



How to increase your State Pension if you reach State Pension age between 6 April 2010 and 5 April 2015

**Men born between 6 April 1945 and 5 April 1950
Women born between 6 April 1950 and 5 October 1952**

Introduction

If you reached State Pension age between the dates above but are not receiving or expecting to receive a full basic State Pension, then you may be able to improve the amount you get by paying up to six additional years of voluntary Class 3 National Insurance contributions (we will call these 'voluntary contributions' in this factsheet) for years going back to 1975.

This is in addition to the opportunity you may already have to pay voluntary contributions for some of the last six tax years.

This factsheet tells you about your options.

Paying voluntary contributions is not right for everyone – it depends on your personal circumstances. You should seek further information and advice before making any payment. Sections 5 – 7 tell you how to do this.

1. What are voluntary contributions?

When you work you pay part of your earnings to the government, so that when you retire you may get some regular income from the State Pension. The money you pay is called National Insurance contributions. In some circumstances you may be treated as having paid or be credited with National Insurance contributions.

If you do not have enough contributions in a tax year, you may be able to pay voluntary contributions to improve your basic State Pension.

2. Opportunity to pay additional voluntary contributions for past years

You may be able to pay up to an additional six years of voluntary contributions to cover years going back to 1975, if you:

- reached State Pension age between 6 April 2010 and 5 April 2015, and
- already have 20 qualifying years, including any full years of Home Responsibilities Protection (HRP).

What is a qualifying year?

A qualifying year is a tax year in which you have paid, are treated as having paid, or been credited with, enough National Insurance contributions for it to count towards your State Pension. You pay National Insurance contributions while you are working. Or you can be credited with contributions, for example, while caring for others or claiming certain benefits.

What is Home Responsibilities Protection?

Home Responsibilities Protection (HRP) protected the National Insurance record of carers for the time they spent caring for children under 16, or for a sick or disabled person, for at least 35 hours a week; and, from 2003, approved foster carers. From 6 April 2010, HRP has been replaced with a weekly National Insurance credit to count towards the State Pension.

Can I pay voluntary contributions for any years when I paid the married woman's rate?

You cannot pay voluntary contributions for any tax year where you had chosen to pay the married woman's reduced rate for the whole of that year.

How much will the voluntary contributions cost?

The weekly cost is £14.10 in 2016/17, or £733.20 a year for each complete year that you buy. The cost may change each year. You may not need to pay for a whole year if you already paid some contributions or have some credits in the tax year you want to pay for.

Is there a time limit for paying additional voluntary contributions under this opportunity?

You have up to six years from the date you reached State Pension age to pay voluntary contributions under this opportunity.

How much more extra basic State Pension could I get?

Each extra year you pay for will increase your basic State Pension by 1/30th of the full basic State Pension. The full basic State Pension [is £119.30 a week from April 2016

and a 1/30th increase is around £3.98 a week. Voluntary contributions cannot increase your basic State Pension above the full rate.

When would my basic State Pension increase from?

The voluntary contributions will increase your basic State Pension from when your payment is received. This means the increase will not be backdated to your State Pension age.

3. Things to consider before paying voluntary contributions

State Pension rules changed from 6 April 2010. One of the changes means that you will only need 30 qualifying years for a full basic State Pension. Most of the rules for receiving Bereavement Benefits, which may be payable to your spouse or civil partner when you die, have not changed.

For Bereavement Allowance or Widowed Parent's Allowance the deceased spouse must have qualifying years for about 90% of their working life for their spouse or civil partner to qualify for the full rate of certain Bereavement Benefits. You may wish to consider this when deciding whether or not to pay voluntary contributions.

Not everyone who can pay voluntary contributions will benefit from paying them.

Here are some examples of circumstances that might mean you would gain little or no benefit from paying voluntary contributions:

- An improved basic State Pension may reduce any income-related benefits, for example Pension Credit, Housing Benefit or Council Tax Benefit, that you or your partner currently get or may get in the future.
- An improved basic State Pension may mean you pay more tax, because State Pension is taxable.
- You may be able to use contributions from your late spouse or civil partner, or former spouse or civil partner to improve your basic State Pension – so you may not need to pay extra voluntary contributions.
- Bereavement Allowance or Widowed Parent's Allowance are only paid to surviving spouses or civil partners who are under state pension age, Therefore paying voluntary contributions would not secure entitlement to these bereavement benefits if your spouse or civil partner is over state pension age at the time of your death
- Bereavement Allowance and Widowed Parent's Allowance will be replaced by Bereavement Support Payment for new claimants from April 2017. Voluntary Contributions will not be used to qualify for this new benefit.

You need to check whether you would be better or worse off if you paid voluntary contributions.

Your decision to pay voluntary contributions may also be affected by:

- your life expectancy
- the date you and, where appropriate, your late or former spouse or civil partner reach State Pension age, and
- the number of qualifying years you have.

If you have not yet claimed your State Pension, you can get a provisional State Pension assessment.

Section 5 tells you how to do this.

It is important to consider your own circumstances carefully before you pay. There is no automatic right to a refund if, after paying, you decide you have made the wrong choice.

4. More information

You can get more general information on the basic State Pension and Bereavement Benefits from www.gov.uk

5. What to do next

If you live in the UK

If you live in the UK and think you might benefit from paying voluntary contributions you can phone the Newcastle Pension Centre on **0345 604 2931** (or if you are a Welsh speaker phone **0345 604 2935**).

If you live abroad

If you live abroad and think you might benefit from paying voluntary contributions you can contact the Newcastle Pension Centre (International Group) on **+44 191 218 7777**.

6. Contacting us

If you telephone the Newcastle Pension Centre or International Group please have ready:

- your full name
- National Insurance number
- date of birth, and
- (for UK addresses) your postcode.

We will contact HMRC on your behalf to find out the gaps in your National Insurance record. We will then write to you to confirm how many years of voluntary contributions you might be able to buy and explain the process for paying them, if that is what you decide to do.

7. Getting independent advice

You may wish to get some independent advice. Several organisations offer free advice, or you could get advice from an independent financial adviser, but note that you may have to pay for this.

You may find Part 6 of the *Plan your retirement income* pages on www.gov.uk helpful.

If you decide to use a financial adviser always make sure that the firm you use is authorised by the Financial Conduct Authority or registered so that you will have access to their complaints procedure and compensation scheme if things go wrong.

You can find the Financial Services Register at www.fsa.gov.uk/register/home.do

8. When seeking advice or further information, always have available:

- your full name and current address
- your date of birth
- your National Insurance number
- your previous addresses and the dates you lived there (including any time spent living abroad)
- if you are a married or in a civil partnership, you will need the name, date of birth and National Insurance number of your husband, wife or civil partner
- details of any other benefits you are receiving or claiming, and
- details of any Child Benefit you received in the past, so we can check if Home Responsibilities Protection was entered on your record.

9. Important information about this factsheet

We have done our best to make sure that the information in this factsheet is correct as of April 2016. It is possible that some of the information is oversimplified or may become inaccurate over time, for example because of changes to the law.