last marriage or civil partnership is used.

Before 6 April 1979, only women could benefit from these rules which applied if they:
• were widowed or divorced before reaching State Pension age; and
• did not remarry before reaching that age.
**Additional State Pension**

Additional State Pension was introduced in 1978 and is the part of the State Pension that is related to the person’s annual earnings. It was originally referred to as State Earnings Related Pension Scheme (SERPS) and became known as the State Second Pension scheme following changes introduced in April 2002.

Payments are based on the amount of Class 1 annual National Insurance contributions paid, or treated as having been paid, on earnings between the National Insurance Lower and Upper Earnings Limits in each tax year.

The rules also allow people to build up extra payments of additional State Pension (this used to be known as an increment) by delaying the date from which they claim their additional State Pension.

*[SSCBA 1992 sections 44-46 and Sch 4A]*

From April 2009, it is planned that the upper earnings limit will be replaced by the Upper Accrual Point (UAP) for the purpose of capping entitlement to the State Second Pension. The UAP will be frozen in cash terms, leading to a gradual erosion of earnings-related accruals.

**Self-employed**

If someone has been self-employed, the National Insurance contributions they paid as a self-employed person will not count towards any additional State Pension.

**Widowed or divorced**

There are special rules on additional State Pension for people who are widowed or divorced or whose civil partnership has ended due to the death of their civil partner or the civil partnership has been dissolved. Please see the section *Inherited SERPS* on page 38.

**How to claim additional State Pension?**

There is no need to apply separately for it. We will automatically work it out when a person claims their State Pension.

**How to qualify?**

The amount paid is based on the level of a person’s earnings in each tax year from April 1978 (or the tax year in which their 16th birthday takes place, if this is later) to the tax year before the year in which they reach State Pension age.

**SERPS 1978 to 1997** – A person must have paid Class 1 National Insurance contributions on earnings that were higher than the annual Lower Earnings Limit for National Insurance contributions set for a tax year. This limit is set each year by Parliament.

Additional State Pension is worked out using the amount a person has earned above this level each year. A reduction is made in the calculation of the additional State Pension if they were contracted out of the scheme during this period. (See page 38 for more information on contracted-out arrangements.)

**SERPS 1997 to 2002** – A person qualifies if they paid standard rate Class 1 National Insurance contributions and they were contracted into the State scheme. (See page 38 for information if they were contracted out of the State scheme.)
State Second Pension 2002 to the present day – From 6 April 2002 the State Second Pension replaced SERPS. This means that from this date a person who cannot meet the earnings conditions can still get some additional State Pension if they meet certain qualifying conditions.

Employees who earn at, or above, the Lower Earnings Limit (£4,680 a year (£90x52) for 2008/09), but less than the Low Earnings Threshold are treated as if they had earnings at the Low Earnings Threshold (£13,500 a year for 2008/09).

This means that, for 2008/09, a person with annual earnings between £4,680 and £13,500 will be treated as if they had earned £13,500 for the purpose of working out their additional State Pension.

People caring for another person may be treated as having annual earnings at the Low Earnings Threshold if they had no earnings or earned less than the Lower Earnings Limit, for each complete tax year and:

- are looking after a child aged under six for whom they were the person who was awarded Child Benefit;
- are looking after an ill or a disabled person and qualified for Home Responsibilities Protection at the same time (see page 23 for more information about Home Responsibilities Protection); or
- have not yet reached State Pension age, but are entitled to Carer’s Allowance.

There is no limit to the number of years that can count in this way.

People with long-term illnesses or disabilities who qualify (or would qualify if they satisfied the contribution conditions) for long-term Incapacity Benefit or who get Severe Disablement Allowance will be treated for each complete tax year as if they had earnings at the Low Earnings Threshold if they have:

- worked and paid Class 1 National Insurance contributions for a qualifying period (usually 1/10 of their working life since 1978 or 16th birthday if this is later), before they reach State Pension age; or
- been treated as having paid Class 1 National Insurance contributions for a qualifying period (usually 1/10 of their working life since 1978), before they reach State Pension age.

This is called the labour market attachment test.

Employment and Support Allowance – to be introduced October 2008

From October 2008, people with long-term illness or disabilities who qualify for Employment and Support Allowance, for each complete tax year, will be treated as if they had earnings at the Low Earnings Threshold provided they have been getting:

- the support component; or
- the Work Related activity component for at least 52 weeks.

Men born between 6 April 1944 and 5 April 1947 and women born between 6 April 1949 and 5 April 1951 who become entitled to Employment and Support Allowance will be treated for State Second Pension purposes as if they were getting the support component.

They will also need to satisfy the labour market attachment test.

Note: A person with a long-term illness or disability who reaches State Pension age on or after 6 April 2010 will no longer need to meet the labour market attachment test to become entitled to the State Second Pension.
What earnings count for additional State Pension?

Earnings between the annual Lower Earnings Limit and the Upper Earnings Limit in each tax year from 6 April 1978 (or from the tax year in which their 16th birthday falls, if this is later) until the end of the tax year before the person reaches State Pension age.

Example

If Eddie reached his State Pension age in June 2008, his earnings between the tax years from 1978/79 to 2007/08 will count, but for Elwyn who reached his State Pension age in March 2008, his earnings will count for the tax years from 1978/79 to 2006/07.

Surplus earnings are those earnings above the Lower Earnings Limit (£90 a week for 2008/09) which is the level needed to qualify for basic State Pension. The amount of the surplus for each year (except the final year) is revalued in line with the rise in national average earnings.

- For the period from 6 April 1978 to 5 April 1997 – the surplus earnings of all employees are counted.
- For the period 6 April 1997 to 5 April 2002 – only the surplus earnings of employees who are not contracted out of the state scheme are counted.
- For the period from 6 April 2002 to 5 April 2010 – for all employees, for each tax year the level of their surplus earnings are divided into three bands:
  - Band 1 is the surplus earnings above the Lower Earnings Limit and up to the Low Earnings Threshold;
  - Band 2 is from the Low Earnings Threshold to the Upper Earnings Threshold; and
  - Band 3 is from the annual Upper Earnings Threshold to the Upper Earnings Limit. (The UEL is planned to be replaced by the UAP – see page 30.)
- For the period from 6 April 2010 – for all employees, for each tax year the level of their surplus earnings are divided into two bands:
  - Band 1 is the surplus earnings above the Lower Earnings Limit and up to the Low Earnings Threshold; and
  - Band 2 is from the Low Earnings Threshold to the Upper Earnings Limit. (The UEL is planned to be replaced by the UAP – see page 30.)

Certain groups with no earnings or earnings below the Lower Earnings Limit are treated as having earnings at the Low Earnings Threshold.

Family Credit or Disability Working Allowance received between 6 April 1995 and 4 October 1999 are counted as earnings if the person reached State Pension age on or after 6 April 1999.

Working Families’ Tax Credit and Disabled Person’s Tax Credit received between 5 October 1999 and 5 April 2002 are counted as earnings.

Working Tax Credit and Children’s Tax Credit are not counted as earnings.
How we work out SERPS for people reaching State Pension age on, or after, 6 April 2000

For the period 1978/79 to 1987/88 the revalued surplus figure for those years is multiplied by 25%. This figure is then divided by the total number of years between 1978/79 (or the tax year in which they reached age 16, if this is later) and the tax year ending before the one in which the person reaches State Pension age.

For the period 1988/89 – 2001/02, the percentage used depends on when the person reaches State Pension age. For those reaching State Pension age between 1988/89 and 1999/2000, the percentage is 25%.

For those reaching State Pension Age from 2000/01 onwards, the percentage is between 24.5% and 20%, as shown in the table below. This figure is then divided by the total number of years between 1978/79 (or the tax year in which they reached 16, if this is later) and the tax year ending before the one in which they reach State Pension age.

<table>
<thead>
<tr>
<th>Tax year in which person reaches State Pension age</th>
<th>Percentage used to work out total surplus earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>24.5</td>
</tr>
<tr>
<td>2001/02</td>
<td>24</td>
</tr>
<tr>
<td>2002/03</td>
<td>23.5</td>
</tr>
<tr>
<td>2003/04</td>
<td>23</td>
</tr>
<tr>
<td>2004/05</td>
<td>22.5</td>
</tr>
<tr>
<td>2005/06</td>
<td>22</td>
</tr>
<tr>
<td>2006/07</td>
<td>21.5</td>
</tr>
<tr>
<td>2007/08</td>
<td>21</td>
</tr>
<tr>
<td>2008/09</td>
<td>20.5</td>
</tr>
<tr>
<td>2009/10 or later</td>
<td>20</td>
</tr>
</tbody>
</table>
State Second Pension

For the period starting 6th April 2002 the revalued figure is multiplied by a figure between 10% and 50%. The percentage used depends on which band earnings fall (see page 32) and when they reach State Pension age (see the table below). This figure is then divided by the total number of years between 1978/79 (or the tax year in which they reach 16, if this is later) and the tax year ending before the one in which they reach State Pension age.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Twice relevant SERPS percentage</td>
</tr>
<tr>
<td>2</td>
<td>Half relevant SERPS percentage</td>
</tr>
<tr>
<td>3</td>
<td>Same as SERPS percentage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax year in which State Pension age reached</th>
<th>Band</th>
<th>Percentage rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/03</td>
<td>1</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>11.75</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>23.5</td>
</tr>
<tr>
<td>2003/04</td>
<td>1</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>2004/05</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>11.25</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>22.5</td>
</tr>
<tr>
<td>2005/06</td>
<td>1</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>2006/07</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>10.75</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>21.5</td>
</tr>
<tr>
<td>2007/08</td>
<td>1</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>10.5</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>2008/09</td>
<td>1</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>10.25</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>20.5</td>
</tr>
</tbody>
</table>
From 6 April 2010 the income bands will reduce to two. Entitlement will build up at 40% of Band 1 income and 10% for Band 2 (see page 32 for details of the revised bands).

**[Pensions Act 2007 section 10]**

*The State Second Pension calculation will be made simpler. No set date has been fixed but this is likely to be from 2012. From that date, Band 1 income will provide a flat rate entitlement of around £1.50 a week (in 2007/08 earnings terms) for each qualifying year. Band 2 income will continue to build up on an earnings-related basis until around 2030 when it will be abolished.*

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>20</td>
</tr>
</tbody>
</table>
An example of an employee’s additional State Pension where State Pension Age is reached after 5 April 2000

A woman reaches State Pension age on 6 April 2007. The tax year before the year in which State Pension age is reached will be 2006/07. The number of tax years between 1978/79 and 2006/07 is 29. Apart from the figures shown for the qualifying level for basic State Pension, all other figures used are for illustrative purposes only.

<table>
<thead>
<tr>
<th>Tax year</th>
<th>Earnings based on NI paid £</th>
<th>Less qualifying level for basic State Pension £</th>
<th>Surplus £</th>
<th>Percentage by which surplus revalued %</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978/79</td>
<td>3,500</td>
<td>910</td>
<td>2,590</td>
<td>572.4</td>
<td>17,415</td>
</tr>
<tr>
<td>1979/80</td>
<td>3,900</td>
<td>1,014</td>
<td>2,886</td>
<td>493.5</td>
<td>17,128</td>
</tr>
<tr>
<td>1980/81</td>
<td>4,600</td>
<td>1,196</td>
<td>3,404</td>
<td>395.8</td>
<td>16,877</td>
</tr>
<tr>
<td>1981/82</td>
<td>5,550</td>
<td>1,404</td>
<td>4,146</td>
<td>315.3</td>
<td>17,218</td>
</tr>
<tr>
<td>1982/83</td>
<td>6,200</td>
<td>1,534</td>
<td>4,666</td>
<td>277.2</td>
<td>17,600</td>
</tr>
<tr>
<td>1983/84</td>
<td>7,000</td>
<td>1,690</td>
<td>5,310</td>
<td>250.2</td>
<td>18,596</td>
</tr>
<tr>
<td>1984/85</td>
<td>7,100</td>
<td>1,768</td>
<td>5,332</td>
<td>224.3</td>
<td>17,292</td>
</tr>
<tr>
<td>1985/86</td>
<td>7,400</td>
<td>1,846</td>
<td>5,554</td>
<td>204.2</td>
<td>16,895</td>
</tr>
<tr>
<td>1986/87</td>
<td>7,900</td>
<td>1,976</td>
<td>5,924</td>
<td>179.3</td>
<td>16,546</td>
</tr>
<tr>
<td>1987/88</td>
<td>8,300</td>
<td>2,028</td>
<td>6,272</td>
<td>160.1</td>
<td>16,313</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total 171,880</td>
</tr>
<tr>
<td>1988/89</td>
<td>8,700</td>
<td>2,132</td>
<td>6,568</td>
<td>139.3</td>
<td>15,717</td>
</tr>
<tr>
<td>1989/90</td>
<td>9,300</td>
<td>2,236</td>
<td>7,064</td>
<td>115.9</td>
<td>15,251</td>
</tr>
<tr>
<td>1990/91</td>
<td>9,600</td>
<td>2,392</td>
<td>7,208</td>
<td>101.2</td>
<td>14,502</td>
</tr>
<tr>
<td>1991/92</td>
<td>10,000</td>
<td>2,704</td>
<td>7,296</td>
<td>82.8</td>
<td>13,337</td>
</tr>
<tr>
<td>1992/93</td>
<td>10,700</td>
<td>2,808</td>
<td>7,892</td>
<td>71.6</td>
<td>13,543</td>
</tr>
<tr>
<td>1993/94</td>
<td>11,100</td>
<td>2,912</td>
<td>8,188</td>
<td>63.5</td>
<td>13,387</td>
</tr>
<tr>
<td>1994/95</td>
<td>12,500</td>
<td>2,964</td>
<td>9,536</td>
<td>58.5</td>
<td>15,115</td>
</tr>
<tr>
<td>1995/96</td>
<td>12,900</td>
<td>3,016</td>
<td>9,884</td>
<td>51.9</td>
<td>15,014</td>
</tr>
<tr>
<td>1996/97</td>
<td>13,500</td>
<td>3,172</td>
<td>10,328</td>
<td>47.7</td>
<td>15,254</td>
</tr>
<tr>
<td>1997/98</td>
<td>14,000</td>
<td>3,224</td>
<td>10,776</td>
<td>40.7</td>
<td>15,162</td>
</tr>
<tr>
<td>1998/99</td>
<td>14,350</td>
<td>3,328</td>
<td>11,022</td>
<td>34.5</td>
<td>14,825</td>
</tr>
<tr>
<td>1999/2000</td>
<td>14,960</td>
<td>3,432</td>
<td>11,528</td>
<td>29.1</td>
<td>14,883</td>
</tr>
<tr>
<td>2000/01</td>
<td>15,200</td>
<td>3,484</td>
<td>11,716</td>
<td>21.4</td>
<td>14,223</td>
</tr>
<tr>
<td>2001/02</td>
<td>15,950</td>
<td>3,744</td>
<td>12,206</td>
<td>16.8</td>
<td>14,257</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total post 1988–2002 204,469</td>
</tr>
</tbody>
</table>
Additional State Pension pre 1988: £171,800
25% x \(\frac{\text{£171,800}}{29}\) = £1,481.72

Additional State Pension 1988–2002: £204,469
21% x \(\frac{\text{£204,469}}{29}\) = £1,480.64

Total additional State Pension earned up until 5 April 2002: = £2,962.36
Weekly additional State Pension: = £56.97

The rules are different for people who reached State Pension age before 6 April 2000. For more information contact the person’s pension centre.

**State Second Pension**

Additional State Pension from the State Second Pension for this woman is worked out in a similar way, but ‘surplus earnings’ are broken into earnings bands.

<table>
<thead>
<tr>
<th>Tax year</th>
<th>Earnings based on NI paid £</th>
<th>Qualifying level for basic State Pension £</th>
<th>Band 1</th>
<th>Band 2</th>
<th>Band 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/03</td>
<td>16,600</td>
<td>3,900</td>
<td>6,900</td>
<td>11.9</td>
<td>7,721</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5,800</td>
<td>11.9</td>
<td>6,490</td>
</tr>
<tr>
<td>2003/04</td>
<td>17,250</td>
<td>4,004</td>
<td>7,196</td>
<td>8.1</td>
<td>7,779</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,050</td>
<td>8.1</td>
<td>6,540</td>
</tr>
<tr>
<td>2004/05</td>
<td>18,500</td>
<td>4,108</td>
<td>7,492</td>
<td>4.1</td>
<td>7,799</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,900</td>
<td>4.1</td>
<td>7,183</td>
</tr>
<tr>
<td>2005/06</td>
<td>19,250</td>
<td>4,264</td>
<td>7,836</td>
<td>2</td>
<td>7,993</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7,150</td>
<td>2</td>
<td>7,293</td>
</tr>
<tr>
<td>2006/07</td>
<td>19,500</td>
<td>4,368</td>
<td>8,132</td>
<td>0</td>
<td>8,132</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7,000</td>
<td>0</td>
<td>7,000</td>
</tr>
<tr>
<td>Totals post 2002</td>
<td>39,424</td>
<td></td>
<td>34,506</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Additional State Pension post-2002:**

For a person retiring after April 2007, the accrual structure is:

- 42% of earnings within Band 1: \(42\% \times \text{£39,424} = \text{£16,558.08}\)
- 10.5% of earnings within Band 2: \(10.5\% \times \text{£34,506} = \text{£3,623.13}\)
- 21.5% of earnings within Band 3: \(21.5\% \times 0 = 0\)

Total: \(\text{£20,181.21}\)

Divide this by number of working years: \(\text{£20,181.21} \div 29 = \text{£695.90}\)

Weekly additional State Pension post-2002: = £13.38

Total additional State Pension:

Pre 1988 + 1988 to 2002 + post 2002 = £70.35
Contracting out of the additional State Pension scheme
Since 1978 it has been possible for employees to opt out of the additional State Pension scheme. This is called ‘contracting out’ and means their additional State Pension will be reduced.

The effect on the additional State Pension

From 6 April 1978 to 5 April 1997 (SERPS)
Any additional State Pension earned through SERPS from 6 April 1978 to 5 April 1997 is reduced (which could be to a nil amount) if the person was contracted out at any time during this period.

From 6 April 1997 until 5 April 2002 (SERPS)
SERPS is not paid for any week a person was contracted out.

From 6 April 2002 (State Second Pension)
The State Second Pension is reduced (which could be to a nil amount) if a person is contracted out.

If a husband, wife or civil partner has died – inherited SERPS and inherited State Second Pension
A person whose husband, wife or civil partner has died may be able to inherit additional State Pension from their late husband, wife or civil partner (known as the contributor). In some limited circumstances this may also apply where the late contributor had been contracted out of SERPS all their life. The surviving spouse or civil partner may inherit 50% of the State Second Pension. How much SERPS pension they may inherit depends on the date their late husband, wife or civil partner reached (or would have reached) their State Pension age.

If the person marries or forms a new civil partnership before they reach their State Pension age, they will no longer be able to rely on their late husband, wife or late civil partner’s additional State Pension record.

Inherited additional State Pension is paid by way of a Category B pension (see pages 44 to 49).

In addition, if the deceased spouse or civil partner was contracted out, the inherited additional State Pension may be reduced to reflect this.

Inherited SERPS
When SERPS was introduced in 1978, a person could inherit up to 100% of their late husband’s or wife’s entitlement. The Government changed the law in 1986 and it was intended that if a husband or wife died after 6 April 2000, the person would only be able to inherit up to 50% of their late husband’s or wife’s entitlement.

It became clear that for many years after 1986 some people were given incorrect or misleading information about the change and may have planned for their future on that basis. As a result the Government introduced new rules that mean, there is a gradual reduction in the maximum percentage that someone may inherit.

[SS (Inherited SERPS) Regs 2001]
See the table below for details of the new maximum amounts.

**Inherited SERPS entitlement**

<table>
<thead>
<tr>
<th>Maximum percentage of SERPS that can be inherited by husband, wife or civil partner</th>
<th>Date when contributor reaches State Pension age</th>
<th>Date of birth of contributor: man</th>
<th>Date of birth of contributor: woman</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>5/10/2002 or earlier</td>
<td>5/10/1937 or earlier</td>
<td>5/10/1942 or earlier</td>
</tr>
<tr>
<td>50</td>
<td>6/10/2010 or later</td>
<td>6/10/1945 or later</td>
<td>6/7/1950 or later</td>
</tr>
</tbody>
</table>

**Reducing the amount of SERPS that may be inherited**

The amount of SERPS a person may inherit when they reach State Pension age is reduced if they received either:

- Bereavement Allowance at less than the full rate; or
- Widowed Parent’s Allowance and this ended before they reached 55.

These are important changes, please see our more detailed leaflet on inheritance of SERPS pension and bereavement benefits.
Limit on the amount of inherited additional pension that a person may receive

There is a maximum amount of additional pension that any person may receive (through a combination of both their own additional pension and any inherited additional pension). For people reaching State Pension age in the year April 2008 to April 2009, the figure is £151.10 a week.

Important information for married people and civil partners on the inheritance of SERPS is contained in the leaflet Inheriting a SERPS pension.

Pension sharing on divorce – additional State Pension

People may be able to share additional State Pension rights with their husband, wife or civil partner (this does not include rights to basic State Pension). This may affect people who have:

• divorced;
• dissolved (legally ended) their civil partnership; or
• had their marriage or civil partnership annulled.

Their husband, wife or civil partner may also be able to share private pension rights. The value of the pensions each person has paid into may affect any financial settlement and maintenance decided by a court. (Pensions cannot be shared if action on the divorce or annulment started before 1 December 2000. In this case the person should ask their legal adviser for advice about this situation.)


Pension sharing means that for most pensions the person or their ex-husband, wife or civil partner are entitled to receive may be shared between them. If it is their pension which is shared, they will receive a reduced pension when they retire, unless they can build up their pension rights again. The ex-husband, wife or civil partner may only share the pension rights they built up before the divorce. If the ex-husband, wife or former civil partner’s additional State Pension rights are shared, the share of their pension the person is entitled to receive is called a ‘Shared Additional Pension’. This pension is paid when the person reaches State Pension age. If the person is entitled to another type of State Pension as well, they will not need to make a separate claim for their Shared Additional Pension.

If people want to know more about their shared pension rights, they should get legal advice from Citizens Advice, a local law centre or a solicitor.

For more information, see the DWP website ([www.dwp.gov.uk](http://www.dwp.gov.uk)). Our more detailed leaflet on contracting out of State Second Pensions provides more information on occupational pension schemes that are contracted out and the leaflet on Bereavement Benefit gives more information for a husband, wife or civil partner.
Increases payable with a Category A pension

Increase for adult dependants

A person can claim an increase in their State Pension for one dependent adult, but only until 6 April 2010. Increases that have been awarded by that date will be protected until:

- the qualifying rules are no longer met; or
- where the increase is being paid for a wife, she reaches State Pension age; or
- 5 April 2020;

whichever happens first.

[SSCBA sections 83-85, 88; SS (Dependency) Regs 1977; Pensions Act 2007 section 4]

An increase for a wife

A man can get an increase of Category A pension for his wife if he gets some basic Category A pension. (The rules for women who want to claim an increase on their Category A pension for their husband are different – see page 42 for details.) He will get less than the standard amount for his wife if he qualifies for a basic State Pension at a reduced rate.

He cannot normally get an increase for his wife if:

- she gets State Pension or any other State benefit for herself;
- she gets a training allowance or a job release allowance;
- she has earnings, an occupational pension or a personal pension above a set amount (currently £60.50 a week for 2008/09); or
- he gets benefit for her under the Industrial Injuries or War Pensions Schemes.

But if another State benefit is paid to, or for, his wife and it is less than the increase in his basic State Pension for her, he will be able to get the difference in the two amounts. This is paid with his State Pension.

If his wife does not live with him, he can get an increase for her if he pays maintenance to her of at least the amount of the increase and she does not have earnings, an occupational pension or a personal pension that are more than the weekly standard amount (for 2008/09 this amount is £54.35).

[SSCBA section 83; SS Dependency Regs 1977]
An increase for a husband
Currently a woman may claim an increase for her husband on her Category A pension only if he is aged less than 65 and the following apply:

- she was getting an increase of Incapacity Benefit for him immediately before she qualified for her basic State Pension; and
  - he is not earning or has an occupational or personal pension more than a set amount; or
  - he is not getting a benefit of his own (or if he is, the benefit payable is less than the increase that could be paid to her (she will be paid the difference)).
- he must also live with her, or she must contribute maintenance to him of at least the amount of the increase.

[SSCBA 1992 sections 83A and 84; Pensions Act 2007]

Increase for an adult who looks after a child
A person who is, or is treated as, entitled to Child Benefit for a child can get an increase in their Category A pension for an adult if they need the adult to look after the child for them. (The amount of the increase is the same whether the person qualifies for a full or a reduced rate of State Pension.)

A person cannot get this increase if:

- they get an increase in their State Pension for their husband or wife; or
- their wife gets a Category B pension based on their contributions.

If the person who looks after the child has earnings or an occupational or personal pension, these may affect the amount of the increase (see page 70 for details of what counts as earnings).

[SSCBA 1992 section 85; Pensions Act 2007]

Increase for dependent children
The State Pension scheme no longer provides support for child dependants. People should claim Child Tax Credit from HMRC (formerly the Inland Revenue) instead.

However, if they claimed an increase in their basic State Pension for a dependent child before 6 April 2003, and it is still being paid, they will continue to get the increase until they are no longer entitled. The entitlement will cease, for example, if Child Benefit is no longer paid for the child or if it stops being payable to them for a period of more than 58 days.

The increase for the dependent child is paid at the same rate, whether the basic State Pension is paid at the full or reduced rate.

However, the increase may be affected if anyone else gets another social security benefit which includes money for the child. It may also be affected if a husband, wife, civil partner or partner living with the person has earnings above £185 a week (for 2008/09).
The age addition for long-term Incapacity Benefit

If a person was entitled to an age addition of long-term Incapacity Benefit in the eight weeks before reaching State Pension age (awarded because their incapacity began before they became 45 years old), they may qualify for an automatic increase in their State Pension. (This is known as a long-term Incapacity Benefit age addition.) The rate they get will be the same as the age addition that was paid with their Incapacity Benefit.

However, if they are also entitled to an additional State Pension or a Guaranteed Minimum Pension (GMP), the long-term Incapacity Benefit age addition is reduced by the amount of the GMP or additional State Pension. This may mean no long-term Incapacity Benefit age addition is paid.

[SSCBA sections 47 and 30B; SS Incapacity Regs 1994 Regulation 10]
Category B pensions

What is a Category B pension?
Category B pension is contributory and is based on a husband’s, wife’s or civil partner’s National Insurance contribution record, not on the record of the individual who has claimed. Currently, the rules do not apply in the same way to everyone. Married men, widowers and civil partners (including surviving civil partners) cannot qualify for a Category B pension in all the circumstances that married women and widows can. From 6 April 2010, broadly the same rules will apply to them as apply to married women now. These rules are explained in more detail below.

Rate of Category B pension
Where the person whose contributions the Category B pension is based on (the ‘contributor’) is still alive, a Category B pension consists of basic State Pension only. The full standard rate of Category B basic pension is £54.35 a week (2008/09). This is approximately 60% of the full rate of the Category A basic pension (£90.70 at 2008/09 rates). If the contributor does not qualify for a full basic State Pension, the Category B pension will also be payable at a reduced rate.

Where the contributor has died, a Category B pension for their widow, widower or surviving civil partner can be made up of basic and additional State Pension, or additional pension only or sometimes basic pension only. The full basic pension is the same as the basic pension in the Category A pension. This applies if the late husband, wife or civil partner qualified for the full rate, otherwise a reduced rate applies. The amount of additional pension that a surviving spouse or civil partner can inherit depends on when the contributor reached, or would have reached, State Pension age (see page 38). The amount of Category B pension (both basic and additional pension) may be reduced if the widow, widower or surviving civil partner was under the age of 55 at the time of bereavement.

What if a person qualifies for both a Category A and a Category B pension?
If a person qualifies for both a Category A and Category B pension at the same time, they cannot receive them both. They should tell us which one they want to receive; however, if they do not make a choice, we will pay them whichever is the higher of the two. Where the amount of the Category A pension is less than the Category B pension, the two may be combined to give a higher rate of Category A pension. There are limits on how much the Category A pension can be increased and these are explained below.

How to qualify for a Category B pension

Married women
For a married woman to qualify for a Category B pension her husband must:
• have reached State Pension age (see pages 18 to 21); and
• meet the contribution conditions for a Category A pension; and
• have claimed his Category A pension; and
• be entitled to his Category A pension.
She must also have reached her State Pension age (see pages 18 to 21) and claimed her State Pension. **Note:** from 24 September 2007, a claim for Category B pension is not required where a claimant is already entitled to:

- a Category A pension;
- Graduated Retirement Benefit; or
- both; and

marries or enters into a civil partnership.

From 6 April 2010, a married woman will be able to qualify for a Category B pension regardless of whether her husband has actually claimed his State Pension, providing all the other conditions are met.  

**[Pensions Act 2007 section 2]**

**Category A and B basic pensions**

A married woman may be entitled to both a Category A basic pension and a Category B basic pension at the same time. If the full rate of her Category A basic pension is less than the full rate Category B basic pension, the two State Pensions will be combined to give her a higher rate of Category A basic pension. Her Category A basic pension will be increased by the:

- amount that would need to be added to her Category A basic pension to bring it up to the amount of a full Category B basic pension; or
- weekly rate of the Category B pension she would be entitled to (taking account of any reduction that might apply because her husband’s own Category A basic pension was less than the full rate);

whichever is the lower.

This will be paid with any Category A additional pension she is entitled to, based on her own contributions.

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Gill is entitled to £34 a week Category A pension based on her own contributions. However, her husband Martin is entitled to a full-rate Category A pension so Gill, as his wife, qualifies for a full-rate Category B pension based on his contribution record, which would be £54.35. Gill’s Category A pension will be increased by £20.35, which is the amount needed to make her State Pension equal to the maximum Category B pension of £54.35.

Marjorie is entitled to £34 a week Category A pension based on her own contributions. However, her husband Gerald is entitled to a Category A pension of 30% of the full rate, so Marjorie, as his wife, qualifies for 30% of the full rate of Category B pension based on his contribution record. Marjorie’s Category A basic pension of £34 will be increased by the amount of her Category B pension (£16.30).
A married woman has reached State Pension age but her husband has not

She may qualify for:

• Category A pension based on her own National Insurance record (including any additional State Pension) with or without Graduated Retirement Benefit; or
• Graduated Retirement Benefit only.

If she does not qualify for either of these, she will have to wait until her husband reaches his State Pension age and claims his State Pension before she can receive a State Pension. (From 6 April 2010, it will no longer be necessary for her husband to have actually claimed his State Pension, but he must have reached State Pension age before she can claim a Category B pension.) In some circumstances it may be possible for her to pay Class 3 National Insurance contributions for earlier years to allow her to get a Category A pension at the minimum rate. She should ask us whether there are contributions she can pay which will allow her to qualify for a basic State Pension. (There are time limits on making these payments.)

[Pensions Act 2007 section 2]

A married woman has reached State Pension age and her husband is already getting his State Pension

She may be entitled to:

• her own Category A pension;
• a Category B pension from her husband’s contributions;
• a combination of Category A and B pension;
• Graduated Retirement Benefit only.

Any adult dependency increase her husband had been getting for her on his Category A pension will stop when she becomes entitled to her State Pension.

A married woman has reached State Pension age and so has her husband, but he has not claimed his State Pension

She may be entitled to a Category A pension with or without any Graduated Retirement Benefit, or Graduated Retirement Benefit on its own.

She cannot get a Category B pension until both of them satisfy the conditions for State Pension. Until 6 April 2010, this includes having made a claim for it. So, if her husband has chosen to put off claiming his State Pension, she will not get a Category B pension based on his contributions until he claims his State Pension. She may also build up entitlement to extra State Pension or a lump-sum payment on the Category B pension during this period but only if she does not claim any Category A pension she would be entitled to on her own National Insurance contributions. (If she is claiming Graduated Retirement Benefit only, this will not prevent her building up extra State Pension or a lump-sum payment, as long as she does not claim the Category B pension before 6 April 2006.)

From 6 April 2010 she will no longer have to wait for her husband to have claimed his State Pension before she can claim a Category B pension if they have both reached State Pension age. If her husband has put off claiming his State Pension
she will have the choice of claiming a Category B pension (and any Category A pension she is entitled to based on her own contributions).

[**Pensions Act 2007 section 4**]

**A married woman already getting a State Pension when her husband reaches 65**

She may already be receiving a Category A State Pension or Graduated Retirement Benefit when her husband is getting near age 65. To see if she is entitled to a Category B pension, she must claim it when her husband claims his State Pension. Before 6 April 2010, she cannot make a claim for a Category B pension until her husband has actually claimed his State Pension. As a result, it is important that she contacts us when he does claim.

If she already gets Graduated Retirement Benefit, any Category B pension will be added to it. If she already gets a Category A pension it will depend on the rate payable whether there is any change in the amount she will receive. For example, she may be awarded a higher rate of Category A pension instead of just her Category A pension, if her Category A basic pension is less than the standard rate of Category B pension.

**If a married woman does not live with her husband**

A married woman does not have to be living with her husband to claim her Category B pension, but he must have claimed and be entitled to his Category A pension for her to receive it. She should contact us shortly before his 65th birthday to see if he has claimed his State Pension. She can then check with us every three months until he does claim. From 6 April 2010 she will be able to get a Category B pension even if her husband has not actually claimed his State Pension (and any Category A pension she is entitled to based on her own contributions).

[**SSCBA section 48A; Pensions Act 2007 section 2**]

**Married men and civil partners**

Currently, married men and civil partners are not entitled to a Category B pension. From 6 April 2010, married men and civil partners will be able to qualify for a Category B pension from their wife’s or civil partner’s contribution record if:

- they have reached State Pension age; and
- their wife or civil partner:
  - was born on or after 6 April 1950;
  - has reached State Pension age; and
  - is entitled to a Category A pension (whether or not they have claimed it).

For example, a married man who reaches age 65 in 2009 and whose wife was born on 6 July 1950, could claim an increase in his Category A pension based on his wife’s record, if his own National Insurance record gave him less than 60% of a full basic State Pension. He could claim this from 6 November 2010 (the date she will be entitled to claim her State Pension from).

[**Pensions Act 1995**]
Widows

A widow may be entitled to a Category B pension, or an increase to her own Category A pension, based on her late husband’s National Insurance contribution record. The pension she can get from her late husband’s contributions will depend on her age and her husband’s age at the time she was widowed.

If her late husband had put off claiming his State Pension before he died, she may also be entitled to extra State Pension or a lump-sum payment.

(See also page 9 for details of Category A pension and pages 30 and 55 for details of the additional State Pension and Graduated Retirement Benefit that she may inherit.)

Widowed while still under State Pension age

Widowed before 9 April 2001

A woman who was widowed before 9 April 2001 will qualify for a Category B pension if she:

- has not remarried (or formed a civil partnership) before she reached State Pension age; and
- was entitled to Widow’s Pension or Widowed Mother’s Allowance immediately before she reached that age. (Widow’s Pension and Widowed Mother’s Allowance were replaced by bereavement benefits for people who are bereaved on or after 9 April 2001).

Widow’s Pension can continue until age 65. Widowed Mother’s Allowance can continue for as long as the qualifying conditions are met. If a woman stops being eligible for Widowed Mother’s Allowance because she is no longer getting Child Benefit for any dependent child of her late husband when she is over 45 but under 65, she will become entitled to Widow’s Pension, providing she still satisfies the other conditions.

Widow’s Pension is reduced by 7% for every year that the widow was under the age of 55 (or 50, if widowed before 11 April 1988) when either her Widowed Mother’s Allowance stopped or, if she was not entitled to Widowed Mother’s Allowance, for every year she was under that age when her husband died. For example, if she was bereaved after 11 April 1988 and aged 50 when her Widowed Mother’s Allowance stopped, her Widow’s Pension will be reduced by 35%.

A Category B pension payable to a woman who was getting Widow’s Pension is paid at the same rate as her Widow’s Pension. (Note that when the basic State Pension starts to be uprated in line with earnings, Widow’s Pension will continue to be uprated in line with prices). The rate of Widow’s Pension is worked out based on her late husband’s contributions and consists of a basic pension and an additional pension (unless her husband was contracted out of the additional State Pension). The amount of any additional pension included in her Widow’s Pension will be reduced in line with the inheritable additional State Pension rules (see page 38).
A widow who is getting Widow’s Pension and Widowed Mother’s Allowance immediately before she reaches State Pension age will have to decide if she wants to:

• claim her State Pension; or
• continue to get her Widow’s Benefit instead of claiming her State Pension; or
• put off claiming her State Pension and give up her Widow’s Benefit to qualify for extra State Pension or a lump-sum payment.

Before she decides whether to keep on getting her Widow’s Benefit or claim her State Pension from State Pension age, she should check how much State Pension she would be entitled to, as it may be more than her Widow’s Benefit. She should contact us for more information.

A widow may be entitled to more if she claims her State Pension instead of remaining on her Widow’s Benefit past State Pension age if she:

• has built up any additional State Pension in her own right and the amount of additional pension included in her Widow’s Benefit is less than the maximum amount payable to a widow. In this situation, her own Category A additional pension can be combined with the inherited additional State Pension to give her a higher rate of additional State Pension;
• is entitled to Graduated Retirement Benefit (see page 55) – this is paid on top of any State Pension, but cannot be claimed separately from it;
• would be entitled to basic Category A pension, either by her own contributions or by substituting her late husband’s contribution record for all or part of her own, and the amount of the basic pension in her Widow’s Benefit is less than the amount of basic State Pension in her own Category A pension.

In this situation, she will be entitled to Category A basic pension plus, if applicable, inherited additional State Pension.

Women reaching State Pension age on or after 6 April 2010 are more likely to have a full basic State Pension based on their own contribution record because of the changes to the contribution conditions that will apply to them. However, a woman reaching State Pension age before then might still have a higher Category A basic State Pension than the basic pension in her Widow’s Benefit, so she should contact us for more information.

And, as mentioned above, when the basic State Pension starts to be uprated in line with earnings, Widow’s Benefit will continue to be uprated in line with prices.

A woman who was either widowed before 9 April 2001 while under the age of 45 or who stopped getting Widowed Mother’s Allowance when under that age, will not be entitled to a Widow’s Pension, and will not qualify for a Category B pension. She may be able to get a higher rate of Category A basic pension by substituting her late husband’s record (see page 17).
Widowed on or after 9 April 2001

A widow will be entitled to Category B pension if:

• she does not remarry or form a civil partnership before reaching State Pension age; and

• she was either getting Widowed Parent’s Allowance immediately before reaching that age or

• she had been entitled to Widowed Parent’s Allowance when over the age of 45, but it had ceased before she reached State Pension age; or

• she had been getting a Bereavement Allowance at any time before State Pension age.

If she received Widowed Parent’s Allowance immediately before reaching State Pension age, the Category B pension will be paid at the same rate as her Widowed Parent’s Allowance. Widowed Parent’s Allowance is worked out based on her late husband’s contributions and consists of a basic State Pension and an additional pension (but this is reduced or may not be payable if her husband was contracted out of the additional State Pension). The amount of any additional pension included in her Widowed Parent’s Allowance will be reduced in line with the inheritable additional State Pension rules (see page 39).

Although Widowed Parent’s Allowance will continue to be increased each year in line with prices, the basic State Pension in a Category B pension paid to a person who had previously been entitled to Widowed Parent’s Allowance, will be increased in line with earnings, when uprating by earnings starts.

If she had been entitled to Widowed Parent’s Allowance when over the age of 45 but it had ceased before she reached State Pension age, or if she had been getting a bereavement allowance at any time before State Pension age, her Category B pension will not include any basic State Pension. It will be made up of the additional State Pension that her late husband had built up:

• reduced by up to 50% in line with the inheritable additional State Pension rules (see page 39);

• further reduced by 7% for every year that she was under the age of 55 when she stopped getting Widowed Parent’s Allowance (or if she was not entitled to Widowed Parent’s Allowance, for every year she was under 55 when her husband died) up to a maximum of 10.

If the widow is not entitled to a Category A basic pension on her own record, or is entitled to less than the full amount, her late husband’s record may be substituted to increase her basic State Pension (see page 17). She may also get a higher rate of Category A basic pension using the substitution arrangements if she did not qualify for Bereavement Allowance because she was widowed while under the age of 45 or her Widowed Parent’s Allowance stopped before she reached that age.
Widowed on or after State Pension age:

If a woman is widowed after reaching State Pension age, she may qualify for a Category B pension (or higher rate of Category B pension) based on her late husband’s National Insurance record. The basic pension in the Category B pension will be the same rate as the basic pension in her late husband’s Category A pension. If he had also built up entitlement to additional pension, her Category B pension will include additional pension worked out under the rules for inheriting additional pension (see page 39).

Widow entitled to both a Category A and Category B pension

If a widow is entitled to both a Category A and Category B pension, they may be combined to give her a composite State Pension, but the:

- basic State Pension cannot be more than the full rate for a single person; and
- additional State Pension plus any inherited additional State Pension from her late husband, cannot be more than the set maximum amount that can be paid to a widow (see page 38).

Widowers and civil partners

Bereaved before reaching State Pension age:

A person whose wife or civil partner has died may be entitled to a Category B pension when they reach State Pension age providing they have not remarried or formed a new civil partnership before reaching that age. The Category B pension is based on their wife’s or civil partner’s National Insurance record and may be awarded in the following circumstances:

- If immediately before reaching State Pension age they were entitled to Widowed Parent’s Allowance as a result of the death. In this situation, their Category B pension will be at the same rate as the Widowed Parent’s Allowance previously paid (note that when the State Pension starts to be uprated in line with earnings, the basic pension in their Category B pension will also be increased in this way).

- If, as a result of the death, they were entitled to:
  - Bereavement Allowance at any time before reaching their State Pension age; or
  - Widowed Parent’s Allowance at any time since they were over age 45, but they were not receiving it immediately before reaching State Pension age. In these situations, their Category B pension will not include any basic State Pension, but will be made up of the additional pension (if any) their late wife or civil partner had built up. The amount will depend on when the deceased reached, or would have reached, State Pension age (see page 39), and will also be reduced by 7% for every year that the widower or surviving civil partner is aged under 55 at the time of the bereavement.
Widowers bereaved before 9 April 2001

A widower whose late wife died before 9 April 2001 may also qualify for a Category B pension, if he reaches State Pension age on or after 6 April 2010 and has not remarried or formed a civil partnership before reaching that age and he meets the following conditions:

• he was over 45 but under 65 when his wife died (or over 40 but under 65 if bereaved before 11 April 1988); or
• he had children when he became a widower and was over 45 but under 65 when he ceased to be entitled to child benefit for those children (or over 40 but under 65, if bereaved before 11 April 1988); and
• his late wife had met the same contribution conditions that a man would need to have met to entitle his widow to a Widow’s Pension.

The Category B pension will be payable at the same rate as the Widow’s Pension his late wife’s contribution record would have entitled him to, had he been able to claim a Widow’s Pension or Widowed Mother’s Allowance at the time (Widow’s Pension and Widowed Mother’s Allowance could only be paid to women).

This rule does not apply to civil partners, because civil partnerships were not introduced until December 2005.

(See page 9 onwards for details of Category A pension, page 30 for details of additional State Pension and page 55 for Graduated Retirement Benefit that may be inherited.)

Widower or civil partner bereaved after reaching State Pension age

If their wife or civil partner dies when the person has already reached State Pension age, they may currently qualify for a Category B pension based on their late wife’s or civil partner’s National Insurance record only if their late wife or civil partner was also over State Pension age when they died. The Category B pension is based on the entitlement to the Category A pension their late wife or civil partner had before they died. The amount of additional pension they can inherit will depend on when their late wife or civil partner reached State Pension age (see page 38).

Widowers and civil partners who are bereaved after reaching State Pension age on or after 6 April 2010, may also be entitled to a Category B pension if their late wife or civil partner died before reaching State Pension age themselves. The Category B pension will be based on the Category A pension the deceased had built up before they died, including any additional pension subject to the rules on the amount of additional pension a surviving spouse or civil partner can inherit (see page 38).
Entitled to both a Category A and Category B pension:
If a widower or a surviving civil partner is entitled to both a Category A and Category B pension, they may be combined to give them a composite State Pension, but the:
• basic State Pension cannot be more than the full rate for a single person; and
• additional State Pension, plus any inherited additional State Pension from their wife or civil partner who has died, cannot be more than the set maximum amount that can be paid to the husband or civil partner.

See page 30 for more information.

Effect of changes to State Pension from 2010
The new contribution conditions for the State Pension that will apply to people reaching State Pension age on or after 6 April 2010 will not apply to bereavement benefits. They will continue to be worked out based on the existing contribution conditions, which are broadly the same as the pre-2010 contribution conditions for a Category A pension.

[Pensions Act 2007 section 1]

This means, for example, that for a widow to qualify for the full basic pension component of Widowed Mother’s Allowance, her late husband will normally have had to have built up one qualifying year through actual payment of contributions and have built up qualifying years through paid or credited contributions for 90% of his working life (from the tax year in which he reaches age 16 to the end of the tax year before the one in which he reached State Pension age or died, whichever is earlier).

If she reaches State Pension age after 5 April 2010, her Category B pension will, as now, be payable at the same rate as her Widowed Parent’s Allowance (if she was still getting it immediately before State Pension age) but any Category A pension she is entitled to will be worked out using the new contribution conditions.

For women reaching State Pension age after 5 April 2010 who were bereaved before 9 April 2001 and who are getting Widow’s Benefit immediately before State Pension age, it is particularly important that they ask for a pensions forecast before deciding whether to continue claiming their Widow’s Benefit or start claiming their State Pension. This is because the new contribution conditions could mean they would be better off claiming their State Pension. And, unlike basic State Pension, widow’s benefits will not be uprated in line with earnings in the future – see page 72 for more information.
**Bereavement Payment for widows, widowers and surviving civil partners**

A widow, widower or surviving civil partner may qualify for a Bereavement Payment, if:

- they are under State Pension age when their spouse or civil partner died, or their late spouse or civil partner was not entitled to a Category A pension at that time; and
- their late spouse or civil partner met the contribution conditions for a Bereavement Payment. (They might have met these conditions even if they had not paid or been credited with enough contributions to enable their widow, widower or surviving civil partner to get a bereavement benefit or Category B pension.)

See the DWP website ([www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)) for more information on bereavement benefits.

**Category D pensions**

**What is a Category D pension?**

This is a non-contributory State Pension for people aged 80 and over who either receive no State Pension or have a State Pension which is less than the Category D pension (currently **£54.35** a week for 2008/09), and who meet the other qualifying conditions.

**Who can qualify for it?**

People aged 80 and over, who have been living in Great Britain for at least 10 years in any continuous period of 20 years, can claim it. This period must include either the day before their 80th birthday, or any day after their 80th birthday. They must also be living in Great Britain either on the day they reached age 80 or on the date of their claim for the Category D pension if this is later. Living and working in another EEA country may help a person satisfy these conditions.

**Is this paid with a State Pension or not?**

A Category D pension is paid on top of a contributory State Pension only if the contributory State Pension is less than the Category D pension. A person will then qualify for a State Pension made up of their contributory State Pension plus an amount of the non-contributory State Pension to bring their State Pension up to the level of the Category D pension.

**How to qualify for it**

A Category D pension is non-contributory so it is not based on a person’s National Insurance record. If a person already receives a State Pension this is worked out automatically when they reach age 80 and, if appropriate, their State Pension will be increased to the Category D rate. If they are not getting a State Pension before their 80th birthday they must contact us to claim their Category D pension.

[SSCBA section 78; SS (WB and RP) regs 1979 Regulation 10; EC reg 1408/71]
**Graduated Retirement Benefit**
Graduated Retirement Benefit is based on the amount of graduated National Insurance contributions paid in the tax years when the Graduated Retirement Benefit scheme existed (between April 1961 and April 1975).

[SSCBA 1992 section 62; SS Pensions Act 1975]

People will qualify for Graduated Retirement Benefit if they:
• were employees;
• were aged 18 or over during any part of this period; and
• paid graduated National Insurance contributions.

People paid graduated contributions if they were employees and their gross weekly earnings were more than £9. Until October 1966, people in contracted-out employment did not pay graduated contributions, but from that date they were required to pay them, although at a lower rate than those who were not contracted-out. People aged under 18, the self-employed, women aged 65 or over (or over 60 and getting their State Pension) and men aged 70 and over (or 65 and over and getting their State Pension) were outside the Graduated Retirement Benefit scheme.

Graduated Retirement Benefit is worked out on the number of units of graduated contributions paid and the value of the unit at the time the person claims their State Pension.

A person may be paid Graduated Retirement Benefit even if they do not qualify for any State Pension.

**How to claim**
People do not have to claim their Graduated Retirement Benefit separately. We will automatically look at their entitlement when they claim their State Pension.

However, if a married woman does not qualify for a Category A pension based on her own contribution record, and she is not yet entitled to a Category B pension, either because her husband has not claimed or he has not yet reached State Pension age, she may want to claim her Graduated Retirement Benefit on its own.

From 6 April 2010, a married woman will no longer have to wait for her husband to have claimed his State Pension before she can claim a Category B pension if they have both reached State Pension age. If her husband has put off claiming his State Pension she will have the choice of claiming a Category B pension (and any Category A pension she is entitled to based on her own contributions).

[Pensions Act 2007 section 2]
How it is worked out
The amount of Graduated Retirement Benefit a person will get will depend on the
number of units of graduated contributions they paid between April 1961 and
April 1975 (and the value of a unit at the time they claim their State Pension).
To work out the number of units, we will add together all the person’s graduated
contributions and divide the total by 9 for a woman and by 7.5 for a man. (There
are different figures at the moment because women reach State Pension age at 60.
Please see below for the new rules for women that will come in from 6 April 2010
when the State Pension age for women begins to change.) Any half unit or more is
rounded up to the next whole number. Less than half of one unit is ignored. The
maximum number of units is 72 for a woman and 86 for a man. The number of
units is then multiplied by the value of the unit at the date the claim is made.

Example

Desmond claimed his State Pension in June 2008 when he reached age 65.
Between 1961 and 1975 he paid graduated contributions of £318.33. Because
he is a man, this figure is divided by 7.5. The result is rounded to the nearest
whole number. This figure is multiplied by the value of the unit at the time he
claimed his State Pension. The value of the unit at April 2008 is 10.98p and
again rounded to a whole number. (The value of a unit is revalued once a year
in April.)

His units will be £318.33 ÷ 7.5 = 42.4 rounded to 42.
Weekly rate = 42 x 10.98p = 461.16 rounded to = 461 = £4.61

Currently, only a widow, a widower whose wife died after 5 April 1979 when they
were both over State Pension Age, and a civil partner whose partner died after
December 2005 when they were both over State Pension age, may inherit from
their husband, wife or civil partner. They can get half of any Graduated Retirement
Benefit, including increments, to which their husband, wife or civil partner was
entitled (but not any Graduated Retirement Benefit their husband, wife or civil
partner may have received from a former husband, wife or civil partner).
From 6 April 2010, when the State Pension age for women starts to increase from
60, women will have their Graduated Retirement Benefit units worked out on the
same basis as men. This will apply to women who reach State Pension age on or
after that date who are awarded Graduated Retirement Benefit. It means that the
total number of their graduated contributions will be divided by 7.5.

[Pensions Act 1995]
Men and civil partners who reach State Pension age from that date will be able to inherit Graduated Retirement Benefit from their late wives or civil partners under similar rules to those that currently apply to widows. The new rules for widowers and civil partners will mean that they will be able to get half of the Graduated Retirement Benefit based on their late wife's or civil partner’s graduated contributions, including half of any increments if:

- they are under State Pension age themselves when their wife or civil partner died;
- their wife or civil partner died when under State Pension age; or
- as now, they have both reached State Pension age when the death occurred.

**Payment**

Any Graduated Retirement Benefit due will be paid with the main State Pension or, if Graduated Retirement Benefit is paid on its own, it may be paid once a year if the weekly amount would be less than £5.
Age addition
State Pension is automatically increased by an age addition of 25p a week when a person reaches the age of 80.
They do not have to claim this addition as it is automatically included in the State Pension they receive. See also the PC10S – A detailed guide to Pension Credit for advisers and others for the effect the increase will have on any Pension Credit already in payment.

[SSCBA section 79]

Earning extra State Pension (increments) or a lump-sum payment by claiming State Pension later

Getting extra State Pension – the scheme before April 2005
People have been able to get extra State Pension (also called increments) since 1978 either by:
• not claiming their State Pension when they reached State Pension age; or
• deciding to stop claiming it for a while.
They could put off, or stop, claiming their State Pension for up to five years. This meant they could get a higher weekly State Pension paid on top of their normal weekly State Pension when they did finally claim it.

Changes introduced from 2005
Changes were made to the arrangements for earning extra State Pension which apply from 6 April 2005. These changes are summarised below.

[SS C&P Act 1995
SS CBA 1992 section 55 and Sch 5, as amended by Pensions Act 2004 section 297 and Sch 11
SS (Deferral of Retirement Pensions) Regulations 2005
SS (Graduated Retirement Benefit) Regulations 2005
SS (Deferral of Retirement Pensions, Shared Additional Pension and Graduated Retirement Benefit) (Miscellaneous Provisions) Regulations 2005]

From 6 April 2005, if someone puts off claiming their State Pension for less than 12 months in a row, they can earn extra State Pension at a higher rate (see below). If they put off claiming their State Pension for 12 months in a row or longer, they may choose one of the following options when they do finally claim.

• Extra State Pension – They can earn extra State Pension worked out at 1% of their weekly pension for every five weeks they put off claiming. This is equal to about 10.4% extra for a full year they put off claiming, compared to about 7.5% extra for a full year before 6 April 2005. So, if they put off claiming for a year, they will get about £1 extra for every £10 of their weekly pension.
A person must put off claiming their State Pension for at least five weeks to get extra State Pension.

**Example – extra State Pension**

Anne decides to put off claiming her State Pension for five years from April 2005. When she comes to claim it, the weekly rate she would have been entitled to, if she had not put off claiming, would have been £105. As she put off claiming for five years and chose extra State Pension, the amount of State Pension she will get every week will be £159.60.

- **A lump-sum payment** – A one-off taxable lump-sum payment based on the amount of normal weekly State Pension they would have received in the period they have put off claiming, plus interest. They also get their weekly State Pension when they claim it, paid at the normal rate. If someone chooses a lump sum, and claims Pension Credit, Housing Benefit or Council Tax Benefit, the amount of the lump sum will be ignored when working out those benefits.

People have to put off claiming their State Pension for at least 12 months in a row (which must all fall after 5 April 2005) to have the choice of a lump-sum payment. The rate of interest will never be less than 2% above the Bank of England’s base rate (so if the base rate was 4.5%, the rate of interest each year would be 6.5%). The rate of interest will change when the Bank of England base rate changes and so may go down as well as up.

**Example – lump sum**

(Based on a flat-rate benefit rate and a rate of return of 6.5% as an example for the whole period.)

Ahmed’s weekly State Pension is worth £105. When he reaches State Pension age in April 2006, he decides to put off claiming his State Pension for five years. When he claims his pension, if he chooses a lump sum, he will get a lump sum of around £32,100 (before tax) as well as his normal weekly State Pension entitlement.

Until 6 April 2005, a person would stop earning extra State Pension after five years of putting off their claim. From 6 April 2005, there is no longer any time limit. This means that from 6 April 2005, a person can put off claiming their State Pension for as long as they want and be able to earn extra State Pension or a lump-sum payment.

They can earn extra State Pension or a lump-sum payment on all parts of their State Pension, including Graduated Retirement Benefit and Shared Additional Pension, but not on any increase for an adult, a Christmas Bonus or a Category D pension.
If a person’s husband, wife or civil partner had put off claiming their State Pension before they died

A person who has reached State Pension age may be entitled to inherit extra State Pension or a lump-sum payment from their late husband or wife, (or from December 2005, civil partner) depending on how long the late husband, wife or civil partner had been putting off claiming their State Pension before they died.

A widow can inherit extra State Pension or a lump-sum payment, regardless of her age when her late husband died, provided she does not remarry or form a civil partnership before reaching State Pension age. If they are a widower or surviving civil partner and they are due to reach State Pension age before 6 April 2010, they will only be able to inherit extra State Pension or a lump-sum payment if they had reached State Pension age at the time of their wife’s or civil partner’s death.

Widowers and surviving civil partners who reach State Pension age on or after 6 April 2010, will also be entitled to inherit extra State Pension or a lump-sum payment if they were under State Pension age at the time their late wife or civil partner died.

Other changes from 6 April 2010

From 6 April 2010, it will no longer be possible to claim an increase of State Pension for another adult. If someone is already entitled to this increase on 5 April 2010, they will be able to keep it until they no longer meet the conditions for the increase. Or, if they are a married man claiming this increase for their wife, they can keep it until she reaches State Pension age herself, or until 5 April 2020, whichever is first.

If they put off claiming their State Pension until 6 April 2010 or later, they will not be able to claim an increase for an adult who depends on them financially when they finally claim their State Pension. This is because they cannot claim this increase before they have started claiming their State Pension.
To get more information

Putting off claiming State Pension or deciding to stop claiming it for a while, may not be right for everyone and the amount a person could get will depend on their circumstances.

The information here is only a brief explanation of the new arrangements that were introduced in April 2005. There is a separate guide available that explains these changes in detail, please see our more detailed leaflet on State Pension deferral. See our website for details on how to get a copy of this guide (www.thepensionservice.gov.uk).

If someone is interested in putting off claiming their State Pension, it is important they find out more before they decide. They may want to discuss this with family and friends and they can also get advice from an independent financial advisor or from organisations which provide information and advice to pensioners. (If they are thinking about getting independent financial advice, they should remember that they may have to pay for this.)

A person can earn a higher rate of pension by not claiming an occupational or personal pension when they reach State Pension age.

When a person reaches State Pension age, they may be able to earn extra pension (also called increments) from their occupational or personal pension scheme if they continue to work and do not claim their pension from a contracted-out occupational pension scheme, a personal pension scheme or a stakeholder pension scheme. Where individuals are considering deferring (putting off) retirement, they should ask their pension schemes for more information about how this will affect their occupational or personal pension.
How to claim

Doubts about dates of birth, marriage or death

If there are any questions on dates of birth, marriage or death, we will need to decide on a date for pension purposes. Their decision will be based on the evidence available to them. It is important, therefore, to get any relevant information and evidence to them as soon as possible.

Living in the UK

When someone is getting near State Pension age, the Department for Work and Pensions (DWP) will ask them to claim their State Pension – at this time they need to decide if they want to do so or if they want to put off claiming it.

The letter from us will come with a claim pack which contains:
- identity details, and choices on how to claim State Pension;
- details of the information people need to have close to hand when contacting us by telephone;
- a booklet that invites the customer to contact us and either make a claim over the phone, request a claim form BR1 over the phone or return a tear-off for claim form BR1 to be issued.

However, if someone does not receive a letter from us, they must contact us to claim their State Pension as we may not, for example, have their current address recorded or have the correct date of birth for them.

State Pension cannot be paid unless the person claims it.

People living abroad

If a person is living abroad when they want to claim their State Pension, they need to contact us, except for people living in the EEA (The EEA countries are: The EU Countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom, plus Iceland, Liechtenstein and Norway. Switzerland is not a member of the EEA, but the EC rules on social security also apply to Switzerland) who should make their claim to State Pension through the pension institution in their country of residence if they worked there. For more advice on how to claim they should use our website www.thepensionservice.gov.uk/ipc/home/asp or write to or call:

The Pension Service
International Pension Centre
Tyneview Park
Newcastle-upon-Tyne
NE98 1BA.

Telephone: 44 191 218 7777.
People aged 80 or above – how to claim a Category D pension
People age 80 and over may be entitled to a Category D pension – see page 54 for details. They need to apply for a Category D pension if they have not previously claimed their State Pension or Pension Credit. If they have already claimed these benefits, we will automatically check when they are approaching age 80 to see if they qualify for a Category D pension or not. People should contact us when they are approaching their 80th birthday for advice on whether they need to make a claim.

When people in hospital claim State Pension
If a person is in hospital at the time they claim their State Pension and they make a claim for an adult dependant, they will also need to tell us when they leave hospital.

The rules changed on 10 April 2006. If a person receives National Health Service (NHS) treatment in hospital, the State Pension is no longer reduced if they have been receiving treatment for more than 52 weeks.

[SS C&B Act 1992 section 113(2); SS (HIP) Regs 1975]

Time limits for making a claim for State Pension
From 6 April 2006, the time limit for making a claim was extended to 12 months. (Until 5 July 2005 a person could not be entitled to State Pension for any period earlier than three months before they made their claim or it was treated as having been made by them. Between 6 July 2005 and 5 April 2006, the change from three to 12 months was gradually brought in.)

The longer time limit does not apply to any adult dependency increases a person claims for their husband, wife or someone who looks after a child for them. If a person wants to claim one of these increases to their basic Category A pension they should do so within three months of needing to do so.

[SS (Claims and Payments) Regs 1987 regulation 19]
See also page 41 for information about changes to adult dependency increases from 6 April 2010.

Child Tax Credits
HMRC will provide advice on the time limits for claiming Child Tax Credits for dependent children. See page 76 for contact details.

Choosing the date to claim from
We will contact people four months before they reach their State Pension age. Remember, if someone wants to take their State Pension they will need to claim it. They will need to decide if they want to put off claiming their State Pension to qualify for extra State Pension or a lump-sum payment (see page 58 for more information) or if they want to claim their State Pension from their State Pension age.
**State Pension payments**

State Pension is normally paid directly into a bank or building society account. When a person claims their State Pension, we will ask them to give details of the account they want their State Pension to be paid into. If they are genuinely unable to manage an account, we can arrange to pay them by cheque. They should contact us to discuss this.

State Pension payments will begin on a payday. This will be either the first payday after the start of:

- entitlement; or
- the period claimed;

whichever is the later.

If the start of entitlement or the start of the period claimed is a payday, payments will begin on that day.

(SS (C&P) Regs 1987 regulations 16 and 21-22)

The State Pension payday is normally Monday.

(SS (C&P) Regs 1987 Sch 6)

<table>
<thead>
<tr>
<th>Example</th>
</tr>
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<tbody>
<tr>
<td>Ruth is 60 on 12 December 2008 – her first payday is Monday 15 December 2008.</td>
</tr>
<tr>
<td>Liz is a widow and is 60 on 12 December 2008 – her first payday is Tuesday 16 December 2008.</td>
</tr>
<tr>
<td>Note: Widows keep Tuesday payday when changing to State Pension.</td>
</tr>
</tbody>
</table>

The first payment may be slightly less than the full amount due while the exact amount is worked out. The amount owed will be paid later. The first payments may be sent by cheque rather than paid directly into the nominated bank account. The person must cash any cheque within one month from when it is dated.

Paying the pension direct into an account is the safest way for us to pay people and lets them choose how and when they get their money. They can use a bank or building society account. Most accounts let people use a cash machine so they can get their money at any time. Several major banks and building societies also let people collect cash from some of their accounts at their local post office.

However, if a person’s State Pension is less than £5 a week it is normally paid once a year (for the year passed) by cheque. If they prefer, the yearly payment can be made directly into a bank account. This will usually be done shortly before Christmas.
**Income Tax**

Most of the amounts that make up State Pension are treated as income for tax purposes and should be included in any tax return. This includes:

- basic State Pension;
- additional State Pension;
- Graduated Retirement Benefit;
- long-term Incapacity Benefit age addition;
- extra State Pension or a lump-sum payment earned by putting off claiming State Pension; or
- any increase for adult dependents but not child dependants.

There are special tax rules which apply to lump-sum payments a person can earn by putting off claiming their State Pension. These are explained in detail in our more detailed guide about State Pension deferral.

If a person gets short-term Incapacity Benefit at the lower rate or Severe Disablement Allowance when they reach State Pension age, they need to remember that the first 28 weeks of receiving those benefits do not count as income for tax purposes, but payments of State Pension do.

**Voluntary or paid work**

People may carry out any voluntary work or paid work and still continue to get State Pension. If they want to know more about their tax position, ask at the **local tax office or tax enquiry point** (see in the phone book under ‘HM Revenue & Customs’).
Decision on the claim for State Pension

Once a decision is made on the claim, a letter is sent explaining:

• the decision on the claim;
• how the State Pension is made up; and
• what to do if the person disagrees with the decision.

If the person was a member of a contracted-out pension scheme or a personal pension scheme instead of SERPS, they should see the section Additional State Pension on page 30.

How long is State Pension paid for

Once we have decided that someone is entitled to State Pension and the rules for paying it are met, it is paid for their lifetime unless they decide to give it up for a while. (See page 58 about extra State Pension and lump-sum payments for people who decide to give up their State Pension.) People are entitled to State Pension all the time they meet the conditions for paying it.

There are some circumstances in which the amount of State Pension is changed or payment is suspended. Please see the changes set out on page 67.

[SSCBA 1992 sections 44(1), 51(4) and 78(7), 113(1); SSP Act 1975 section 8(3) Persons Abroad Regs 1975]

Disputes and appeals

If someone wants to dispute the decision on their State Pension, they must contact us within one month and tell them what they think is wrong.

See A guide to revision, supersession and appeal for more information on the decision making and appeal process and for advice on what supporting documents we will need.

[CSPSS Act 2000]

Who decides the claim for State Pension

Our staff will have access to the Decision Makers’ Guide (DMG) when making a decision on the claim. They will also consider this guidance when considering any dispute. The guide gives guidance on the relevant laws to anyone who makes a decision on social security benefits. The DMG aims to make sure people are consistent in the decisions made throughout the country. Anyone can see a copy of the DMG on the DWP website at www.dwp.gov.uk. They can also contact their pension centre to make arrangements to see this guide. Many libraries also have a copy. People can buy copies from TSO (this used to be called The Stationery Office). See page 78 for more details.

Independent appeal tribunal

If someone is not happy about the outcome of their dispute, they may ask for an independent appeal tribunal to consider the issue.
Social Security Commissioners

If someone is unhappy with the decision of a Social Security independent appeals tribunal, they may want to consider making an appeal, on a point of law, to the Social Security Commissioners.

The role of the Social Security Commissioners is to decide appeals on points of law from decisions of Social Security appeals tribunals. Reported decisions of the Commissioners deal with matters of important legal principle and must be followed by decision makers and the appeal tribunal. The reported decisions are published individually by TSO and are periodically gathered and published by TSO as ‘Reported Decisions of the Social Security Commissioner’. The DWP website www.dwp.gov.uk also has copies.

Changes in circumstances

When State Pension has been awarded, if there are changes in the person’s circumstances they may need to report these to us straight away. Below is a list of the changes they must report. This list is also in the notes sent to them about their payment.

They must tell the pension centre if any of the following changes take place:

• they move home or go abroad to live;
• they return to Great Britain from having lived abroad;
• their husband, wife or civil partner dies;
• they marry or remarry or form a civil partnership;
• their marriage ends following divorce or annulment or their civil partnership is dissolved;
• they go into hospital for in-patient treatment on the NHS and they receive an increase for a dependant;
• they, their husband, wife, civil partner, or a dependant for whom they get an increase is imprisoned or detained in legal custody;
• they or their husband, wife or civil partner stop or start receiving another social security benefit.

If they get an increase in their State Pension for a dependant, they need to tell the pension centre if the dependant:

• starts to receive some other social security benefit;
• becomes involved in a trade dispute;
• is imprisoned or held in legal custody; or
• dies.

If the person has an increase in their State Pension for their husband, wife or civil partner, or if they have an increase for someone looking after a child for them and the husband, wife, civil partner or partner has earnings, and those earnings change, they need to tell the pension centre about the change in the level of the earnings.
If they move home within the UK
People need to tell us if they change their address. This is particularly important if they receive their payments by cheque rather than directly into an account. (People do not need to tell their pension centre if they go on holiday within the UK.)

If someone goes abroad to live
People need to tell their pension centre if they go to live abroad. They can generally get their State Pension while they live abroad. However, they will need to consider if they need to make new arrangements to receive payment.

If State Pension is paid directly into a bank or building society account this may usually continue. If payments are made into a Post Office® Card Account, people will have to make new arrangements as these accounts cannot be accessed from abroad. If payments are made by cheque, alternative arrangements will have to be made as cheque payments are not sent to an address outside the UK. We can pay benefit by sterling payable orders sent direct to the person’s address at the end of every four or 13 weeks.

Increase each year for the cost of living
If someone goes abroad temporarily but they are ordinarily resident in the UK, they may still get the increased rate of State Pension when the rates go up. There are different rules for people who are living abroad. See page 72 for rules on the increase each year for State Pensions. To get more information about how going abroad can affect State Pension, see our website www.thepensionservice.gov.uk.

People who live abroad should also tell us if they change address. This is particularly important if they move to another country, as it may mean that they become entitled to have their State Pension increased, instead of the rate of payment staying the same.

For example, if Jim lived in Canada and then went to live in France, his State Pension would no-longer remain the same, he would be entitled to receive the annual increase in his State Pension while living in France which he would not have been entitled to in Canada.

Going abroad for a holiday or to visit family or friends
People do not need to tell us if they are simply going abroad for a holiday unless they need to make new arrangements for getting their State Pension. For example, if they receive their payments by cheque, these are only valid for one month so if they plan to be on holiday for more than one month they will need to tell us so they can suspend payments until the person returns. The pension centre will then arrange to send out payment for the money owed.

People who have their money paid direct into a bank or building society account will need to check with the bank about getting access to their money while abroad. People who have their State Pension paid into a Post Office® Card Account will have to wait until they return home to get the money in that account as they will not be able to do so from abroad.
Returning from having lived abroad
People must tell us if they return to live in the UK from having lived abroad. For example, their State Pension may have been paid at a frozen rate. Once they return to live in the UK, they will be entitled to the current rate of State Pension. We may also need to change the details of how State Pension is paid – for example, into a different bank account.

Death
People getting State Pension need to tell us if their husband, wife or civil partner has died. We will also need to be told if it was the late husband, wife or civil partner who got State Pension. They will also have to tell us if a dependent child has died. We will need to consider whether the claim has to be reassessed after the death. To find out more, read our more detailed leaflets on What to do after a death in England and Wales, or What to do after a death in Scotland and If you are widowed or your civil partners dies.

Divorce or annulment of marriage, dissolution or annulment of a civil partnership
If someone’s marriage ends in divorce or annulment or their civil partnership is dissolved or annulled after they have claimed their State Pension, they may qualify for a different rate of State Pension. They should tell their pension centre as soon as possible. (For information on how a divorce, dissolution or annulment may affect State Pension, see page 29.)

Marriage or civil partnership
People need to tell their pension centre if they marry or form a civil partnership after they have claimed their State Pension. This includes people who are marrying or forming a civil partnership for the first time as well as those who are entering a new marriage or civil partnership. The amount of their State Pension may be affected by their new status. This will depend on what State Pension they received before their marriage or civil partnership. For example, if a widow received a Category B pension based on the National Insurance contributions record of her late husband immediately before her new marriage, her State Pension will have to be worked out again based on her new circumstances.

Gender reassignment and gender recognition
See page 4 for more information.
Going into hospital or into residential care
If the person receiving State Pension is admitted to a hospital as an NHS in-patient and they get an increase for a dependant, or if they go to live in a residential care home, they should make sure their pension centre know. They should also let their pension centre know when they leave hospital or residential care so we have an up-to-date address for them.
[SS C&B Act 1992 section 113(2); SS (Hospital in-patients) Regs 2005]

Imprisonment or detention in legal custody
If the person receiving State Pension or their husband, wife or civil partner is in prison or held in custody, they must make sure their pension centre knows as soon as possible as their State Pension may need to be changed.
[SS (General Benefit) Regs 1982; SS (Hospital in-patients) Regs 2005]

Increase in husband, wife, civil partner or partner's earnings
A person must tell us if they have an increase in their State Pension for:
• a husband or wife; or
• an adult who looks after a dependent child; or
• a dependent child; and

the earnings of their husband, wife, partner or the adult looking after the dependent child change. If they do not know how much their husband, wife, partner or carer is going to get when they start work, they must still tell us about their starting work.
[SSCBA sections 83, 84, 85; SSB (Dep) Regs Sch 2]

The following count as earnings:
• wages, overtime payments, salary;
• fees, commission;
• regular tips, bonuses paid by an employer (not the Christmas Bonus paid by us);
• pensions paid by employers and from personal pensions and self-employed pension arrangements;
• payments from the Pension Protection Fund;
• basic allowances, attendance allowances and special responsibilities allowances as a councillor under the Local Government Act 1972 (or Local Government (Scotland) Act 1973) and the Local Government and Housing Act 1989, whether or not the allowances are actually claimed or paid; and
• amounts received by taking in boarders and lodgers.
[SSCBA 1992 sections 1 and 3; SSB (Comp of Earnings) Regs 1996]
The following do not count as earnings:

- meals provided by an employer at the workplace;
- accommodation provided by an employer in which the employee lives as a condition of the job; and
- food or produce provided by an employer for the employee to use in their household.

**Deductions from earnings**

If the husband, wife, civil partner, partner or carer works for an employer, the following can be deducted from their earnings before deductions:

- reasonable work expenses such as trades union subscriptions, overalls and materials;
- income tax;
- National Insurance contributions; and
- one half of any contributions made to an occupational or personal pension scheme.

**Earnings not known week by week**

If the husband, wife, civil partner, partner or carer does not know by the end of each week how much they earned in that week (for example, directors and some self-employed people), they should provide details of the type of work they do and any accounts they have showing profit and loss. HMRC do not have to have agreed to these figures before they are sent in.
Annual increase in State Pension

By law there is a review of the amounts that make up State Pension, apart from the age addition, once a year. When necessary they are increased at least in line with the inflation rate so they maintain their value.


The annual increase takes effect in April during the first full week of the financial year.

Rates of benefits are published each year using a Social Security Uprating Order which is approved by Parliament.

In future, the Government plans to increase the basic State Pension in line with average earnings. This will happen by the end of the next Parliament at the latest.

[Pensions Act 2007 section 5]

The additional State Pension, extra State Pension (increments) and adult dependency increases will continue to be increased in line with the inflation rate.

Details of all the social security benefit rates are available from the DWP website www.dwp.gov.uk

People who live abroad

People who live abroad will not receive an increase in their State Pension unless they live in:

• an EEA country (including Gibraltar) or Switzerland where such increases are payable under the provisions of the European Community’s social security legislation (Regulation (EEC) 1408/71); or

• a country with which we have a reciprocal agreement that allows for it.

These countries are:
Barbados;
Bermuda;
Guernsey (including Alderney, Herm and Jethou)
The Isle of Man;
Israel\(^1\);
Jamaica;
Jersey
Mauritius;
the Philippines;
Turkey;
The United States of America; and

and the separate republics of the former Yugoslavia that are not EU Member States (Bosnia-Herzegovina; Croatia; Montenegro; the Republic of Macedonia; and Serbia).

For more information about payment of State Pension to people living overseas, please see www.thepensionservice.gov.uk/ipc/home.asp

\(^1\) The agreement with Israel applies to the territory administered by the Government of Israel on 19 July 1956. Any territory which is outside Israel, as defined above, is not covered by the agreement. For further advice, contact The Pension Service at Tyneview Park (at the address on page 62)].
Contracted-out pension scheme or a personal pension scheme
See page 30 for information for members of a contracted-out pension scheme or a personal pension scheme used instead of an additional State Pension scheme (SERPS).

Income Tax
When State Pensions’ rates go up, HMRC will usually be informed of the percentage increase and revised standard rates. This is the generic increase, not individual customer rates.

Other help

Christmas Bonus
A person who is entitled to receive State Pension in the first week of December and is ordinarily resident in the UK, Channel Islands, Isle of Man, Gibraltar, EEA (The EEA countries are: The EU Countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom, plus Iceland, Liechtenstein and Norway. Switzerland is not a member of the EEA, but the EC rules on social security also apply to Switzerland) Member State or Switzerland, will get a tax free bonus paid with their State Pension.

Only one payment can be made for each person but an extra bonus may be paid if:
- the person is entitled to an increase for their husband, wife or civil partner;
- both of them are over State Pension age by the end of the first full week in December;
- the husband, wife or civil partner:
  – was also ordinarily resident in the first week of December; and
  – does not receive a qualifying benefit in their own right.

[SSCBA 1992 sections 148-150; Civil Partnership Act 2004 sections 36 and 49]

The bonus is usually paid automatically with the normal State Pension. The amount is announced in advance and is also shown in our more detailed leaflet on social security benefit rates, which is available from us or from the DWP website www.dwp.gov.uk

If a person is putting off claiming their State Pension, they will not qualify for a Christmas Bonus unless they are receiving another qualifying benefit.

Winter Fuel Payment
People aged 60 or over may be entitled to a payment to help them with their winter heating costs – this is called the Winter Fuel Payment. See our more detailed leaflet on Winter Fuel Payments or go to the DWP website www.dwp.gov.uk for more information.

[SFWF Regs 2000]
How reaching State Pension age may affect other benefits or benefits that may continue past State Pension age

If someone gets one of the following social security benefits or a war widow’s pension, when they approach their State Pension age they will have to consider what effect reaching State Pension age or claiming their State Pension will have on their entitlement to the other benefits or the war widow’s pension.

For further information about State Pension and social security benefits go to www.thepensionservice.gov.uk; for further information on tax credits and contributions go to www.hmrc.gov.uk

Incapacity Benefit

If they get long-term Incapacity Benefit, this will stop when they reach State Pension age. If someone gets short-term Incapacity Benefit, this can be paid after State Pension age for up to 52 weeks of incapacity as long as the incapacity began before they reached State Pension age. Incapacity Benefit is taxable only from the 29th week of payment. (State Pension is taxable from the start – see page 65.)

[SS (Incapacity Benefit) Regulations 1994]

If a person is over State Pension age and qualifies for short-term Incapacity Benefit, including any increases for an adult dependant, the amount of the Incapacity Benefit is based on their entitlement to basic State Pension. (See the DWP website for the full rates of basic State Pension.) If they are entitled to less than full basic State Pension, the Incapacity Benefit will be paid at a correspondingly reduced rate.

They may also get any additional State Pension and Graduated Retirement Benefit which they are entitled to.

They will not build up any extra State Pension or lump-sum payment if they put off claiming their State Pension while they receive short-term Incapacity Benefit. (Employment and Support Allowance will be withdrawn in October 2008 and will replace Incapacity Benefit and Income Support on the grounds of a health condition or disability for new claims. Employment and Support Allowance will stop when they reach State Pension age.)

Widows and widowers

If someone qualified for long-term Incapacity Benefit under the special rules for widows and widowers, this will become a Category A pension if their incapacity continues up to State Pension age.

Carer’s Allowance

Carer’s Allowance is the main benefit for carers. (It was called Invalid Care Allowance before April 2003.) People get it if they are looking after a severely disabled person for at least 35 hours a week. The disabled person must receive Disability Living Allowance care component at the middle or highest rate or Attendance Allowance at either rate, an Industrial Injuries Disablement Benefit Constant Attendance Allowance at the normal full rate or above or War Pensions Constant Attendance Allowance at the basic (full day) rate or above. A person cannot get Carer’s Allowance if they are in full-time education or if they earn above £95 a week from 1 October 2007, after allowable expenses.

[SS (Invalid Care Allowance) Regs 1976; SS Amendment (Carers Allowance) Regs 2002]
If the basic State Pension they get is at the same or a greater rate than the Carer’s Allowance, they will no longer receive Carer’s Allowance. If their basic State Pension is paid at a lower rate than Carer’s Allowance, the balance of the Carer’s Allowance is paid on top of their basic State Pension. Additional State Pension and Graduated Retirement Benefit do not affect a person’s entitlement to Carer’s Allowance.

If a person is on a low income and entitled to Carer’s Allowance (even if it is not paid because, for example, they get basic State Pension at a higher amount) they may get extra money through their Pension Credit or through the carer premium in Income Support, Housing Benefit, Council Tax Benefit or income-based Jobseeker’s Allowance.

If the person they are caring for gets Pension Credit, Income Support, Housing Benefit, Council Tax Benefit or income-based Jobseeker’s Allowance, they may lose their extra amount or premium for severe disability when Carer’s Allowance is paid to the carer.

\[SPC\text{ Regs 2002 Regulation 6 and Sch 1}\]

A person will not build up any extra State Pension or lump-sum payment if they receive Carer’s Allowance while putting off their State Pension.

**Bereavement Payment**

If a person is over State Pension age when their husband, wife or civil partner dies, they cannot get a lump-sum Bereavement Payment if their late husband, wife or civil partner was entitled to a Category A pension when they died.

\[SSCBA\text{ section 36}\]

**Reduced earnings allowance**

If a person gets a reduced earnings allowance because they cannot earn as much as they normally could because of a disease caused by work or an accident at work, they will lose their reduced earnings allowance if, when they get their State Pension, they do not stay in regular employment. Some people may, instead, then begin to qualify for a retirement allowance at 25% of their pre-State Pension reduced earnings allowance.

\[SSCBA\text{ Sch 7 paras 11 – 13}\]

This rule does not apply if the reduced earnings allowance was frozen for life.

**Severe Disablement Allowance**

People can no longer make a claim for Severe Disablement Allowance, but some people who were receiving Severe Disablement Allowance before new claims were abolished may still be getting it. If a person has Severe Disablement Allowance, it is reduced by the amount of any basic State Pension they get. However, it is not affected by any additional State Pension or Graduated Retirement Benefit they may get.

\[SS\text{ Severe Disablement Allowance Regs 1984}\]

A person will not build up any extra State Pension or lump-sum payment if they receive Severe Disablement Allowance while putting off their State Pension.
War Widow’s Pension or Industrial Injuries Widow’s Pension

If a person is entitled to any basic State Pension, including any extra State Pension, from their late husband, they will only get the amount by which it is more than the rate of their War Widow’s Pension or their Industrial Injuries Widow’s Pension.

If they have a Category A pension which is entirely their own, they will get it on top of their War Widow’s Pension or their Industrial Injuries Widow’s Pension.

[SS (OB) Regs 1979 6 and Sch 1]

Advice on contributions for people living in the UK

People living in the UK should consult the HMRC website for more information about National Insurance contributions: www.hmrc.gov.uk, or contact their HMRC Enquiry Centre.

Advice on contributions for people living abroad

If a person lives abroad and needs advice about National Insurance contributions they should contact:

HM Revenue and Customs
Centre for Non-Residents (Newcastle)
Longbenton
Newcastle-upon-Tyne
NE98 1ZZ
United Kingdom

Advice on tax credits

Tax credits helpline 0845 3003900, you can also get information from the HMRC website at www.hmrc.gov.uk/taxcredits or by writing to:

Tax Credit Office
Preston
PR1 OSB

Centre for Non-Residents Helpline

From the UK
Telephone: 0845 915 4811
Fax: 0845 915 7800

From outside the UK
Telephone: 44 191 203 7010
Fax: 44 191 225 7800
**Abbreviations used in this guide**

DMG – Decision Maker’s Guide

DWP – Department for Work and Pensions

EEA – European Economic Area

GMP – guaranteed minimum payment

GRB – Graduated Retirement Benefit

HMRC – Her Majesty’s Revenue & Customs (used to be the Inland Revenue)

NHS – National Health Service

NI – National Insurance

SERPS – State Earnings Related Pension Scheme

TSO – The Stationery Office

UAP – Upper Accrual Point

UEL – Upper Earnings Limit
The Acts and Regulations and the Blue Volumes

The Acts and Regulations which set down the rules explained in this guide are included in a series of loose-leaf books, *The Law Relating to Social Security* (also known as the Blue Volumes) which are published by TSO.

The relevant Acts and Regulations are indexed and kept up-to-date by regular supplements to these volumes. The Blue Volumes are easier to use than the original Acts and Regulations because amendments are included.

You can see a copy at some social security offices. Larger libraries may also have a copy or they can be bought direct from TSO. Copies can also be seen in the resource centre on the DWP website [www.dwp.gov.uk](http://www.dwp.gov.uk) under ‘the law volumes’.

Information on tax credits and National Insurance contributions can be found on the HMRC website.

Listed below are the Acts and Regulations referred to in this guide, together with the abbreviations used in those references.

The number shown in a reference is the section of an Act or the particular Regulation in a set of Regulations. Some Acts include schedules. References to material in schedules in Acts or Regulations includes the abbreviation ‘Sch’.

Pension Schemes Act 1993
PSA 1993

Pensions Act 1995
PA 1995

Social Security Administration Act 1992
SSA Act 1992

Social Security Contributions and Benefits Act 1992
SSCBA 1992

Social Security (Incapacity for Work) Act 1994

Social Security Act 1998

Welfare Reform and Pensions Act 1999
WRP Act

Child Support, Pensions and Social Security Act 2000
CSPSS Act 2000

SS C&P Act 1995

Pensions Act 2004
PA 2004

Gender Recognition Act 2004

Civil Partnership Act 2004

Family Law (Scotland) Act 2006

Pensions Act 2007
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