



Department  
for Work &  
Pensions

# State Pension statement statistics

---

September 2015

# Contents

Background ..... 3

Methodology ..... 5

    Limitations of analysis ..... 5

Results ..... 6

Contact details..... 9

# Background

This statistical release provides information on State Pension statements. It gives data on the number of State Pension statements that have been issued in 2014/2015 and 2015/2016.

It also provides an indication of how the transitional valuation of people's National Insurance contributions for the new State Pension is likely to apply to those who have requested a statement so far. The release is an update and extension to the new State Pension statement statistics which were released in March 2015:

<https://www.gov.uk/government/statistics/number-of-people-receiving-a-new-state-pension-statement-1-sept-2014-to-6-mar-2015>

These figures are being released as an ad-hoc due to an urgent demand. We will however be introducing a regular publication of State Pension statement statistics in the future, as we recognise there will be further interest in this area in the run up to the introduction of the new State Pension (nSP) in April 2016.

The Department for Work and Pensions (DWP) can provide people (on request) with a State Pension statement that gives an estimate of their likely State Pension, based on their current National Insurance (NI) record.

The State Pension services that are currently available to an individual are linked to whether they reach their State Pension before or after the new State Pension is introduced, and their age at the time they ask for a statement. More information about the services that are available is at [www.gov.uk/state-pension-statement](http://www.gov.uk/state-pension-statement).

A new service giving people a personalised written estimate of what they can expect to receive under the new State Pension system, based on their work history and National Insurance contributions to date, was piloted in September 2014, and was formally launched on 4th October 2014. This service was originally available 'on request' to those people who reach State Pension age (SPa) in the first five years of the new scheme. From 7 February 2015 this service was extended to anyone age 55 and over.

The State Pension statements provided to those over age 55 originally included the existing and new scheme rule amounts that are calculated to establish the individuals starting amount for the new State Pension. In April 2015, reacting to customer feedback that including these amounts was creating confusion, the statements were changed and now provide the estimated starting amount value only.

Those under age 55 years can currently request a statement that gives an estimate of their State Pension based on the rules of the current State Pension scheme.

Although the State Pension statements we give to those under age 55 give an estimate of the State Pension worked out under the existing State Pension scheme rules, the information they gave is still relevant. In the vast majority of cases, as long as the individual meets the minimum qualifying condition for the new State Pension, the existing State Pension scheme estimate will be the least amount that someone will get when they reach State Pension age.

# Methodology

The data has been produced using management information which has been collected in the processing of these statements. The data is subject to standard validation checks around format of data fields such as dates etc. Data checks are also made against other government databases, for details such as gender and date of birth. Internal validation is also included within the MI system, to ensure that the State Pension amounts don't exceed certain limits (e.g. full basic state pension).

Some data items, in particular the data on new State Pension complaints, is recorded clerically.

## Limitations of analysis

The data only accounts for individuals' National Insurance records up to the end of the tax year 2014/15, or the last year prior to that for which an individual's National Insurance contributions and credits are held. Therefore, this does not represent what the starting amount that these individuals will have in 2016, or what their actual State Pension will be at their SPa. All individuals will have one or two additional tax years which could affect their starting amount, and potentially further years after April 2016, for instance by gaining additional qualifying years through work.

As requests are voluntary, this is a self-selecting sample of individuals and as such the results may not be representative of the eligible population as a whole.

# Results

## State Pension statements issued

Table 1 below shows the total number of State Pension statements issued – including new State Pension statements that were introduced in September 2014. A specific breakdown for new State Pension statements that are included within these totals is shown later.

**Table 1: Total number of State Pension statements issued**

2014/15 financial year	2015/16 financial year [Until end of August 2015]
544,800	328,600

*Notes: Figures are rounded to the nearest 100.*

## New State Pension statements

In the period, 1<sup>st</sup> September 2014 to the 28<sup>th</sup> August 2015, 364,200 statements have been issued to individuals under the new State Pension rules.

Table 2 provides a breakdown of these statements by gender, and by whether the statement is based upon the amount A (current system) valuation, or the amount B (new system) valuation.

**Table 2: New State Pension statements processed by gender and the basis of the starting amount**

Starting Amount	Starting Amount A	Starting Amount B
<b>All</b> 364,200	<b>80%</b> 290,400	<b>20%</b> 73,800
<b>Male</b> 201,000 (55%)	<b>90%</b> 181,600	<b>10%</b> 19,300
<b>Female</b> 163,200 (45%)	<b>67%</b> 108,800	<b>33%</b> 54,400

*Notes: Figures are rounded to the nearest 100 and percentages to 1%. As a result, components may not sum to totals.*

Table 2 demonstrates that four-fifths of individuals who have requested a statement, have their starting amount based on the current system rules, whilst a fifth are based upon the new system rules.

Those who have had a statement based on the new system rules, have seen an increase in the value of their individual previous National Insurance contributions; whilst those who have a statement based on the old system rules, have seen the value of their own previous National Insurance records stay the same. Of those who have requested a statement, women (33%) are more than three times more likely than men (10%) to have their valuation based on the new system rules, thus receiving more money per week than they would have under the old system rules.

It is important to note that although more men have been issued new State Pension statements, this should not be taken to mean that men are more likely to use the statement service. Owing to changes in the SPa, fewer women than men are reaching SPa in the first three years of the new State Pension.

### **New State Pension statement enquiries**

We are unable to provide accurate data on the number of specific enquiries DWP have received from individuals following receipt of their new state Pension statement. However, the management information on nSP enquiries does show that the most frequent enquiry areas since these statements were introduced in September 2014 are:

- Options for increasing the State Pension amount;
- Questions relating to contracting out of the additional State Pension;
- Why the estimate provided is not the full new State Pension amount;
- State Pension qualifying years.

DWP monitor trends in the enquiries that are received. This identifies if changes should be made to the State Pension statements. For instance, in light of such feedback:

- The existing and new rule amounts that are calculated to establish the individuals starting amount for the new State Pension were removed from new State Pension statements in April 2015, and;
- More information was added about contracting out deductions in August 2015.

Between 1<sup>st</sup> September 2014 and 31<sup>st</sup> August 2015:

- DWP have received 300 formal complaints (0.08% of statements issued between 1<sup>st</sup> September 2014 to the 28<sup>th</sup> August 2015) from individuals who have received a new State Pension statement;
- None of these complaints have been specifically about the estimated new State Pension amount included in the statement
- 60 individuals have received a revised statement from DWP following complaints they have made. Complaints relate to incorrect name / gender / date of birth / National Insurance number / incorrect or incomplete address on statement. Note that as one of these pieces of information was captured incorrectly, this may have resulted in an incorrect estimate being given in the original statement

### **Combined Pension statements**

DWP provide State Pension information to some pension schemes who have volunteered to join the Combined Pension Statement initiative. Pension schemes include this information in the annual statements they issue to their scheme members.

**Table 3: Total number of Combined Pension Statements issued**

<b>2014/15</b>	<b>2015/16 [Until end of August 2015]</b>
1,574,800	727,300

*Notes: Figures are rounded to the nearest 100.*

DWP contacted participating organisations and key external stakeholders in late July 2015 to inform them that the Combined Pension Statement service will close at the end of 2015/2016 tax year.

# Contact details

## **Queries about the content of this document**

**Press enquiries** should be directed to the Department for Work and Pensions press office: 0203 267 5144

**Website:** <https://www.gov.uk>

**Other enquiries** about these statistics should be directed to:

Gary Gifford ([Gary.Gifford@dwp.gsi.gov.uk](mailto:Gary.Gifford@dwp.gsi.gov.uk))

Department for Work and Pensions