



Department  
for Work &  
Pensions

Adran Gwaith  
a Phensiynau

# The single-tier pension: Progress in communicating the changes

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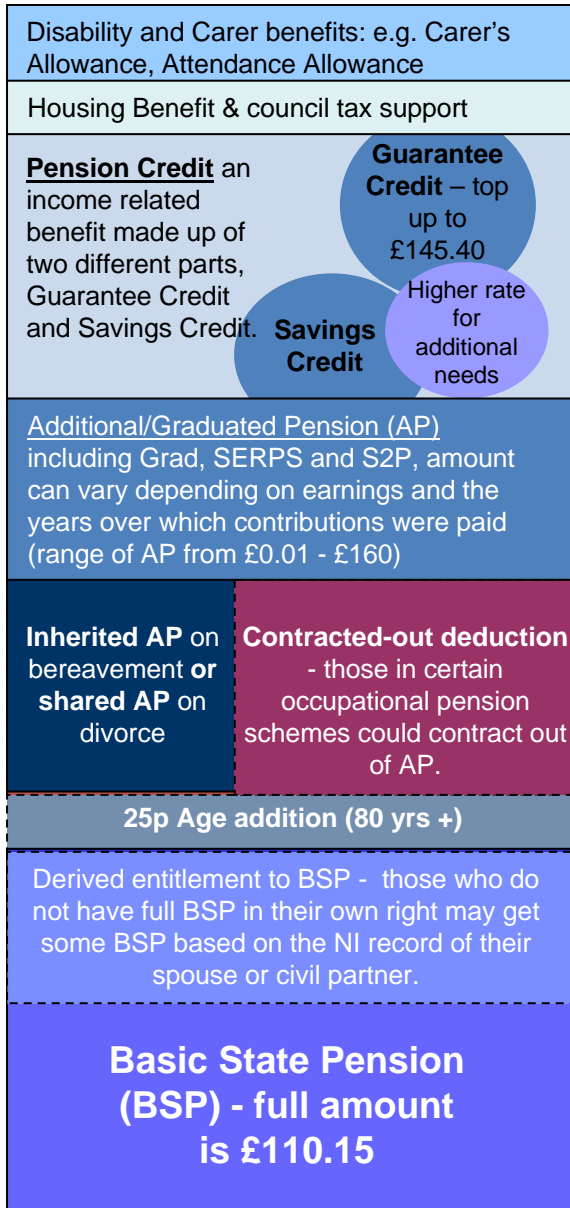
# DWP pension reforms

Government seeking to address challenge of undersaving through a number of measures:

- Automatic enrolment
- Reinvigorating private pensions
- Extending working lives
- State pension reform

## Current System

Means-tested benefits

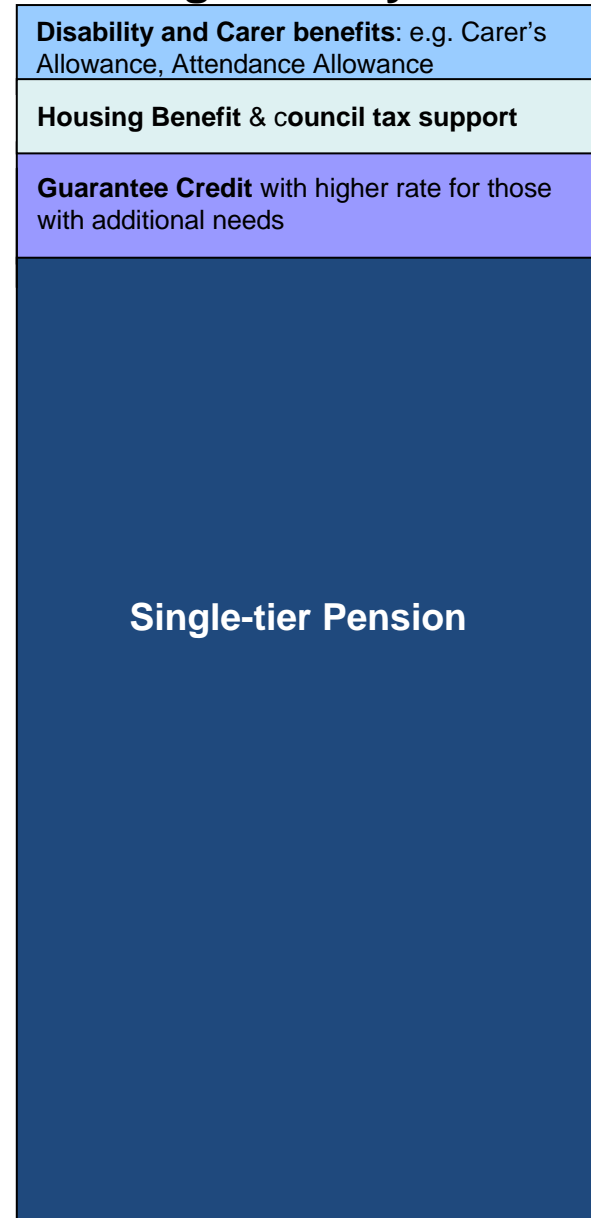


Contributory benefits

Plus private / workplace pension entitlement where applicable

## Single tier System

Means-tested benefits

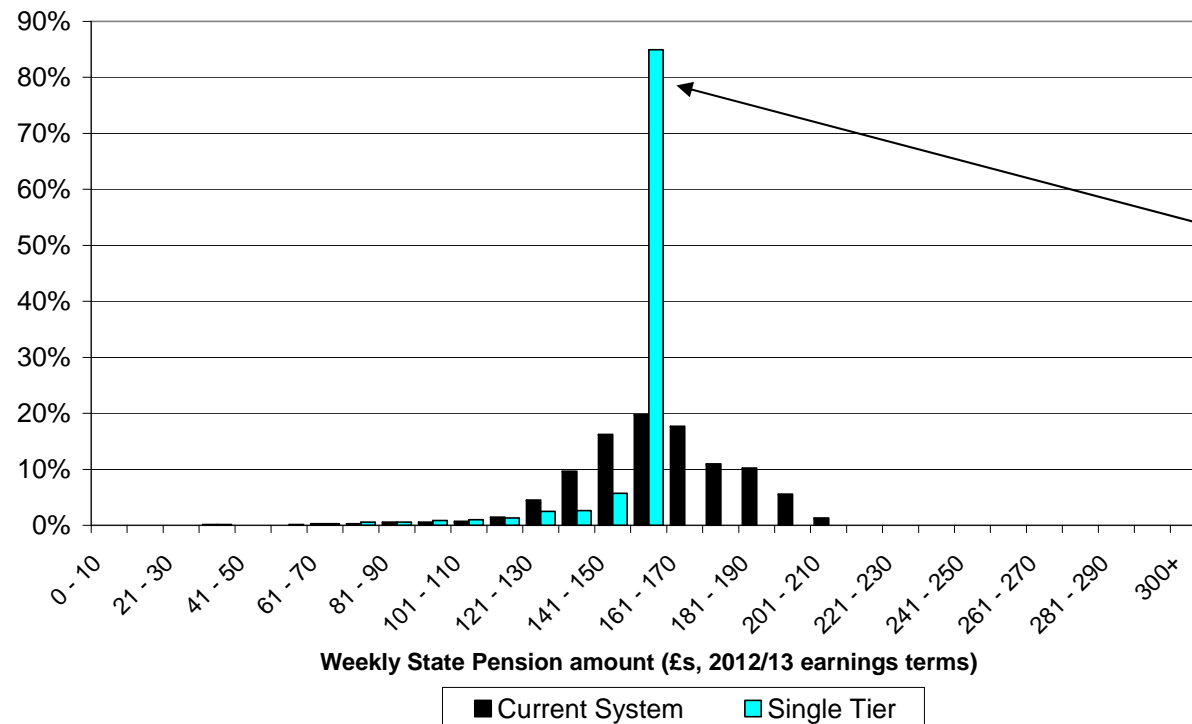


Contributory benefit

Plus private/ workplace pension saving boosted by automatic enrolment

# Simplifying the state pension

- 35 years contributions for a full single tier pension (30 years for current Basic State Pension). Minimum 10 years required
- Greater clarity about what people will get at State Pension age (66 by 2020, 67 by 2028)
- Pre-2016 NI records will be converted into a “foundation amount”
- A much simplified system of Qualifying Years will apply to NI paid or credits awarded after April 2016
- Savings Credit element of Pension Credit ends



Same total spending on state pensions but more predictable amount when you retire - narrower range of weekly payments

# Key misconceptions

- The Government is spending more money on the new system
- The single-tier pension is higher than the current state pension
- Everyone will get £144 under single tier

# Questions

1. How have you heard about the State Pension reforms – through the media? Gov.uk? White Paper? Followed passage of Pensions Bill?
2. Have you encountered any of these misconceptions?
3. Have you encountered any others?
4. Why do you think these misconceptions have arisen?
5. Do you have any suggestions for:
  - How we can best communicate these reforms to current pensioners and people reaching State Pension age before April 2016?
  - How we can involve older people as we take this work forward to ensure that our communications meet people's needs?