

## STATE PENSION

*A regular income once you reach State Pension age*

The State Pension gives you a regular income once you reach State Pension age. It is based on National Insurance contributions and the amount you get depends on how much you paid in. To receive it you must have paid or been credited with National Insurance contributions.

There are different rates of State Pension. The rate you receive depends on your circumstances. The full Basic State Pension is currently £113.10 per week – under existing rules, the amount of State Pension you get depends on your National Insurance contributions, and sometimes those of your current or former spouse or registered civil partner.

### **BASIC STATE PENSION – WHAT IS THE RATE?**

The following table is an overview of the maximum basic State Pension you can get.

Circumstances	Basic State Pension weekly rate for 2014/2015
Single man or woman	£113.10
Married man, woman or registered civil partner (who qualify with their own National Insurance Contributions)	£113.10
Married man, woman or registered civil partner (using his wife's, her husband's or registered civil partner's National Insurance record)	£67.80

You may have made contributions from your earnings or have been credited with them by the Government, if you were caring for a child or disabled person.

### **The basic State Pension increases every year by whichever is the highest:**

- Earnings – the average percentage growth in wages (in Great Britain)
- Prices – the percentage growth in prices in the UK as measured by the Consumer Prices Index (CPI)
- 2.5%

You may have to pay tax on your basic State Pension.

### **You can top up your State Pension to £67.80 per week if:**

- You expect your basic State Pension will be less than that
- You're married or in a registered civil partnership
- You meet the qualifying rules

### **ADDITIONAL STATE PENSION**

You might also qualify for the Additional State Pension. The Additional State Pension is sometimes also known as 'SERPS' or the 'State Second Pension' (S2P). Not everyone receives an additional State Pension. The amount you get depends on your earnings.



## Additional parts of the State Pension rise in line with the increase in prices. These include:

- The State Second Pension (S2P)
- The State Earnings-Related Pension Scheme (SERPS)
- Graduated Retirement Benefit
- Extra State Pension received for putting off (deferring) your State Pension claim (also called 'increments')

Until you reach State Pension age, the amount of State Second Pension or SERPS you have built up will usually be increased in line with the growth in average earnings. This is also known as 'revaluation'.

## RECEIVING THE BASIC STATE PENSION

The earliest you can receive the basic State Pension is when you reach State Pension age. Your basic State Pension depends on the number of years you've paid National Insurance or got National Insurance credits, for example, while unemployed or claiming certain benefits.

### To qualify for a basic State Pension, at least one of the following must apply:

- You were working and paying National Insurance
- You were getting certain benefits, for example, unemployment or sickness
- You were a parent or carer and claiming certain benefits or credits
- You have a spouse or registered civil partner whose National Insurance contributions cover you
- You were paying voluntary National Insurance contributions

You need 30 years' worth of contributions or credits to get the full basic State Pension. These are your 'qualifying years'.

If you have fewer than 30 years, your State Pension will be less than £113.10 per week, but you might be able to top up by paying voluntary National Insurance contributions.

## OVER 80 PENSION

The Over 80 Pension is a State Pension that is available if you are aged over 80 and have little or no State Pension.

The rate is currently £67.80 weekly in the tax year 2014/2015 if you don't get a basic State Pension. If you're on a reduced State Pension, the Over 80 Pension will top up your State Pension to £67.80 a week.

## PENSION CREDIT

If you are a pensioner in the current tax year 2014/2015, Pension Credit could top up your weekly income to a guaranteed minimum of:

- £148.35 if you are single
- £226.50 if you have a spouse or partner

### If you are aged over 65, you may also be able to get Savings Credit up to an additional:

- £16.80 weekly if you are single
- £20.70 weekly if you have a spouse or partner

The age when you can claim Pension Credit is rising in line with the increase in State Pension age for women and the further increase to 66 for men and women.

## PROFESSIONAL FINANCIAL ADVICE YOU CAN TRUST

There are a number of rules that can influence your retirement planning. To discover how we could help you save for your retirement and achieve financial independence, please contact us for further information.

*Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of and reliefs from taxation are subject to change.*

*Tax treatment is based on individual circumstances and may be subject to change in the future. Although endeavours have been made to provide accurate and timely information, Goldmine Media cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough review of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions.*