Your State Pension statement explained

Department for Work & Pensions

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Section 1 – Overview of the State Pension

Introduction

In this section we explain:

- What is the State Pension?
- How you get a State Pension
- When you can get your State Pension, and
- How you claim your State Pension

What is the State Pension?

The State Pension is a regular payment you may get when you reach State Pension age. You do not have to stop work when you reach State Pension age. You can carry on working and still claim your State Pension. Or you may decide to put off claiming your State Pension until later – see page 8.

A new State Pension is being introduced on 6 April 2016. As you reach State Pension age on or after that date, when you claim your State Pension it will be worked out using the new State Pension rules.

The full rate of the new State Pension will be decided closer to the date it starts. We have used £151.25 a week as the full rate of the new State Pension to work out your State Pension estimate and in the examples in this leaflet. The content of the examples in this leaflet is for illustrative purposes only.

If you have previously lived or worked in the Isle of Man, please read the important information on page 16.

If you live in the UK, the State Pension is normally increased each year to take account of inflation. If you live outside the UK you will only be paid the increase if you live in certain countries – see page 30.

The State Pension is not means-tested. If you have savings, investments or other pensions when you reach State Pension age, they do not affect the amount of your State Pension.

However, the State Pension does count as taxable income. You will have to pay Income Tax if your total income (including your State Pension) is more than your tax allowance.

Find out more at **www.gov.uk/tax-national-insurance-after-state-pension-age**

If you are getting certain state benefits when you claim your State Pension, the benefits may stop or be reduced.

The State Pension is intended to be a part of your retirement income. You can decide to do things now to have more money to live on when you retire. For example, if you haven't done it already, you may be able to join a pension scheme at work, or you may have other savings or investments.

Find out more online about some of the things you may want to do to increase your retirement income.

www.gov.uk/plan-retirement-income

If you already have private pension savings, you may be able to access them in a range of different ways. The government has removed the restrictions on what you can do if you have a defined contribution pension (a pension based on how much has been paid into your pot). You now have the freedom to choose the option that's right for you.

To find out more about your options online, including information on how you can access free and impartial guidance on your retirement options, visit **www.pensionwise.gov.uk**

How do I get a State Pension?

The amount of State Pension you get is based on the number of qualifying years you have on your National Insurance (NI) contribution record. You can get a qualifying year by paying NI contributions, getting NI credits – see below – or a mixture of both.

If you are working and earning above a certain amount, and have not yet reached State Pension age, you have to pay NI contributions. The exact amount you pay depends on:

- how much you earn, and
- whether you're employed or self-employed.

If you are not working and not paying NI contributions, you may be able to get NI credits. These can help maintain your NI contribution record and so protect your entitlement to the State Pension and certain other benefits. You may get NI credits if, for example:

- you're unemployed and getting Jobseeker's Allowance or Universal Credit, (In Northern Ireland, the introduction of Universal Credit is subject to the approval of the Northern Ireland Assembly)
- you can't work because of illness and are getting Employment and Support Allowance
- you're caring for a child under 12 and are getting, or have applied for Child Benefit, or
- you're caring for someone and apply for Carer's Credits.

It is important to make sure that you've got all the credits you are entitled to, as in some cases they are not added to your NI contribution record automatically – you have to apply for them. You will find a full list of the circumstances in which you may be able to get credits, and how you get them at

www.gov.uk/national-insurance-credits/overview

You or your private pension scheme may have opted out (called contracted out) of the earnings related additional State Pension for periods before 6 April 2016. You can find out how this may affect your State Pension at page 12.

What is a qualifying year?

If you are employed, a ‘qualifying year’ is a tax year (6 April to 5 April) where you earned (or were credited with earning) a minimum amount. In 2015/2016 the minimum amount is £5,824.

If you are self-employed, a ‘qualifying year’ is a tax year (6 April to 5 April) where you have paid 52 Class 2 contributions. You have to pay these if you earn at least £5,965 a year, but you can pay them voluntarily if you are earning under this amount.

Any NI credits you may have (see page 6) and voluntary NI contributions you have paid (see page 28) are taken into account when working out whether a tax year is a qualifying year.

So if at the end of a tax year you have earned (or were credited with earning) the minimum amount or more, or have paid 52 Class 2 contributions, then that is a qualifying year. It doesn’t matter if you worked part-time or full-time.

Why do I have to pay NI contributions when I already have enough qualifying years to get a full State Pension?

Even if you have enough qualifying years to get a full State Pension, if you have not yet reached State Pension age you must continue to pay NI contributions if you:

- are an employee earning above £155 a week, or
- are self-employed and earning over £5,965 a year.

NI contributions fund the State Pension and other state benefits that are in payment today (such as Jobseeker’s Allowance, Employment and Support Allowance and bereavement benefits), as well as the National Health Service.

The NI contributions you pay may help protect you if you need to claim one of these other benefits before you reach State Pension age. The qualifying rules for these benefits are different from those for the State Pension.

When can I get my State Pension?

The earliest date you can get your State Pension is when you reach your State Pension age. Your statement shows the date you reach your State Pension age based on the current law.

How do I claim my State Pension?

Shortly before you reach State Pension age we will send you a letter. This will tell you what you need to do in order to get your State Pension when you reach State Pension age.

Find out more at
www.gov.uk/state-pension/how-to-claim

Do I have to claim it straight away?

You don't have to claim your State Pension when you reach State Pension age. You can put off claiming your State Pension until a later date. This is called deferring your State Pension, and the amount you get is called extra State Pension.

As long as put off your claim for at least nine weeks, and you are not getting certain state benefits during this period, when you eventually claim your deferred State Pension you may be able to get more State Pension for life. Your husband, wife or civil partner will not be able to inherit your extra State Pension.

More information is available at
www.gov.uk/new-state-pension/eligibility

Section 2 – Your State Pension statement

In this section we explain:

- how we worked out the State Pension estimate shown in your statement
- contracting out and why we may have included a Contracted Out Pension Equivalent (COPE) amount in your statement
- why your statement may not give an estimate of your State Pension.

Your State Pension statement

The estimate of State Pension shown in your statement is based on:

- the rate of the existing State Pension at the time your statement was produced
- a new State Pension amount of £151.25 a week – the actual rate will be decided nearer the time it starts in April 2016
- the information you have given us to help prepare your statement, and
- the information in your NI contribution record at the time your statement was produced.

It does not take account of any further contributions or credits that may be added to your NI contribution record.

Pension sharing order

If you are divorced or your civil partnership has been dissolved, as part of your financial settlement the courts may have made a pension sharing order.

If we know you have a pension sharing order, its value at the moment is given in your statement. This amount, which will be re-valued each year in line with the rise in average earnings, will be added to, or deducted from, your State Pension when you reach State Pension age.

See page 25 for more information on pension sharing orders.

Contracting out and why we may have included a Contracted Out Pension Equivalent (COPE) amount in your statement

Introduction

Before 6 April 2016 the State Pension is made up of two parts:

- basic State Pension - this is a flat rate amount that currently gives up to £115.95 a week once you have 30 years of National Insurance (NI) contributions
- additional State Pension (currently called State Second Pension or S2P - it was previously called SERPS). This pays different amounts depending on your earnings as well as what type of NI contributions or credits you have.

People may have also contributed to the Graduated Retirement Scheme, an earlier form of earnings related State Pension, between 1961 and 1975.

For people who reach their State Pension age on or after 6 April 2016, the current system of basic State Pension and the earnings-related additional State Pension will be replaced by the new State Pension that is based on a single amount. We use your NI record up to 6 April 2016 to work out a starting amount for the new State Pension system (see page 18).

What is contracting out?

Under the existing State Pension system up to April 2016 you have been able to ‘contract out’ of the additional State Pension. This means that you would have paid less NI contributions in to the State system. You **cannot** contract out of the basic State Pension. You could only be opted out (‘contracted out’) of the additional State Pension, and you could only pay the lower amount of NI if you were part of a private pension - such as a workplace or personal pension scheme - that could build up to replace the State Pension you were opting out of.

If you are, or were in, a final salary or career-average pension scheme or, before 6 April 2012, you were in any pension scheme at work, you are likely to have been contracted out of the additional State Pension. Some stakeholder and personal pension schemes were also contracted out.

So, although you may not have realised this, when you were contracted out, depending on the type of pension scheme(s) you belonged to during the period(s) you were contracted out, either:

- you and your employer paid National Insurance (NI) at a lower rate than the full standard rate; or
- some of the NI contributions you paid were used to contribute to your private pension instead of the additional State Pension.

From 6 April 2016 people will no longer be able to contract out and all employees will pay the same rate of NI. If you have been contracted out in the past, we will need to take account of this in the amount of new State Pension you get. Don't forget that when you were contracted out, you were building a workplace or personal pension(s) instead of the additional State Pension you were opted out of.

www.gov.uk/additional-state-pension

Did you contract out?

Your State Pension Statement will tell you if you have been contracted out. Most people have been contracted out at some time during their working life.

Many workplace pension schemes where the pension you get is linked to your salary (for example – Defined Benefit, final salary or average salary schemes) contracted out all of their scheme members as part of their scheme rules.

Both you and your employer paid lower rate NI contributions to the state system. You may not have known that you were paying less NI but please don't forget that this reflected the fact that you were building an alternative private pension instead.

If you were a member of a workplace scheme that is not linked to your salary (sometimes called a Defined Contribution or Money Purchase scheme), or bought a personal or stakeholder pension from a pension provider you, may also have been contracted out of the additional State Pension. Some of your National Insurance contributions were paid into your private pension scheme instead of building up the earnings-related State Pension you were opted out of.

How does this affect the amount of State Pension you get?

It is important to note that if you have been contracted out you paid lower NI contributions or some of your NI was paid to your private pension scheme instead, so you gave up some State Pension in return. This means that the amount of State Pension you get from the Government (shown on page 1 of your statement) is lower than that for people with similar circumstances who were not contracted out.

However, the pension you get from your workplace or personal pension scheme for the periods you were contracted out, should include an amount that, in most cases, will be at least the equivalent of the additional State Pension you would have got if you had not been contracted out. It could be even higher.

We have included the current estimated value of this amount - we call this your Contracted Out Pension Equivalent (COPE) - on page 1 of your statement.

If you are a member of two or more contracted out schemes, the Contracted Out Pension Equivalent (COPE) amount shown is based on all of your schemes.

Most people will find, when the State Pension paid by Government is added to the COPE amount (paid as part of their workplace or personal pension(s)), this will be more than the full amount of the new State Pension (currently £151.25 a week).

How do you get paid your Contracted Out Pension Equivalent (COPE) amount?

The COPE amount will be paid as part of your workplace or personal pension scheme(s). It will usually be just part of your total pension benefits under the scheme and it is not normally identified separately.

Your State Pension statement will show you how much additional State Pension you opted out of when you contracted out of the additional State Pension – your Contracted Out Pension Equivalent (COPE) amount. The COPE amount is paid as part of your private pension and not by the Government.

The date when you get your workplace or personal pension, and the full amount you receive, will depend on the rules of your scheme(s) and possibly any investment choices you make.

If you are unsure when you will be paid your workplace or personal pension, please contact your scheme to find out. If you are unsure of their contact details, you can use the Pension Tracing Service.

www.gov.uk/find-lost-pension

Is the COPE amount guaranteed?

Your workplace or personal pension scheme(s) should include an amount that is roughly the same as the Contracted Out Pension Equivalent (COPE) amount in your statement.

However, if you have been a member of a workplace scheme where the amount of pension you get is based on your salary (often called Defined Benefit, Final Salary or Average Salary schemes), this may not happen if:

- your scheme got into financial trouble and wound up underfunded;
- your rights were transferred to a scheme that wasn't linked to salary and investments in that scheme didn't perform well.

You should know if this applies to you, but if you are in doubt and think you may be affected you can contact your scheme.

If you are or have been a member of a scheme where your private pension is not linked to your salary (sometimes called a Defined Contribution or Money Purchase scheme), or a personal pension or stakeholder scheme, the actual COPE amount will depend on the performance of your investment and the choices you make.

If as a result of you being divorced or your civil partnership being dissolved, the courts have awarded a share of your private pension to your former partner, your actual COPE amount may be lower.

www.gov.uk/workplace-pensions
www.pensionwise.gov.uk

Why add the two amounts – State Pension and COPE – together?

By adding together your State Pension and COPE amounts you can see how the National Insurance you have paid before the new State Pension starts on 6 April 2016, will contribute to your overall pension income. Remember that the COPE may only be part of your private pension(s). Your actual private pension will usually be more than your COPE amount.

If your COPE amount changes will this affect your State Pension amount?

We take your COPE amount into account when working out your starting amount for the new State Pension after 6 April 2016 (see page 17).

After 6 April 2016, some people will find that their COPE amount is higher than shown on their current State Pension statement. This may happen if you:

- were a member of a workplace pension scheme anytime between 1978 and 1997, and the pension you get is linked to your salary (for example – Defined Benefit, final salary or average salary schemes),
- have already left or leave this scheme before the 6 April 2016, and
- your pension scheme revalues your preserved pension benefits each year by a percentage that is greater than the average national earnings

If this happens your starting amount for the new State Pension may be lower than the State Pension estimate shown your State Pension Statement. However, overall you will not lose out by this as the value of your private scheme benefits will have increased if this happens. You may also be able to add further NI contribution years after 6 April 2016 to increase your State Pension (see page 22).

If you have left your scheme and you are unsure if this applies to you, you should contact your private pension scheme.

Why your statement may not give an estimate of your State Pension

If you do not have 10 qualifying years on your NI contribution record, your statement will not give you an estimate of your State Pension – it will only tell you how many qualifying years you currently have.

This is because, under the rules of the new State Pension scheme, to get a State Pension you normally need to have at least 10 qualifying years on your NI contribution record at State Pension age. This is called the minimum qualifying period.

See page 18 for more information on the minimum qualifying period, and Sarah's example on page 24.

Important information – if you have lived or worked in the Isle of Man

If you have previously worked and paid National Insurance contributions in the Isle of Man, we have worked out the estimate in your statement based on both your UK and Isle of Man National Insurance contributions. This is because under the current social security arrangements between the UK and Isle of Man, only the country where you live pays the State Pension based on all UK and Isle of Man National Insurance contributions.

However, the Isle of Man government has decided that they will not be adopting the new State Pension from 6 April 2016.

The UK and Isle of Man governments will decide the changes that need to be made to their existing social security arrangements from 6 April 2016, as a result of the Isle of Man's decision not to adopt the new State Pension. The new arrangements may affect the State Pension you get from the UK and Isle of Man. This means that the UK State Pension estimate we have given you now in your statement may change.

If you have previously worked in the Isle of Man and you reach State Pension age on, or after 6 April 2016 you should get another statement from October 2016.

For more information about the Isle of Man state pension scheme, and other benefits available, visit **www.gov.im/categories/benefits-and-financial-support**

Section 3 – The new State Pension

In this section we explain:

- the new State Pension
- the minimum qualifying period
- how we will work out your new State Pension
- how the estimate of your State Pension given in your statement may change
- how your State Pension is affected by a pension sharing order
- how you may get a State Pension through your spouse or civil partner, and
- how you may be able to improve your State Pension by paying voluntary NI contributions.

The new State Pension

The new State Pension will be a regular payment from the government that you can claim if you reach State Pension age on or after 6 April 2016.

You'll be able to get the new State Pension if you're eligible and:

- a man born on or after 6 April 1951
- a woman born on or after 6 April 1953.

The new State Pension will replace the current State Pension scheme.

How much will I get?

Under the new scheme there are different rules depending on whether or not you have NI contributions in the existing scheme. In both cases, to get a State Pension you must normally meet the minimum qualifying period – see below.

Many people, like you, have contributions on their NI contribution record for tax years before the new scheme starts on 6 April 2016. We will use these NI contributions to work out how much State Pension they may give you. We call this amount your starting amount for the new State Pension.

The rules make sure that the amount of State Pension you get for those contributions is no less under the new scheme than what you would have got under the existing scheme – as long as you meet the minimum qualifying period.

What is the minimum qualifying period?

You will normally need a minimum of 10 qualifying years (the minimum qualifying period) on your NI contribution record when you reach State Pension age to get any State Pension. This does not have to be 10 years in a row. See page 7 for what we mean by 'qualifying year'.

In some circumstances, time spent living or working outside the UK may also help you meet the minimum qualifying period for the UK State Pension – see page 29.

Your statement tells you how many qualifying years you have on your NI contribution record at the moment.

You may not currently satisfy the minimum qualifying period. However, you may satisfy it when you reach your State Pension age if further qualifying years are added to your NI contribution record before you reach your State Pension age (see Sarah's example on page 24).

How will you work out my starting amount?

We will use the qualifying years on your NI contribution record, up to and including the 2015/2016 tax year, to work out how much State Pension you would get under the rules of:

- the new State Pension scheme that starts in April 2016, which is based on 1/35th of £151.25 (the full rate of the new State Pension) for each qualifying year, up to a maximum of 35 years, and
- the existing State Pension scheme. This has two parts – basic State Pension based on 1/30th of £115.95 (the full rate of the basic State Pension) for each qualifying year, up to a maximum of 30 years, and additional State Pension based on earnings.

A deduction may be made to these amounts for periods you were contracted out of the additional State Pension before 6 April 2016 - (see page 12).

The higher of the two amounts will be your starting amount (see examples that follow). Your starting amount is the amount you will take forward into the new State Pension scheme, and is the minimum you will get when you reach State Pension age, provided you meet the minimum qualifying period rule. But see page 25 if you have a pension sharing order, or page 27 if you have paid reduced-rate NI contributions.

We will work out a starting amount based on your NI contribution record up to and including the tax year 2015/2016 even if you do not meet the minimum qualifying period at that point (see Sarah's example on page 24).

The content of the examples in this leaflet is for illustrative purposes only.

Example – the amount under the new scheme rules is higher

On 6 April 2016, Jim has 32 qualifying years on his NI contribution record. He has been self-employed for long periods of his working life.

Using the new State Pension scheme rules, Jim would get £138.29 a week (£151.25 x 32/35ths).

Using the existing scheme rules, Jim would get £129.35 a week (£115.95 basic State Pension and £13.40 additional State Pension).

Jim's starting amount will be the higher of these two amounts, which is £138.29 a week.

The next example shows how the amount worked out under the rules of the existing State Pension scheme may be higher.

The content of the examples in this leaflet is for illustrative purposes only.

Example – the amount under the existing scheme rules is higher

On 6 April 2016, Yvonne has 30 qualifying years on her NI contribution record. During her working life, Yvonne has periods when she was contracted out of additional State Pension.

Using the new State Pension scheme rules, Yvonne would get £97.64 a week (£129.64 (£151.25 x 30/35ths) less a deduction of £32).

Using the existing scheme rules, Yvonne would get £139.95 a week (£115.95 basic State Pension and £56 additional State Pension less a deduction of £32).

Yvonne's starting amount will be the higher of these two amounts, which is £139.95 a week.

Will the amount shown in my statement change if further qualifying years are added to my NI contribution record for tax years before 6 April 2016?

The amount of State Pension shown in your statement is an estimate of what your starting amount for the new State Pension may be - the amount you will take forward into the new State Pension scheme - based on your NI contribution record as it stands on the date shown in your statement.

If further qualifying years are added to your NI contribution record for tax years before 6 April 2016, the estimate of your State Pension given in your statement – the current estimate of your starting amount – may change.

The content of the examples in this leaflet is for illustrative purposes only.

Example – further qualifying years added to NI contribution record before 6 April 2016

Asif received a statement based on his NI contribution record up to and including the 2013/2014 tax year, which showed that he had 27 qualifying years and some additional State Pension. His State Pension was estimated to be £163.52 a week.

When the new State Pension starts on 6 April 2016, Asif has added two further qualifying years to his NI contribution record, for the tax years 2014/2015 and 2015/2016.

As a result of these two extra qualifying years being added to his NI contribution record, Asif's estimated State Pension has increased by £11.33 a week, and is now £174.85 a week.

This is Asif's starting amount for the new State Pension.

When will you be able to tell me my starting amount?

We can tell you what your actual starting amount is when all of your contributions and credits up to and including the 2015/2016 tax year are recorded on your NI contribution record. We can tell you your starting amount even if you have less than 10 qualifying years on your NI contribution record.

You may want to request another State Pension statement after the new State Pension starts in April 2016.

As long as you meet the minimum qualifying period when you reach State Pension age, your starting amount will be the least amount you may get, though it may be more.

Please see page 25, which explains how the amount of your State Pension might be different if there is a pension sharing order in force when you reach State Pension age.

Will qualifying years added to my NI contribution record for tax years from 6 April 2016 onwards improve my State Pension?

If your starting amount on 6 April 2016 is less than the full rate of new State Pension, you can increase it by adding further qualifying years. For each extra qualifying year you will get 1/35th of the full amount of the new State Pension – about £4.32 a week.

However, your starting amount plus anything you add after April 2016 cannot be more than the full rate of the new State Pension.

The content of the examples in this leaflet is for illustrative purposes only.

Example – the starting amount is less than the full rate of the new State Pension

Sonya is due to reach her State Pension age in March 2024. Her starting amount in April 2016 is £130.25 a week.

After April 2016, Sonya continues to work and pay National Insurance. After five years (at 6 April 2021) she has reached the full State Pension. This is because she has added £21.61 a week to her starting amount for the five additional qualifying years she has added to her NI contribution record (£151.25 x 5/35).

When she reaches her State Pension age, Sonya's State Pension will be £151.25 a week. This is the maximum State Pension that Sonya can get – she cannot get more than the full rate.

If your starting amount on 6 April 2016 is the same as the full rate of the new State Pension, this is the amount you will get when you reach State Pension age – subject to any pension sharing order (see page 25). Apart from the usual yearly increases, it will not go up even if further qualifying years are added to your NI contribution record after 6 April 2016.

If your starting amount on 6 April 2016 is more than the full rate of the new State Pension then, subject to any pension sharing order (see page 25), you will get a full State Pension. You will be paid the difference between your starting amount and the full rate of the new State Pension as a Protected Payment.

The content of the examples in this leaflet is for illustrative purposes only.

Example – the starting amount is more than the full rate of the new State Pension

Adrian is due to reach his State Pension age in June 2020. His starting amount in April 2016 is £172.48 a week.

As his starting amount is more than the full rate of the new State Pension (£151.25 a week), this is the most that Adrian can get when he reaches his State Pension age. It will not go up, even if further qualifying years are added to Adrian's NI contribution record before he reaches his State Pension age.

So, when Adrian reaches his State Pension age he will get a State Pension of £151.25 a week, with the balance of £21.23 a week paid as a Protected Payment – £172.48 a week in total.

What if I have less than 10 qualifying years in April 2016?

If you have at least 1 qualifying year of NI contributions or credits for tax years before 6 April 2016, you will still have a starting amount on 6 April 2016. However, you will normally not be paid a State Pension if you do not satisfy the minimum qualifying period of at least 10 qualifying years when you reach State Pension age (see page 18).

You may add enough qualifying years to your NI contribution record to meet the minimum qualifying period when you reach State Pension Age.

The content of the examples in this leaflet is for illustrative purposes only.

Example – has less than 10 qualifying years on 6 April 2016

Sarah is due to reach her State Pension age in February 2024.

On 6 April 2016 Sarah has six qualifying years on her NI contribution record, which give her a starting amount for the new State Pension of £28.56 a week.

If no further qualifying years were added to Sarah's NI contribution record before she reached her State Pension age, she would not satisfy the minimum qualifying period and would not get a State Pension.

However, after April 2016 Sarah works and pays NI contributions, and a further seven qualifying years are added to her NI contribution record. As a result, she has 13 qualifying years on her NI contribution record when she reaches her State Pension age, and satisfies the minimum qualifying period.

She would get a State Pension of £58.81 a week. This is made up of her starting amount of £28.56, plus £30.25 a week (£151.25 x 7/35) for the seven qualifying years she added to her NI contribution record after April 2016.

Will my new State Pension go up each year?

Every year your new State Pension will go up in line with at least the growth in average earnings. If you have extra State Pension (see page 8) or a Protected Payment (see page 23) it will usually go up each year in line with the rise in prices in the UK.

Your new State Pension, extra State Pension and Protected Payment may not go up every year if you live outside the UK.

See page 29 for more information about UK pension payments outside the UK.

What happens if I have a pension sharing order?

When we work out your new State Pension starting amount on 6 April 2016, we will not take account of any pension sharing order that may be in force at that time. Your starting amount is worked out as if there was no pension sharing order in force.

The value of a pension sharing order in force when you reach State Pension age will be added to or taken from your State Pension when you claim it.

You will be paid the value of any pension sharing order made in your favour when you reach State Pension age, even if you do not get a State Pension.

The content of the examples in this leaflet is for illustrative purposes only.

Example – effect of a pension sharing order

Brian is due to reach his State Pension age in June 2020. His starting amount in April 2016 is £168.50 a week.

When Brian got divorced in 2012 the court made a pension sharing order awarding part of his additional State Pension to his wife, Sandra. When he reaches his State Pension age this is valued at £15 a week.

When Brian reaches State Pension age he gets £153.50 a week (£168.50 less £15). He will get a State Pension of £151.25 a week, with the balance of £2.25 a week paid as a Protected Payment.

Using her own NI contribution record, Sandra's State Pension is £125.30 a week. She will be paid a State Pension of £140.30 a week (£125.30 plus £15).

Where can I find out more about the new State Pension?

More information about the new State Pension is available online.

Find out more at
www.gov.uk/new-state-pension

State Pension through your spouse or civil partner

The new State Pension will normally be based just on your own NI contribution record. This section explains when you may be able to:

- inherit some State Pension if you're widowed
- get an increase if you paid married women's and widow's reduced-rate NI contributions (also known as the "married woman's stamp").

What may I inherit if I'm widowed?

You may be able to inherit some **additional State Pension** if:

- you're already widowed, or you're widowed before 6 April 2016, or
- you're widowed on or after 6 April 2016 and your husband, wife or civil partner had reached State Pension age before that date.

Additional State Pension is part of the current State Pension scheme and is also known as SERPS or State Second Pension.

You may be able to inherit half your husband, wife or civil partner's **Protected Payment** if you're widowed on or after 6 April 2016 and they:

- reached State Pension age on or after 6 April 2016, or
- died before they reached State Pension age.

They will have a Protected Payment if their starting amount is more than the full rate of the new State Pension in April 2016 (see Adrian's example on page 23).

Your marriage or civil partnership must have begun before 6 April 2016 for you to be able to inherit any additional State Pension or Protected Payment.

Your inherited State Pension will be paid on top of your State Pension. However, you will still be paid inherited State Pension even if you do not meet the 10 year minimum qualifying year rule for a State Pension based on your own NI contributions.

You'll not be able to inherit any State Pension if you're widowed under State Pension age and you remarry or form a new civil partnership before you reach State Pension age.

What may I get if I've paid reduced-rate NI contributions?

If you chose to pay married woman's reduced-rate NI contributions, we may be able to work out your State Pension under different rules if this will give you more State Pension than you would get based just on your own NI contribution record.

We'll be able to do this if you still had the right to pay reduced-rate NI contributions at the start of the 35 year period that ends on the 5th April before you reach State Pension age.

If this applies to you:

- you won't need to have at least 10 qualifying years of your own to be able to get a State Pension
- you will get the higher of:
  - a State Pension that's about the same as the current system basic State Pension for a married woman, widow or divorcee claiming on her husband's NI contributions (depending on your marital status) plus any additional State Pension you had built up yourself
  - a State Pension under the normal new State Pension rules based on your own NI contribution record.

If you have received a statement based on your own NI contribution record but think you may satisfy the condition for the different rules, you may wish to get a statement showing how much you may get based on these rules. You can get a statement by phoning the number shown on page 31.

If you're widowed you may also inherit additional State Pension or Protected Payment from your late spouse, as explained above.

Find out more at **www.gov.uk/state-pension-through-partner**

Improving your State Pension by paying voluntary NI contributions

You may be able to pay voluntary Class 2 or Class 3 NI contributions to cover years where you do not have enough contributions or credits on your NI contribution record for a year to count as a qualifying year. All voluntary NI contributions count towards the State Pension and bereavement benefits.

You should think carefully about whether paying voluntary NI contributions is the right option for you. If you are working or getting certain state benefits, further qualifying years may be added to your NI contribution record before you reach State Pension age.

Before you decide to pay any voluntary NI contributions, you may wish to wait until we can tell you how much your actual starting amount will be. We will be able to do this when all of your contributions and credits up to and including the 2015/2016 tax year are recorded on your NI contribution record.

Find out more at **www.gov.uk/voluntary-national-insurance-contributions**

Section 4 – Working or living outside the UK

In this section we explain:

- what to do if you have paid contributions abroad
- how contributions paid abroad may count towards the UK State Pension
- how your State Pension may not increase annually if you live in certain countries.

Time spent working outside the UK

If you're working outside the UK, you may be able to pay into the state pension scheme of the country where you're working. You can do this in European Economic Area (EEA) countries and some other countries where there are special arrangements.

If you have paid into the pension scheme of another country, you should contact the department responsible for paying state pensions in that country to check what pension arrangements will apply.

Impact on UK State Pension

Depending on how long you work outside the UK, and the country where you work, contributions you have paid abroad may be used when working out how much UK State Pension you are entitled to. Or you could get two pensions – one from the UK and one from the country where you lived and worked.

We may be able to use NI contributions you have made abroad to meet the minimum qualifying period for the new State Pension scheme (see page 18).

The amounts shown in your statement do not take account of any time you have spent in another country or of any overseas pension scheme you may have paid into.

UK State Pension payments outside the UK

Usually you can get your UK State Pension paid anywhere you live. However, if you live outside the UK and get a UK State Pension, you will not get annual increases unless you live in:

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

If you live in a country where your UK State Pension is not increased, your UK State Pension may go up for the time when you visit the UK or other countries where the annual increase is paid. When you return to the country where you live permanently, your UK State Pension will be paid at its usual rate.

More information on the countries where the increase is paid, and how UK State Pensions are paid to people living outside the UK is available online.

www.gov.uk/state-pension-if-you-retire-abroad

Section 5 – Where can I get more information?

You can get more information about your State Pension statement or pensions in general online, or by phoning or writing to us using the contact details shown below.

www.gov.uk/state-pension

www.gov.uk/new-state-pension

Phone: **0345 300 0168**

Textphone: **0345 300 0169**

8am to 6pm, Monday to Friday.

From outside the UK

Phone: **+44 191 218 3600**

Textphone: **+44 191 218 2051**

8am to 6pm, Monday to Friday.

Write to us at:
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Call charges

Calls to **0345** numbers cost no more than a standard geographic call and count towards any free or inclusive minutes in your landline or mobile phone contract.
Note: Calling UK non-geographic numbers from abroad can incur a significant charge. Please check with your telephone service provider.

You can ask our operator to call you back – just give them your phone number.

Textphones – if you have speech or hearing difficulties

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

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 that the information in this leaflet is correct as of November 2015. It is possible that some of the information is oversimplified, or may become inaccurate over time, for example because of changes to the law.

More information from DWP about benefits and pensions is published online.

For benefits information
www.gov.uk/browse/benefits

For pensions information
www.gov.uk/state-pension
www.gov.uk/new-state-pension

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