



THE NEW STATE PENSION

11 things you need to know

1.

The New State Pension came in on 6 April 2016.

2.

It is paid to anyone reaching state pension age from that date onwards – that is men born after 5 April 1951 and women born after 5 April 1953.

3.

Anyone who had already reached state pension age by 6 April 2016 will have their pension paid under the old system: made of basic state pension (full amount of £122.30 per week in 2017/18), SERPS, state second pension and graduated pension.

4.

The full amount of new State Pension is £159.55 per week in 2017/18. It will be increased each year – current government policy increases this by the best of CPI price inflation, pay rises and 2.5%.

5.

Anyone of working age will be given a “starting amount” in the new system. This will be based on your National Insurance history up to 6 April 2016.

6.

If your starting amount is higher than the original full amount of £155.65, you will keep this higher amount as a state pension, but you will not be able to build up any more through further National Insurance payments.

7.

If your starting amount is lower than the full amount per week, you will build up extra state pension if you make further National Insurance payments, or receive National Insurance credits (eg if you receive Jobseeker’s Allowance or carer’s benefits).

8.

The rate at which New State Pension is built up is 1/35th of the full amount for each year of National Insurance payments made or credits received. For the tax year 2017/18, state pension builds up at a rate of £4.56 a year.

9.

You can get a forecast of your state pension entitlement from the Department for Work and Pensions via www.gov.uk/new-state-pension

10.

State pension age is currently 65 for men and 63 for women (but rising to 65 by 2018). It is set to rise to 66 in 2020, then to 67 in 2028 and to 68 in 2046. Governments will also keep these changes under review

11.

You can find out much more on our website – www.prospect.org.uk/statepensions