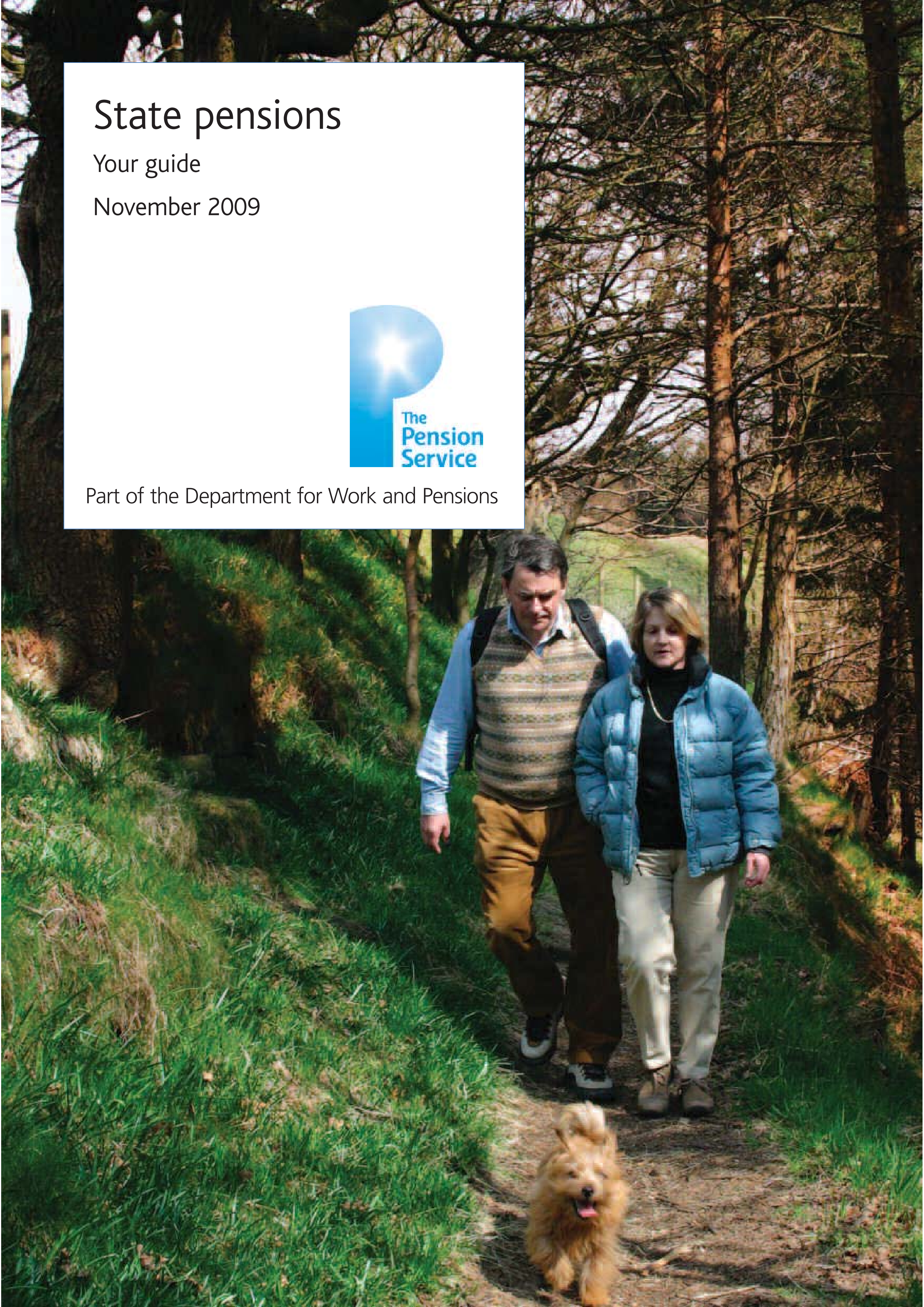
State pensions

Your guide

November 2009

The Pension Service

Part of the Department for Work and Pensions



Contents

Introduction

This guide tells you about:

- the basic State Pension
- the additional State Pension (also known as SERPS or State Second Pension)
- how you can build up a State Pension whether you are in work or not, and
- claiming your State Pension.

Changes to the rules on state pensions

In the Pensions Act 2007, the Government changed the rules and conditions for building up a State Pension. These changes could affect your State Pension.

Different rules apply depending on when you reach State Pension age.

Read the text in this box if you are a woman born on or after 6 April 1950, or a man born on or after 6 April 1945.
Most of the changes made by the Pensions Act 2007 will affect people who reach State Pension age on or after 6 April 2010. This applies to you if you are a woman born on or after 6 April 1950 or a man born on or after 6 April 1945.

Read the text in this box if you are a woman born before 6 April 1950, or a man born before 6 April 1945.

The existing rules and conditions for building up a State Pension will usually continue to apply to people who reach State Pension age before 6 April 2010 (women born before 6 April 1950 and men born before 6 April 1945).

However, a few of the changes made by the Pensions Act 2007 may also apply.

This guide can help you work out your State Pension age and find out which rules apply to you.

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure the leaflet is correct as of November 2009. Some of the information may be oversimplified or may become inaccurate over time, for example because of changes to the law. We recommend that you get independent advice before making financial decisions based on this leaflet. See page 44 for details of organisations that can provide advice.

The amounts quoted in the guide apply from April 2009 and usually change every April.

This guide gives you helpful information, but only you can make decisions about your pension.

Why do I need a pension?

We all need to make sure we have enough money to live on when we retire. The basic State Pension is a start. But to have the lifestyle you want, you may need to think about paying extra savings into a second pension. You may also need to consider how much you'll get from your State Pension.

The sooner you start paying money into a pension, the better.

Some of the things you need to think about are:

- how much you earn
- the type of job you have
- whether you work for someone else or for yourself
- how much money you think you will need when you retire, and
- how long you plan to work for.

For more information about pensions, read our other leaflets and booklets. To find out about these leaflets and get free copies:

- phone **0845 7 31 32 33**
- use textphone **0845 604 0210** if you have speech or hearing difficulties, or
- order online at **www.direct.gov.uk/pensions**

There are guides for pensioners that cover England, Scotland and Wales.

The tax year

When we talk about the tax year we mean 6 April in one year to 5 April the next year. For example, the tax year 2009/10 runs from 6 April 2009 to 5 April 2010.

When can I get my State Pension?

You can get your State Pension when you reach State Pension age. You don't get your State Pension automatically. You have to claim it.

Pages 11–19 show when you will reach State Pension age.

You don't have to claim your State Pension when you reach State Pension age. If you don't need the money straight away, you could put off (defer) claiming it (see page 47).

If you decide to carry on working after reaching State Pension age, you can still claim your State Pension while you're working. Your wages and the hours you work won't affect your State Pension, but you may have to pay tax on your State Pension. Of course, you may have to pay tax on your pension even if you're not working, depending on how much income you have.

A number of things can affect how much State Pension you get – some are mentioned in this guide.

How do I claim my State Pension?

We will usually write to you four months before you reach State Pension age and tell you how to claim. To do this we need to have your up-to-date address, so you must make sure you tell us if you move.

If you haven't received a letter from us three months before you reach State Pension age and you want to claim your State Pension, please get in touch with us.

- Phone **0800 731 7898** (**0800 731 7936** for Welsh-speaking customers living in Wales)
- Textphone: **0800 731 7339** (English) or **0800 731 7013** (Welsh)
- Website: **www.direct.gov.uk/pensions**

Lines are open Monday to Friday, 8am to 8pm and Saturday 9am to 1pm.

If English or Welsh is not your first language, you can use your own interpreter or one that we provide. Our phone lines tend to be less busy in the afternoon and towards the end of the week, so you may prefer to call then. We record phone calls to help us provide an accurate and consistent service and for training and security.

What is my State Pension age?

The date you reach State Pension age depends on when you were born.

If you are a woman and you were born before 6 April 1950, your State Pension age is 60.

If you are a man and you were born before 6 April 1959, your State Pension age is 65.

If you are a woman born on or after 6 April 1950

The age at which women reach State Pension age will gradually increase to 65, the same as for men. This increase will happen in stages between 2010 and 2020. It will affect you if you are a woman born on or after 6 April 1950 but before 6 April 1959. The State Pension age for women born on or after 1955 but before 6 April 1959 will be 65.

Table 1 (pages 14 to 16) shows the State Pension age for women born on or after 6 April 1950 but before 6 April 1959.

If you are a man or woman born on or after 6 April 1959

The State Pension age for men and women will gradually increase from 65 to 68 between 2024 and 2046. This will affect everyone born on or after 6 April 1959. The increase will happen in stages as follows:

- The increase from 65 to 66 will be introduced between April 2024 and April 2026.
- The increase from 66 to 67 will be introduced between April 2034 and April 2036.
- The increase from 67 to 68 will be introduced between April 2044 and April 2046.

Table 2 (pages 17 to 19) shows the State Pension age for people born on or after 6 April 1959.

How increasing State Pension age will affect other state benefits and payments

To get some social security benefits you have to be below State Pension age. These include Jobseeker's Allowance, Incapacity Benefit, and Employment and Support Allowance. The increase in women's State Pension age will mean that the maximum age at which women can get these benefits will rise gradually from 60 to 65 between 2010 and 2020. For men and women, some other social security benefits and payments are currently paid until age 60, for example, Income Support. Others start being paid only from age 60, for example, Pension Credit. The age limits for these benefits will also rise from 60 to 65 between 2010 and 2020. So you could claim Income Support up to age 65, but you would not be able to claim Pension Credit until you reached age 65.

The age limits for these benefits will change again from 2024 to 2046 when State Pension age goes up from 65 to 68.

If you are a man born on or after 6 April 1950 to find out the date you will reach the age to claim Pension Credit or the date at which you can no longer claim Income Support you should check the tables below.

Before we can consider a man or a woman for their first Winter Fuel Payment, they must have reached the State Pension age for women by the end of the September qualifying week.

Table 1: Your State Pension age if you are a woman and you were born on or after 6 April 1950 but before 6 April 1959, based on your date of birth.	
Date you were born	**Date you will reach State Pension age**
6 April 1950 to 5 May 1950	6 May 2010
6 May 1950 to 5 June 1950	6 July 2010
6 June 1950 to 5 July 1950	6 September 2010
6 July 1950 to 5 August 1950	6 November 2010
6 August 1950 to 5 September 1950	6 January 2011
6 September 1950 to 5 October 1950	6 March 2011
6 October 1950 to 5 November 1950	6 May 2011
6 November 1950 to 5 December 1950	6 July 2011
6 December 1950 to 5 January 1951	6 September 2011
6 January 1951 to 5 February 1951	6 November 2011
6 February 1951 to 5 March 1951	6 January 2012
6 March 1951 to 5 April 1951	6 March 2012
6 April 1951 to 5 May 1951	6 May 2012
6 May 1951 to 5 June 1951	6 July 2012
6 June 1951 to 5 July 1951	6 September 2012
6 July 1951 to 5 August 1951	6 November 2012
6 August 1951 to 5 September 1951	6 January 2013
6 September 1951 to 5 October 1951	6 March 2013
6 October 1951 to 5 November 1951	6 May 2013
6 November 1951 to 5 December 1951	6 July 2013
6 December 1951 to 5 January 1952	6 September 2013

Table 1: Your State Pension age if you are a woman and you were born on or after 6 April 1950 but before 6 April 1959, based on your date of birth.	
Date you were born	**Date you will reach State Pension age**
6 January 1952 to 5 February 1952	6 November 2013
6 February 1952 to 5 March 1952	6 January 2014
6 March 1952 to 5 April 1952	6 March 2014
6 April 1952 to 5 May 1952	6 May 2014
6 May 1952 to 5 June 1952	6 July 2014
6 June 1952 to 5 July 1952	6 September 2014
6 July 1952 to 5 August 1952	6 November 2014
6 August 1952 to 5 September 1952	6 January 2015
6 September 1952 to 5 October 1952	6 March 2015
6 October 1952 to 5 November 1952	6 May 2015
6 November 1952 to 5 December 1952	6 July 2015
6 December 1952 to 5 January 1953	6 September 2015
6 January 1953 to 5 February 1953	6 November 2015
6 February 1953 to 5 March 1953	6 January 2016
6 March 1953 to 5 April 1953	6 March 2016
6 April 1953 to 5 May 1953	6 May 2016
6 May 1953 to 5 June 1953	6 July 2016
6 June 1953 to 5 July 1953	6 September 2016
6 July 1953 to 5 August 1953	6 November 2016
6 August 1953 to 5 September 1953	6 January 2017

Table 1: Your State Pension age if you are a woman and you were born on or after 6 April 1950 but before 6 April 1959, based on your date of birth.	
Date you were born	**Date you will reach State Pension age**
6 September 1953 to 5 October 1953	6 March 2017
6 October 1953 to 5 November 1953	6 May 2017
6 November 1953 to 5 December 1953	6 July 2017
6 December 1953 to 5 January 1954	6 September 2017
6 January 1954 to 5 February 1954	6 November 2017
6 February 1954 to 5 March 1954	6 January 2018
6 March 1954 to 5 April 1954	6 March 2018
6 April 1954 to 5 May 1954	6 May 2018
6 May 1954 to 5 June 1954	6 July 2018
6 June 1954 to 5 July 1954	6 September 2018
6 July 1954 to 5 August 1954	6 November 2018
6 August 1954 to 5 September 1954	6 January 2019
6 September 1954 to 5 October 1954	6 March 2019
6 October 1954 to 5 November 1954	6 May 2019
6 November 1954 to 5 December 1954	6 July 2019
6 December 1954 to 5 January 1955	6 September 2019
6 January 1955 to 5 February 1955	6 November 2019
6 February 1955 to 5 March 1955	6 January 2020
6 March 1955 to 5 April 1955	6 March 2020
6 April 1955 to 5 April 1959	Your 65th birthday

Table 2: Your State Pension age (rising from 65 to 68) if you were born on or after 6 April 1959, based on your date of birth.	
Increase in State Pension age from 65 to 66	
Date you were born	**Date you will reach State Pension age**
6 April 1959 to 5 May 1959	6 May 2024
6 May 1959 to 5 June 1959	6 July 2024
6 June 1959 to 5 July 1959	6 September 2024
6 July 1959 to 5 August 1959	6 November 2024
6 August 1959 to 5 September 1959	6 January 2025
6 September 1959 to 5 October 1959	6 March 2025
6 October 1959 to 5 November 1959	6 May 2025
6 November 1959 to 5 December 1959	6 July 2025
6 December 1959 to 5 January 1960	6 September 2025
6 January 1960 to 5 February 1960	6 November 2025
6 February 1960 to 5 March 1960	6 January 2026
6 March 1960 to 5 April 1960	6 March 2026
6 April 1960 to 5 April 1968	Your 66th birthday

Table 2: Your State Pension age (rising from 65 to 68) if you were born on or after 6 April 1959, based on your date of birth.	
Increase in State Pension age from 66 to 67	
Date you were born	**Date you will reach State Pension age**
6 April 1968 to 5 May 1968	6 May 2034
6 May 1968 to 5 June 1968	6 July 2034
6 June 1968 to 5 July 1968	6 September 2034
6 July 1968 to 5 August 1968	6 November 2034
6 August 1968 to 5 September 1968	6 January 2035
6 September 1968 to 5 October 1968	6 March 2035
6 October 1968 to 5 November 1968	6 May 2035
6 November 1968 to 5 December 1968	6 July 2035
6 December 1968 to 5 January 1969	6 September 2035
6 January 1969 to 5 February 1969	6 November 2035
6 February 1969 to 5 March 1969	6 January 2036
6 March 1969 to 5 April 1969	6 March 2036
6 April 1969 to 5 April 1977	Your 67th birthday

Table 2: Your State Pension age (rising from 65 to 68) if you were born on or after 6 April 1959, based on your date of birth.	
Increase in State Pension age from 67 to 68	
Date you were born	**Date you will reach State Pension age**
6 April 1977 to 5 May 1977	6 May 2044
6 May 1977 to 5 June 1977	6 July 2044
6 June 1977 to 5 July 1977	6 September 2044
6 July 1977 to 5 August 1977	6 November 2044
6 August 1977 to 5 September 1977	6 January 2045
6 September 1977 to 5 October 1977	6 March 2045
6 October 1977 to 5 November 1977	6 May 2045
6 November 1977 to 5 December 1977	6 July 2045
6 December 1977 to 5 January 1978	6 September 2045
6 January 1978 to 5 February 1978	6 November 2045
6 February 1978 to 5 March 1978	6 January 2046
6 March 1978 to 5 April 1978	6 March 2046
6 April 1978 onwards	Your 68th birthday

You can also use the State Pension age calculator to work out your State Pension age. It's on our website at **www.direct.gov.uk/spacalculator**

What is the basic State Pension?

The basic State Pension is money you may be able to get when you reach State Pension age. The amount you receive depends on the number of qualifying years you have built up through your National Insurance contribution record.

Building up your basic State Pension

How do I build up entitlement to basic State Pension?

You can build up your basic State Pension by paying National Insurance contributions, or being treated as having paid them or being credited with contributions (see pages 23–29). The amount of basic State Pension you get is based on the number of 'qualifying years' during which you have built up your contributions or credits before reaching State Pension age.

If you are a married woman or a widow and you chose to pay reduced-rate National Insurance contributions as an employee (sometimes known as the 'small stamp' or 'married woman's stamp'), the years when you paid these contributions do not count towards qualifying years for the State Pension.

What counts as a qualifying year?

We base the amount of basic State Pension you receive at State Pension age on your National Insurance contribution record over your working life, from age 16 to State Pension age. This record is made up of National Insurance contributions you have paid, are treated as having paid, or have had credited to you in each tax year. You need to have a minimum amount of contributions to make a tax year count as a qualifying year.

What is the tax year?

The tax year is 6 April in one year to 5 April the next year. For example, the tax year 2009/10 runs from 6 April 2009 to 5 April 2010.

Read the text in this box if you are a woman born before 6 April 1950, or a man born before 6 April 1945.

If you reach State Pension age before 6 April 2010

If you reach State Pension age before 6 April 2010, you normally need to have 44 qualifying years to be entitled to the full basic State Pension if you are a man, or 39 qualifying years if you are a woman.

To get any basic State Pension you need to meet two minimum contribution conditions.

You must normally have at least 25% (a quarter) of the qualifying years needed for a full basic State Pension (about 11 years for men and about 10 years for women).

For at least one of these qualifying years, you must normally have paid, or have been treated as having paid, enough National Insurance contributions when you are in employment (see page 23) or voluntary Class 3 contributions (see page 30). You cannot normally get a basic State Pension based only on National Insurance credits. You will normally get National Insurance credits when you are not working, for example because you are ill, unemployed or getting Carer's Allowance (see pages 24–29).

Any National Insurance contributions you have paid also help pay for other benefits (for example, sickness, unemployment and bereavement benefits) as well as the State Pension. This is why we can't refund them.

If you qualify for a full basic State Pension in 2009/10, you will be entitled to £95.25 a week. If you qualify for the minimum basic State Pension (you have just 25% of the qualifying years needed for a full basic State Pension), you will be entitled to £23.81 a week.

Read the text in this box if you are a woman born on or after 6 April 1950, or a man born on or after 6 April 1945.

If you reach State Pension age on or after 6 April 2010

If you reach State Pension age on or after 6 April 2010, the existing contribution conditions are being replaced. The number of qualifying years needed to get a full basic State Pension will be reduced to 30 for women and men.

You will need at least one qualifying year of paid or credited contributions to give you some basic State Pension. Each qualifying year of paid and credited contributions up to a total of 30, will be worth 1/30 of the full basic State Pension. So, one qualifying year of paid or credited contributions will give you 1/30 of the full basic State Pension, 15 qualifying years will give you half of the full basic State Pension, and so on.

You will no longer need to have at least 25% of the qualifying years needed for a full basic State Pension, nor to have at least one of the qualifying years as one where you have paid (or are treated as having paid) National Insurance contributions.

Building up your basic State Pension through paid work

The amount of State Pension you are entitled to depends on the National Insurance contributions you pay from your wages or salary. The amount of National Insurance contributions you pay depends on how much you earn.

You will pay National Insurance contributions for every week that you earn more than £110 (for 2009/10) when working for an employer. This amount is called the primary threshold. Your employer takes these contributions out of your pay.

If you work for an employer and earn between £95 a week and £110 a week (between the Lower Earnings Limit and primary threshold for 2009/2010), you will not have any National Insurance contributions taken out of your pay, but you will be treated as if you have paid National Insurance contributions. This means you will continue to build up entitlement to State Pension and other benefits, such as sickness and unemployment benefits, even though you are not paying National Insurance contributions.

If you are self-employed, you pay National Insurance contributions yourself. However much you earn, you will have to pay flat-rate Class 2 contributions, unless you have a Certificate of Small Earnings Exception that says you do not have to pay these. You can contact HM Revenue & Customs to find out about this.

To build up a qualifying year of entitlement to a State Pension through earnings in 2009/10, you need to have earnings of at least £95 a week or £4,940 a year on which you have paid or are treated as having paid National Insurance contributions.

In certain cases there are ways you can protect your State Pension, or build it up, even if you earn a low amount (less than £95 a week or £4,940 a year in 2009/10) or you are taking time out of paid work.

Building up your basic State Pension if you are not working or are earning a low amount

Read the text in this box if you are a woman born before 6 April 1950, or a man born before 6 April 1945.

If you reach State Pension age before 6 April 2010

If you are not working, you can still build up a basic State Pension and protect your entitlement through National Insurance credits, Home Responsibilities Protection or by paying voluntary National Insurance contributions. We explain these below.

To qualify for any basic State Pension, you will still need at least one qualifying year where you have paid, or been treated as having paid, National Insurance contributions.

Getting National Insurance credits

When you cannot work, you may be given National Insurance credits to help you protect your entitlement to the basic State Pension. This may happen if you are ill or unemployed and registered as looking for work. You may get credits with certain benefits or payments, for example Jobseeker's Allowance, Incapacity Benefit, Contributory Employment and Support Allowance, Carer's Allowance and Working Tax Credit.

If you are a man aged between 60 and 64 and do not have to pay National Insurance contributions, you may receive National Insurance credits automatically. These credits are called autocredits.

National Insurance credits are put into your National Insurance account and will count towards a qualifying year for basic State Pension in the same way as National Insurance contributions. There will be certain conditions you need to fulfil before you can get a credit, and these will depend on why you cannot work.

Even if you are caring for a child or someone with a long-term illness or disability and are not getting National Insurance credits, you can protect your basic State Pension when you are not in paid work or your annual earnings are low (below the Lower Earnings Limit of £4,940 a year in 2009/10). By 'protect' we mean that in certain circumstances, when we work out your entitlement to basic State Pension, we can take account of years when you were not in paid work or your earnings were low. This is called Home Responsibilities Protection.

Home Responsibilities Protection

Home Responsibilities Protection has been available for full tax years since 1978. It helps protect your pension by reducing the number of qualifying years needed for a full basic State Pension. For a full basic State Pension, Home Responsibilities Protection cannot reduce the number of qualifying years below 20 for women or men. Also, it does not guarantee you will get a basic State Pension.

Read the text in this box if you are a woman born before 6 April 1950, or a man born before 6 April 1945.

You can get Home Responsibilities Protection if, for full tax years, you are:

- receiving Child Benefit for a child under 16
- a registered foster carer (for tax years from April 2003 only)
- caring for a sick or disabled person (for at least 35 hours a week), who is getting Attendance Allowance, Disability Living Allowance (middle- or highest-rate care component) or Constant Attendance Allowance, or
- getting Income Support and you're caring for someone who is sick or has a disability.

Working out who should claim Child Benefit

Men and women can get Home Responsibilities Protection. If you have a partner or care for a child with someone else, it's important that you consider who should claim Child Benefit. Only the person claiming Child Benefit can get Home Responsibilities Protection automatically – which helps to protect that person's basic State Pension.

If your partner earns enough to build up their basic State Pension (at least £4,940 a year in 2009/10) while you stop work to care for your children, you are more likely than your partner to need help protecting your basic State Pension.

If you qualify for Home Responsibilities Protection because you get Child Benefit, you don't have to claim it. We will give it to you automatically up to 5 April (the end of the tax year) before your child's 16th birthday.

If you are the one who gets Child Benefit, then to be able to get Home Responsibilities Protection you have to have been getting Child Benefit for a full tax year.

So if you are going to change the person in your household who gets Child Benefit, you need to transfer the claim to them as early as possible in that tax year. This is because to get Home Responsibilities Protection for that year, the transfer must be completed within three months of the start of the tax year (6 April).

If you reached State Pension age on or after 6 April 2008

If you have been caring for a child but your partner claimed the Child Benefit and does not need Home Responsibilities Protection because they have worked and paid National Insurance contributions, then you can have Home Responsibilities Protection transferred to your account, if you apply on form CF411. You need to have been living with your partner and sharing care of a child in each year for which you want Home Responsibilities Protection transferred to you.

Read the text in this box if you are a woman born on or after 6 April 1950, or a man born on or after 6 April 1945.

If you reach State Pension age on or after 6 April 2010 and you are not working at any time before then, you can still build up a basic State Pension and protect your entitlement through National Insurance credits or by paying voluntary National Insurance contributions.

Getting National Insurance credits

You may be able to get National Insurance credits when you cannot work, to help protect your entitlement to the basic State Pension. This could be because you are ill, or you are unemployed and registered as looking for work. You may get credits with certain benefits or payments, for example Jobseeker's Allowance, Incapacity Benefit, Contributory Employment and Support Allowance, Carer's Allowance and Working Tax Credit. These credits are added to any National Insurance you have paid. They count when we decide if a tax year is a qualifying year or not.

Men who reach State Pension age on or after 6 April 2010

If you are a man aged 60 to 64 and you do not have to pay National Insurance contributions, you may currently receive National Insurance credits automatically. These credits are called autocredits.

However, autocredits are being phased out for men who reach State Pension age on or after 6 April 2010. If you were born on or after 6 October 1954, you will not get autocredits at all. If you were born before 6 October 1954, you will get between one and five years of autocredits, depending on when you were born.

Read the text in this box if you are a woman born on or after 6 April 1950, or a man born on or after 6 April 1945.

Replacing Home Responsibilities Protection with new National Insurance credits

Home Responsibilities Protection is being replaced for people reaching State Pension age on or after 6 April 2010.

From 6 April 2010, parents and carers will be able to build up qualifying years through new weekly credits for the basic State Pension and additional State Pension (see page 37 for additional State Pension). If you are a parent or carer, you will get a credit for each week in which you are:

- getting Child Benefit for children aged under 12
- an approved foster carer, or
- caring (for at least 20 hours a week) for anyone who is getting Attendance Allowance, Disability Living Allowance (middle or highest-rate care component) or Constant Attendance Allowance.

We will also give a credit to people who are caring for at least 20 hours a week for other disabled people who need care. The details of this are still being developed.

There is no limit to the number of years you can get credits after 6 April 2010, as long as you meet the qualifying conditions.

If you reach State Pension age on or after 6 April 2010, we will convert any years of Home Responsibilities Protection you have already built up under the current rules into qualifying years for the basic State Pension under the new rules. We will convert up to 22 years of Home Responsibilities Protection. (Home Responsibilities Protection also counts towards bereavement benefits and will be converted into qualifying years for these benefits. For bereavement benefits, we can convert Home Responsibilities Protection into qualifying years for up to half the working life of someone who died after 5 April 2010. The working life is from age 16 up to the year before the contributor died.)

Paying voluntary contributions

You may be able to pay voluntary Class 3 National Insurance contributions to cover previous years that you do not have enough contributions for. You must normally pay the voluntary contributions within six years of the end of the tax year the payment is for. So you must pay contributions due this tax year 2009/10 no later than 5 April 2016 (the end of the tax year 2015/16). However, you may be able to pay contributions to cover other years from 1975/76 onwards if you reach State Pension age between 6 April 2008 and 5 April 2015, and have 20 qualifying years (including full years of Home Responsibilities Protection).

This may help you qualify for the basic State Pension or increase the amount of State Pension you will get. HM Revenue & Customs deal with National Insurance – please contact them for more information.

If I haven't paid or been credited with enough National Insurance contributions, how can I improve my basic State Pension?

Using your husband's, wife's or civil partner's National Insurance contribution record

If you have not paid, or been credited with, enough National Insurance contributions to get a full basic State Pension of your own, you may be able to get a basic State Pension based on your husband's, wife's or civil partner's National Insurance contribution record. There are different rules for men and women, married people and civil partners. A civil partnership is a formal legal arrangement that gives same-sex partners similar rights and responsibilities as a married couple.

If you are a married woman, you may be able to get a basic State Pension based on your husband's National Insurance contribution record if your husband is over State Pension age and (until 6 April 2010) has also claimed his own State

Pension. Depending on the contributions your husband has made, you could get a basic State Pension of up to 60% of the full basic State Pension. You don’t have to be living with your husband to get this basic State Pension.

From 6 April 2010, you will be able to claim your State Pension based on your husband’s record, even if he has not claimed his own State Pension, as long as you and your husband are both over State Pension age.

At the moment, if you are a married man or civil partner, you cannot get a basic State Pension based on your wife's or civil partner's National Insurance contribution record. From May 2010 if you are a married man or you are a female civil partner, we may be able to look at your wife's or civil partner's National Insurance record if, at State Pension age, your contributions:

- aren't enough to give you a basic State Pension of your own, or
- mean you will get less than 60 per cent of the full basic State Pension, and
- your wife or civil partner was born on or after 6 April 1950, and
- they have also reached State Pension age.

The same will apply if you are a male civil partner from April 2015.

What happens if my marriage or civil partnership ends?

You may be able to use your ex-husband’s, ex-wife’s or ex-civil partner’s National Insurance contribution record to help increase your basic State Pension if:

- you are divorced
- your marriage has been annulled
- your civil partnership is dissolved (legally ended) or annulled.

This won’t affect your ex-partner’s basic State Pension. If you remarry or form a new civil partnership before you reach State Pension age, you lose this right.

What happens if my husband, wife or civil partner dies?

If your husband, wife or civil partner dies, you may be able to use their National Insurance contribution record to help you get a better State Pension.

If you haven't reached State Pension age, and your husband, wife or civil partner dies, you may be able to get bereavement benefits (under the Bereavement Benefit Scheme).

If you are over State Pension age and your husband, wife or civil partner was not entitled to a State Pension based on their own National Insurance contribution record when they died, you may be entitled to a Bereavement Payment. This is a single lump sum payable straight after your husband, wife or civil partner dies. If you are a woman already getting benefits under the previous Widow's Benefit Scheme (for people widowed on or before 8 April 2001), you will be able to continue receiving these benefits for as long as you meet the qualifying conditions. You will not be able to get bereavement benefits under the Bereavement Benefit Scheme.

For more about bereavement and widows' benefits, get our more detailed leaflet about bereavement benefits by contacting us at Jobcentre Plus. See page 58 for contact details.

Other amounts paid in the State Pension

Adult Dependency Increases

An Adult Dependency Increase is an increase in your State Pension for your wife, husband or someone who is looking after your children. You may be able to get this increase as long as you and the 'adult dependant' meet certain conditions, and they are considered to depend on you financially.

If you are a married man, you may get an Adult Dependency Increase for your wife if:

- you normally get some basic State Pension, and
- she is not getting a State Pension or any other state benefit herself.

Whether you get the increase will depend on any earnings she has.

If you are a married woman, you may get an Adult Dependency Increase for your husband if you were getting an increase in Incapacity Benefit for him just before you qualified for your State Pension. Whether you get the increase will depend on any earnings he has and any benefit he receives.

If someone is looking after your child, you may get an Adult Dependency Increase for that person:

- as long as you do not already get an increase for your husband or wife
- as long as your wife doesn't get a State Pension based on your National Insurance contributions, and
- depending on whether you are entitled (or treated as being entitled) to Child Benefit for the child.

Any earnings the person looking after your child has may affect the amount of the increase you receive.

Important information

From 6 April 2010, you will no longer be able to claim an Adult Dependency Increase. If you are already entitled to this increase on 5 April 2010, you will be able to keep it until you no longer meet the conditions for the increase, or until 5 April 2020, whichever is first.

If you claim your State Pension on or after 6 April 2010, you will not be able to claim an Adult Dependency Increase. This is because you cannot claim this increase before you have started claiming your State Pension. For more information about Adult Dependency Increases, go to our website at **www.direct.gov.uk/pensions**

What if I am getting other social security benefits?

If you put off claiming State Pension while getting other benefits, you will not build up any extra State Pension or lump sum (see page 47) for the days that you get the other benefit. These other benefits are:

- Carer's Allowance
- Severe Disablement Allowance
- Unemployability Supplement
- Widow's Pension
- Widowed Mother's Allowance
- Short-term Incapacity Benefit, and
- contribution-based Employment and Support Allowance.

Other state support

In certain circumstances, when you retire you may be able to get Pension Credit or another income-related benefit. This is extra money to top up your pension, and the amount you get depends on your household income and other savings.

If you or your partner are aged 60 or over, you will probably get Pension Credit if the money you have coming in is less than £130 a week if you are single, or £198.45 a week if you have a partner (2009/10). These amounts may be more for people who are caring for someone, or are severely disabled, or are responsible for certain housing costs such as mortgage interest repayments.

If you are 65 or over, you may get extra money if you have saved some money towards your retirement, such as savings or a second pension. From 2010, the age from which people can get Pension Credit will gradually increase in line with the State Pension age, which will become 65 for women as well as men by 2020.

Take action

To find out more about Pension Credit see page 60 for details.

Pensioners may be entitled to other help towards paying their rent and Council Tax. For more information, contact your local council.

How much basic State Pension will I get?

The basic State Pension changes each year and is linked to inflation. To give you an idea of what you might get, in 2009/10 the full basic State Pension is £95.25 a week for a single person.

The State Pension and inflation

At the moment, the basic State Pension rises in line with prices, which means the Government will increase the basic State Pension rate by at least the level of inflation.

Any changes are made in April each year. If you are living abroad when State Pension amounts increase, you may not get the increase, depending on which country you are living in (see page 53).

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 State Pension and Income Tax

When you reach State Pension age you no longer pay National Insurance contributions. But you don't automatically stop paying Income Tax. You still have to pay it if your taxable income (including your pension) is more than your tax-free allowances.

When you are thinking about whether to claim your State Pension straight away or put off claiming it (see page 47) you need to consider how you will be taxed. This applies to your wages (if you are working) and to any other income, such as a private pension. You need to know which option will be best for you financially.

You may have to pay tax on your State Pension and any company or personal pensions depending on the total amount of your income. Your State Pension is paid before any tax is taken, but company and personal pensions usually have tax taken off first.

Everyone gets a personal allowance that allows them some tax-free income each year. Your allowance may increase once you reach 65, depending on your income.

If you work after your State Pension age, you can still claim your State Pension at the same time. Your earnings and the hours you work will not affect your State Pension, but you will pay tax on the pension as well as on your earnings, depending on how much you earn.

Tax is charged on some state benefits, but not all. It's important to know which are taxable.

For more about Income Tax and income tax rates contact HM Revenue & Customs or go to their website at **www.hmrc.gov.uk**

Additional State Pension

What is the additional State Pension?

The additional State Pension is money you can get as well as your basic State Pension. You don't have to be getting a basic State Pension to receive it. The amount of additional State Pension you get depends on how much you earn (or are treated as having earned) and the amount of National Insurance contributions you have paid, or are treated as having paid (since 6 April 1978).

Your additional State Pension may be made up of:

- a State Earnings-Related Pension Scheme (SERPS) pension
- a State Second Pension, or
- both.

The State Earnings-Related Pension Scheme (SERPS)

You may be entitled to additional State Pension through SERPS.

The amount you will get depends on how much you earned, and the amount of National Insurance contributions you paid (or are treated as having paid) before 2002. It also depends on whether you contracted out (or opted out) of SERPS to take out another pension, such as a work pension or personal pension. If you contracted out of SERPS, this will reduce the amount of additional State Pension you will get. If you worked for yourself before 2002 and paid Class 2 National Insurance contributions during that time, this won't have counted towards SERPS.

The Government changed the SERPS scheme when it introduced the State Second Pension in 2002. Any additional State Pension you built up through SERPS before 2002 will be added to your State Second Pension.

The State Second Pension

The Government introduced the State Second Pension in 2002. The State Second Pension gives people who earn lower wages, or cannot work as much as other people, the chance to build up a better State Pension.

You may be able to build up additional State Pension through the State Second Pension if:

- you are an employee earning above £4,940 a year (in 2009/10), or
- you are a carer or someone with a long-term illness or disability.

If you have worked for yourself and paid Class 2 National Insurance contributions for any period since 2002, this won't count towards State Second Pension.

To build up State Second Pension, you need to:

- have earnings above the National Insurance Lower Earnings Limit throughout the tax year
- be a carer throughout the tax year, or
- have a long-term illness or disability throughout the tax year.

Until 2010 you cannot combine periods of earnings, caring or illness within a tax year to build up entitlement to the State Second Pension.

Until you reach State Pension age, you can opt out of the State Second Pension by taking out a company, personal or stakeholder pension instead. This is known as 'contracting out'. Deciding to do this may affect the amount of additional State Pension you get.

There's more information on contracting out on page 43.

How is the State Second Pension worked out?

If you are entitled to a State Second Pension, what you get is based on:

- the earnings you pay standard-rate National Insurance contributions on, or
- the earnings you are treated as having.

Under current rules, you build up a State Second Pension at different rates depending on how much you earn. This will change from 2010. There are three bands of earnings, which are:

- earnings up to (but not above) the low earnings threshold (£13,900 in 2009/10)
- earnings above the low earnings threshold but not above the Upper Earnings Threshold (£31,800 in 2009/10), and
- earnings above the upper earnings threshold but not above the Upper Earnings Limit (£40,040 in 2009/10).

I'm a carer. Can I get a State Second Pension?

If you're a carer, you can build up a State Second Pension if you're not working at all or you're earning less than £4,940 a year (in 2009/10), and one of the following applies to you:

- You are looking after a child under six and are receiving Child Benefit for that child.
- You are looking after an ill or disabled person and are getting Home Responsibilities Protection.
- You are entitled to Carer's Allowance – even if you're not getting it because you get another benefit that pays you more.

In any of those cases, we'll treat you as if you are earning at the low earnings threshold (£13,900 a year in 2009/10).

I'm ill or disabled. Can I get a State Second Pension?

You can build up a State Second Pension if you're not working at all, or you're earning less than £4,940 a year (in 2009/10), and any of the following apply to you:

- You're entitled to long-term Incapacity Benefit, contributory Employment and Support Allowance – even if you're not getting it because you get another benefit that pays you more.
- You're entitled to contributory Employment and Support Allowance and in the Support Group, or have been entitled to contributory Employment and Support Allowance for 52 weeks.
- You get protected Severe Disablement Allowance or Income Support.

If you reach State Pension age before 6 April 2010, you also need to pass the Labour Market Attachment Test.

What is the Labour Market Attachment Test?

The Labour Market Attachment Test tells us whether you have built up State Second Pension for tax years when you were entitled to long-term Incapacity Benefit, contributory Employment and Support Allowance or protected Severe Disablement Allowance. If you have worked and paid National Insurance contributions for at least 10% of your working life (since 1978) by the time you reach State Pension age, then you have passed the Labour Market Attachment Test. Sometimes we can tell you if you have passed this test before you reach State Pension age – if this applies to you, we'll tell you in your pension forecast.

How does the State Second Pension build up?

- If you are a carer and qualify for the State Second Pension, you will earn at least £1.30 a week of State Second Pension for each full tax year you are a carer. You will receive this as part of your State Pension when you reach State Pension age and claim your State Pension. There is no limit to the number of years that can count in this way.
- If you can't do paid work because you are ill or disabled, and you qualify for the State Second Pension, you will earn at least £1.30 a week of State Second Pension for each full tax year you are ill or disabled. You will receive this as part of your State Pension when you reach State Pension age and claim your State Pension.

Read the text in this box if you are a woman born on or after 6 April 1950, or a man born on or after 6 April 1945.

If you reach State Pension age on or after 6 April 2010

At the moment, any credits you have received for caring, illness or disability only count towards your State Second Pension if:

- you have been a carer throughout the tax year, or
- you have a long-term illness or disability throughout the tax year.

From 6 April 2010, changes in the rules will allow you to combine any credits you have been awarded during the tax year with any earnings above the Lower Earnings Limit so that both can count towards your State Pension.

The range of benefits that will allow a person to get a credit for the State Second Pension will be extended to people getting the new National Insurance credits for parents and carers, replacing Home Responsibilities Protection (see pages 28–29).

Read the text in this box if you are a woman born on or after 6 April 1950, or a man born on or after 6 April 1945.

If you are entitled to Severe Disablement Allowance or Incapacity Benefit, Contributory Employment and Support Allowance, you will no longer need to pass the Labour Market Attachment Test to qualify for the State Second Pension. So to qualify for State Second Pension, you will not need to have worked and paid Class 1 National Insurance contributions for at least 10% of your working life since 1978.

The way we work out State Second Pension will also be simpler from 2010/11. Instead of using three bands of earnings to work out State Second Pension, we'll only use two. We'll do this by bringing the top two earnings bands together.

In future you will get a standard flat-rate amount of State Second Pension, worth around £1.60 a week, for each qualifying year you build up. Also, people earning above the low earnings threshold are entitled to an extra earnings-related payment. We'll gradually withdraw this earnings-related payment so that by about 2030, State Second Pension will be made up of the flat-rate amount only.

If you want to know how much your State Second Pension is likely to be, ask for a State Pension forecast (see page 54).

Contracting out (opting out) of the additional State Pension

What does 'contracting out' mean?

'Contracting out' means joining a company, stakeholder or personal pension scheme that can be used to replace all, or part, of the additional State Pension (SERPS or State Second Pension).

The Pensions Act 2007 also included changes to end contracting out of the State Second Pension on a money-purchase (defined-contribution) basis from a date to be decided later. When this happens, you will no longer be able to contract out of the State Second Pension through a personal or stakeholder pension or an occupational pension (a pension scheme run by an employer) contracted out on a defined-contribution basis.

You will still be able to contract out on a salary-related (defined-benefit) basis.

More information and advice

You can get more information about pensions from Citizens Advice or another advice agency, your employer or a trade union (if you belong to one). You could also get advice from an independent financial adviser (but you may have to pay for this).

You can get a copy of our guide on contracting out of the State Second Pension (see page 58 for how to get in touch with us). You can get information on company pensions, personal pensions and stakeholder pensions from the Financial Services Authority on their Moneymadeclear website at **www.moneymadeclear.fsa.gov.uk**

Examples of how the State Second Pension can help

Helping a low earner

Robin works part-time in a supermarket warehouse. He earns £7,500 a year. Under the rules for State Second Pension, people who earn above the Lower Earnings Limit (£4,940 in 2009/10) but below the low earnings threshold (£13,900 in 2009/10) are treated as if they had earnings at the low earnings threshold. So we treat Robin as if he had earnings of £13,900 (in 2009/10), and he will build up some additional State Pension through the State Second Pension.

Helping a parent

Neela is 31 and has been working full-time since she was 18. When her daughter Mina was born in December 2001, Neela decided to stop work to look after her.

Neela is the person who has claimed and been awarded Child Benefit, so she qualifies for Home Responsibilities Protection to protect her basic State Pension. Under current rules, as long as she is not working she also builds up some pension through State Second Pension for each full tax year since 6 April 2002 when the State Second Pension began – until Mina's sixth birthday in December 2007.

So Neela will qualify for State Second Pension for five years (from 6 April 2002 until 5 April 2007). However, under the new rules, from 6 April 2010 Neela will qualify for State Second Pension for another three years until Mina's 12th birthday.

Helping someone who is ill or disabled

Derek has worked for 37 years and paid standard-rate Class 1 National Insurance contributions as an employee in each of those years, but became ill in September 1999. He is too ill to return to work, so he gets long-term Incapacity Benefit and contributory Employment and Support Allowance until he reaches State Pension age in May 2010. Derek qualifies for a State Second Pension, based on each full tax year for which he gets Incapacity Benefit and contributory Employment and Support Allowance between 6 April 2002 (when State Second Pension began) and reaching State Pension age. As Derek is due to reach State Pension age after 6 April 2010, he does not need to have worked and paid (or be treated as having paid) National Insurance contributions for a percentage of his working life.

When can I get additional State Pension?

You can get additional State Pension (SERPS and State Second Pension) when you have reached State Pension age and you claim your State Pension.

Inherited additional State Pension

Do I get more State Pension if I'm a widow, widower or surviving civil partner?

If you're a widow, widower or surviving civil partner, depending on your age and whether you have children, you may inherit:

- between half and all of your husband's, wife's or civil partner's SERPS pension (the amount you receive depends on when you were widowed or became a surviving civil partner and when your husband, wife or civil partner reached State Pension age), and
- up to half of your husband's, wife's or civil partner's State Second Pension.

If you remarry or form a new civil partnership before you reach State Pension age, you will not be able to inherit any of your previous husband's, wife's or civil partner's additional State Pension.

Graduated Retirement Benefit

If you were an employee and paid graduated National Insurance contributions between 6 April 1961 and 5 April 1975, you will get some extra money with your State Pension called Graduated Retirement Benefit.

Putting off claiming your State Pension

You do not have to claim your State Pension when you reach State Pension age. Deciding when to claim your State Pension is important. If you don't need the income from your State Pension when you reach State Pension age (because you are still working or have other income), you could put off claiming it until later. This is called deferring your State Pension.

If you decide to put off (defer) claiming your State Pension when you reach State Pension age, you could choose to get extra State Pension or a one-off lump-sum payment (see page 48).

How to get extra State Pension

To get extra State Pension, you need to decide not to claim your State Pension for a period of time. You must put off claiming for at least five weeks for it to increase the amount of State Pension you receive later.

Your extra State Pension is worked out at 1% for every five weeks you put off claiming. This comes to about 10.4% extra for every year you put off claiming.

How to get a lump-sum

If you put off claiming your State Pension, you could choose to get a lump sum instead of extra State Pension (see page 47). You can only do this if you decide to put off claiming your State Pension for at least 12 months in a row.

We work out the lump sum by adding up the amount of weekly State Pension you would have got, plus interest. You may have to pay tax on the lump sum, depending on how much income you have.

What if I want to get an Adult Dependency Increase?

If you are thinking about putting off your claim for State Pension, you should also find out how this may affect any Adult Dependency Increase (an increase in State Pension that can be paid in some circumstances). This is because we don't count the Adult Dependency Increase when we work out the extra State Pension or lump-sum payment you get. Also, from 6 April 2010 you will no longer be able to claim an Adult Dependency Increase – see page 33.

More advice and information on deferring your State Pension

If you want to discuss your options for deferring your State Pension (including the effect on any Adult Dependency Increase you may want to claim), you could talk to an independent financial adviser. They may charge you for this advice. You can also contact us (see page 58) for a more detailed guide to putting off claiming your State Pension. You can also see the guide on our website at **www.direct.gov.uk/pensions**.

Pension sharing

What happens to my pension if I get divorced or my civil partnership is dissolved?

If you get divorced or your civil partnership is dissolved (legally ended), or your marriage or civil partnership is annulled, the courts will decide how all your assets should be divided up. They will take into account the value of your pension, as it is part of your assets.

If your marriage ends (in divorce or annulment), you and your ex-husband or ex-wife can share the value of the second pensions you and they are entitled to (see below). This applies from December 2005 for same-sex couples whose civil partnerships have been annulled or dissolved.

Pension sharing gives you and the courts more choice about what to do. You don't have to share your entitlement, but it is an option available to couples who are entitled to a second pension such as:

- the additional State Pension (SERPS or State Second Pension)
- a company pension
- a stakeholder pension
- a personal pension.

Pension sharing does not apply to the following:

- The basic State Pension. This is because people can already replace their own National Insurance contribution record with their husband's, wife's or civil partner's record for the period the marriage or civil partnership lasted.
- Couples who started divorce or annulment legal proceedings before 1 December 2000.
- Couples who separate but do not divorce or dissolve (legally end) their civil partnership.

More advice and information about pension sharing when your marriage or civil partnership ends

To find out more about how your additional State Pension and other second pensions could be affected, you could get advice from a lawyer or an independent financial adviser (or both). They may charge you for this advice.

If I work abroad, can I get a State Pension?

If you move abroad to work before you reach State Pension age, you may not be able to build up entitlement to the State Pension (the basic State Pension and any additional State Pension) for the years you are abroad.

Whether you can build up entitlement depends on several things. For example, is your employer a UK company or a foreign one? Do you have to pay compulsory National Insurance contributions while you are abroad or can you choose not to pay National Insurance contributions?

You can get more information about this from HM Revenue & Customs. You can contact them at:

Charity, Assets and Residence
Residency
BP1301
Benton Park View
Newcastle-upon-Tyne
NE98 1ZZ
United Kingdom.

Phone: **+44 191 203 7010** (if calling from outside the UK) or **0191 203 7010** (if calling from the UK)

Can I get my State Pension paid to me overseas?

You can usually get your State Pension paid anywhere you live.

How much will I get?

If you go to live abroad permanently when you are getting your State Pension, you will only get any inflation protection in your basic State Pension or additional State Pension, unless you live in:

- a country that belongs to the European Economic Area or Switzerland, or
- a country that has an agreement with the UK to allow these increases.

To find out which countries these are and for more information on how UK state pensions are paid to people abroad, you can write to:

International Pension Centre
Department for Work and Pensions
Tyneview Park
Newcastle-upon-Tyne
NE98 1BA.

You can also phone **0191 218 7777**
(**+44 191 218 7777** if you are abroad) or
e-mail **tvp.internationalqueries@thepensionservice.gsi.gov.uk**

Returning to Great Britain, or arriving here

If you have just come to Great Britain, or are returning after a period abroad, the rules for some benefits are different – even if you have a British Passport. There's more about this on our website at **www.direct.gov.uk/pensions**, or you can contact the International Pension Centre. There's also information on our website about how your UK State Pension is affected by living in different countries, and how payments are made to people living abroad.

Forecasting your State Pension

What is a pension forecast?

A State Pension forecast tells you, in today's money values:

- the amount of State Pension you may get based on your National Insurance contributions so far, and
- the amount of State Pension you may get when you claim your State Pension.

How much is my State Pension likely to be?

To find out how much State Pension you may get, ask for a State Pension forecast.

This could help you decide whether you are saving enough for your retirement, and if you need to save more.

How do I get a State Pension forecast?

How to get a State Pension forecast from our website, www.direct.gov.uk/pensionforecast

Follow the links under 'Applying for a State Pension forecast online'.

State Pension forecasts for **widow**, **widowers** and bereaved **civil partners**, can be based on both their own and their late partner's National Insurance contribution record. As there are many variable factors that determine the amounts of State Pension that may be payable to widows and bereaved civil partners, it makes it unsuitable for the online service. Widows and bereaved civil partners can instead get an Individual Pension Forecast by telephone or post.

How to get a State Pension forecast by phone or in writing

Phone the State Pension Forecasting Team on **0845 3000 168** (Textphone: **0845 3000 169**). Or complete the application form BR19, which you can find by visiting **www.direct.gov.uk/pensionforecast**

Non-contributory State Pension for people who are over 80

If you are over 80 and don't have a State Pension or have only a small State Pension, you can get a special State Pension. It is 'non-contributory' – which means you don't have to have paid National Insurance contributions to get it. This State Pension is £57.05 a week for 2009/10.

We will pay this to you if you:

- are aged 80 or over
- live in Great Britain at the time you claim
- have lived in Great Britain for 10 years or more during the 20 years since your 60th birthday, and
- have no State Pension, or have a basic State Pension of less than £57.05 in 2009/10.

Gender Recognition Act 2004

From April 2005, if someone gets a full Gender Recognition Certificate, they can get State Pension and other benefits that apply to the gender (sex) shown on their certificate. Find out more online about the effect of gender recognition on benefits at **www.grp.gov.uk**

Where can I get more help?

Call charges

Charges were correct as of the date on the back of this leaflet.

Calls to **0800** numbers are free from BT land lines, but you may have to pay if you use another phone company, a mobile phone, or if you are calling from abroad.

Calls to **0845** numbers from BT land lines should cost no more than 4p a minute with a 9p call set-up charge. You may have to pay more if you use another phone company, a mobile phone, or if you are calling from abroad.

Calls from mobile phones can cost up to 40p a minute, so check the cost of calls with your service provider.

Textphones – if you have speech or hearing difficulties

Our textphone numbers are for people who cannot speak or hear clearly. If you don't have a textphone, you could check if your local library or citizens advice bureau has one. Textphones don't receive text messages from mobile phones.

Other languages

If English is not your first language, you can use your own interpreter or one we provide. We can usually arrange a phone interpreter straight away.

How do I contact you?

For general enquiries about pensions, you can contact us by:

- Phone on **0845 60 60 265** (**0845 60 60 275** for Welsh-speaking customers living in Wales). If you are calling from abroad, you can phone **+44 191 218 7777**
- Textphone: **0845 60 60 285** (English), or **0845 60 60 295** (Welsh), or **+44 191 218 7280** from abroad
- Website: **www.direct.gov.uk/pensions**

Jobcentre Plus

Visit **www.jobcentreplus.gov.uk** or see their entry in the business section of The Phone Book.

Basic guidance about pensions

Age Concern produces a wide range of free information on issues affecting older people, including income and pensions. To get this information or to find contact details for your local Age Concern, call **0800 00 99 66** or visit the website at **www.ageconcern.org.uk**.

If you live in Scotland, you can contact Age Concern Scotland by calling **0845 125 9732** or visiting their website at **www.ageconcernscotland.org.uk**

You can get information from Citizens Advice (the number is in your phone book) or their website **www.citizensadvice.org.uk** if you live in England and Wales. If you live in Scotland, you can contact Citizens Advice Scotland or visit their website at **www.cas.org.uk**

Carer's Allowance

You can get information from the Carer's Allowance Unit if you call **0845 608 4321** (for general enquiries about the Carer's Allowance scheme or to request a claim pack). If you have speech or hearing difficulties, a textphone service is available on **0845 604 5312**. Information is also available from the free Benefit Enquiry Line on **0800 88 22 00** (lines are open Monday to Friday 8.30am to 6.30pm, Saturday 9am to 1pm) or textphone **0800 24 33 55**.

Claiming Carer's Allowance

For a Carer's Allowance claim pack, call the Carer's Allowance Unit on **0845 608 4321** (open Monday to Thursday 8.30am to 5pm, Friday 8.30am to 4.30pm). A textphone service is available on **0845 604 5312**. You can e-mail the Unit on **cau.customer-services@dwp.gsi.gov.uk**

Or make the claim online at **www.direct.gov.uk/carers-ca** or write for a claim pack to: Carer's Allowance Unit, Palatine House, Lancaster Road, Preston PR1 1HB.

You can also find out more about caring for someone on the Directgov website at **www.direct.gov.uk/carers**

Information about caring

For help and information about caring for someone, get in touch with Carers UK (formerly Carers National Association). Freephone **0808 808 7777** (lines are open Wednesdays and Thursdays 10am to 12noon and 2pm to 4pm).

Their address is:
Longstone Court
20 Great Dover Street
London
SE1 4LX

If you are disabled, have a long-term illness or are a carer, see our more detailed leaflets for disabled people, those with health conditions and carers.

Pension Credit

If you are 60 or over and live in Great Britain, you can apply for Pension Credit by calling **0800 99 1234**.
A textphone service is available on **0800 169 0133**.

For more information, call **0845 7 31 32 33** and ask for a leaflet on Pension Credit.

A textphone service is available on **0845 604 0210**. You can also see the leaflet at **www.direct.gov.uk/pensions**

Glossary

Pensions can be complicated. Here are explanations of some of the words and phrases we use in this booklet

Adult Dependency Increase

An increase in your State Pension for your wife or husband, or someone who is looking after your children, if he or she is financially dependent on you.

Category A pension

A contributory pension consisting of two parts, either or both of which may be payable:

- basic State Pension – depends on the number of qualifying years a person has
- additional State Pension (also called State Second Pension) – depends on earnings, or 'deemed earnings', in a person's working life since April 1978.

Category B pension

A contributory pension that can consist of a basic State Pension, an additional State Pension, or both. It is payable because of your spouse's or civil partner's qualifying years and earnings.

Deemed earnings

Earnings a person is treated as having for pension purposes.

Deferral

This is when you put off claiming, or decide to give up getting, your State Pension until a time that suits you.

Graduated Retirement Benefit

Benefit based on graduated National Insurance contributions that a person may have paid between April 1961 and April 1975.

Guaranteed Minimum Pension

The amount of the minimum pension that a contracted-out salary-related pension scheme must provide as one of the conditions for pensionable service before 6 April 1997.

The Guaranteed Minimum Pension is deducted by The Pension Service from Category A and B State pensions, as it is roughly equal to the additional pension that a person would have earned if they had not contracted out.

How does someone qualify for a basic State Pension?

People reaching State Pension age before 6 April 2010

To qualify for a basic State Pension, a person must have:

- reached their State Pension age
- 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
- paid, or been treated as having paid, or been credited with enough National Insurance contributions for the necessary qualifying years.

People reaching State Pension age on or after 6 April 2010

To qualify for a basic State Pension, a person must have:

- reached their State Pension age, and
- paid, or been treated as having paid, or been credited with enough National Insurance contributions for the necessary qualifying years.

Lower Earnings Limit

The minimum weekly earnings on which a person is treated as paying National Insurance contributions for benefit purposes. We treat a person receiving contributions credits or paying flat-rate voluntary or self-employed contributions as having earnings at the Lower Earnings Limit for each weekly credit or contribution.

National Insurance Contributions

Class 1 National Insurance contributions

These are paid by people who are employed and their employers.

Class 2 National Insurance contributions

These are payable by self-employed people. Class 2 contributions are payable at a weekly flat rate. The rate is reviewed annually.

Class 3 National Insurance contributions

These are voluntary contributions that may be paid by individuals for a tax year which is not a qualifying year for basic State Pension and bereavement benefits.

Class 4 National Insurance contributions

These are paid by self-employed people in addition to Class 2. The amount they must pay depends on their business profits over a certain limit (the Lower Profit Limit). Class 4 contributions do not count for State Pension or any other benefits.

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. For the tax years 1975/76 to 1977/78, a qualifying year is 50 times the weekly Lower Earnings Limit set for each year.
- For the period before April 1975, we changed 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.

State Earnings-Related Pension Scheme (SERPS)

The earnings-related second tier of a Category A or B State Pension. It provides an additional State Pension based on the tax years 1975/76 to 2001/02 inclusive.

Upper Accrual Point

From April 2009, the Upper Accrual Point replaces the Upper Earnings Limit for additional State Pension purposes.

From April 2009, the Upper Accrual Point is the maximum amount of earnings on which additional State Pension is accrued. National Insurance contributions paid above the Upper Accrual Point do not count for additional State Pension.

The Upper Accrual Point is £770 a week and will not rise.

Upper Earnings Limit

Until April 2009 the upper earnings limit was the maximum amount of earnings on which additional State Pension could be accrued.

From April 2009 the upper earnings limit was replaced by the upper accrual point (see opposite). Class 1 National Insurance contributions paid on earnings above the upper accrual point do not count for additional State Pension.

Important information about this leaflet

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure the leaflet is correct as of November 2009. Some of the information may be oversimplified or may become inaccurate over time, for example because of changes to the law. We recommend that you get independent advice before making financial decisions based on this leaflet.

The leaflet is available in Welsh and other formats:

phone 0845 7 31 32 33.

If you can't speak or hear clearly, you can order our leaflets from our textphone service on **0845 604 0210**.

You can also see this leaflet on the internet, at **www.direct.gov.uk/tpsleaflets**

We're always looking for ways of improving the information we provide, so we would welcome any comments and suggestions you have. Please email them to us at: **leaflet.feedback@dwp.gsi.gov.uk**

However, we can't answer any questions about benefits from this email address.

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