



Department  
for Work &  
Pensions

# State Pension statement statistics

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# Background

This statistical release provides information on State Pension statements. It gives data on the number of State Pension statements that have been issued in 2014/2015 and 2015/2016.

It also provides an indication of how the transitional valuation of people's National Insurance contributions for the new State Pension is likely to apply to those who have requested a statement so far. The release is an update and extension to the State Pension statement statistics which were released in September 2015:

<https://www.gov.uk/government/statistics/state-pension-statements-issued-sept-2014-to-aug-2015>

These figures are being released as an ad-hoc due to an urgent demand. We will however be introducing a regular publication of State Pension statement statistics in the future, as we recognise there will be further interest in this area in the run up to the introduction of the new State Pension (nSP) in April 2016.

The Department for Work and Pensions (DWP) can provide people (on request) with a State Pension statement that gives an estimate of their likely State Pension, based on their current National Insurance (NI) record.

The State Pension services that are currently available to an individual are linked to whether they reach their State Pension before or after the new State Pension is introduced, and their age at the time they ask for a statement. More information about the services that are available is at [www.gov.uk/state-pension-statement](http://www.gov.uk/state-pension-statement).

A new service giving people a personalised written estimate of what they can expect to receive under the new State Pension system, based on their work history and National Insurance contributions to date, was piloted in September 2014, and was formally launched on 4th October 2014. This service was originally available 'on request' to those people who reach State Pension age (SPa) in the first five years of the new scheme. From 7 February 2015 this service was extended to anyone age 55 and over.

The State Pension statements provided to those over age 55 originally included the existing and new scheme rule amounts that are calculated to establish the individuals starting amount for the new State Pension. In April 2015, reacting to customer feedback that including these amounts was creating confusion, the statements were changed and now provide the estimated starting amount value only.

From mid-November 2015, in response to customer feedback, we are including information within State Pension statements to help customers who have been contracted-out see how National Insurance contributions paid before 6<sup>th</sup> April 2016 will contribute to their overall pension income.

As statements issued under the new State Pension system involve a degree of clerical intervention by DWP staff, these are currently only available to those closest to State Pension age. Those aged 55 and over have been our immediate priority as they have the greatest need for this information. Around 80% of requests for State Pension statements are from people who are aged 55 or over.

Those under age 55 years can currently request a statement that gives an estimate of their State Pension based on the rules of the current State Pension scheme. The information those statements give is still relevant. In the vast majority of cases, as long as the individual meets the minimum qualifying condition for the new State Pension, the existing State Pension scheme estimate will be the least amount that someone will get when they reach State Pension age. We have added information tailored for the under 55s to contextualise how the new State Pension may affect them and their estimated State Pension.

A new online service is being developed which will enable everyone to access personalised information based on the new State Pension scheme rules. People will be able to see an estimate of their State Pension amount based on their National Insurance record to date, as well as a forecast of what their State Pension may be when they reach State Pension age, if they continue to contribute to their National Insurance record. This service will also provide personalised information on the things people may be able to do to improve their State Pension, such as paying voluntary contributions. This service is currently being tested and will be rolling out in the near future.

# Methodology

The data has been produced using management information which has been collected in the processing of these statements. The data is subject to standard validation checks around format of data fields such as dates etc. Data checks are also made against other government databases, for details such as gender and date of birth. Internal validation is also included within the MI system, to ensure that the State Pension amounts don't exceed certain limits (e.g. full basic state pension).

Some data items, in particular the data on new State Pension complaints, is recorded clerically.

# Limitations of analysis

The data only accounts for individuals' National Insurance records up to the end of the tax year 2014/15, or the last year prior to that for which an individual's National Insurance contributions and credits are held. Therefore, this does not represent the starting amount that these individuals will have in 2016, or what their actual State Pension will be at their SPa. All individuals will have one or two additional tax years which could affect their starting amount, and potentially further years after April 2016, for instance by gaining additional qualifying years through work.

As requests are voluntary, this is a self-selecting sample of individuals and as such the results may not be representative of the eligible population as a whole.

# Results

## State Pension statements issued

Table 1 below shows the total number of State Pension statements issued – including new State Pension statements that were introduced in September 2014. A specific breakdown for new State Pension statements that are included within these totals is shown later.

**Table 1: Total number of State Pension statements issued**

2014/15 financial year	2015/16 financial year [Until end of October 2015]
544,800	443,900

*Notes: Figures are rounded to the nearest 100.*

## New State Pension statements

In the period, 1<sup>st</sup> September 2014 to the 31<sup>st</sup> October 2015, 481,700 statements have been issued to individuals under the new State Pension rules.

Table 2 provides a breakdown of these statements by gender, and by whether the statement is based upon the amount A (current system) valuation, or the amount B (new system) valuation.

**Table 2: New State Pension statements processed by gender and the basis of the starting amount**

Starting Amount	Starting Amount A	Starting Amount B
<b>All</b> 481,700	<b>80%</b> 385,500	<b>20%</b> 96,200
<b>Male</b> 263,700 (55%)	<b>91%</b> 238,700	<b>9%</b> 25,000
<b>Female</b> 218,000 (45%)	<b>67%</b> 146,800	<b>33%</b> 71,200

*Notes: Figures are rounded to the nearest 100 and percentages to 1%. As a result, components may not sum to totals.*

Table 2 demonstrates that four-fifths of individuals who have requested a statement have their starting amount based on the current system rules.

One fifth of statements issued are based upon the new system rules. Those who have had a statement based on the new system rules will have received an estimated State Pension amount that is more than they may have got under the current system rules. Of those who have requested a statement, women (33%) are more than three times more likely than men (9%) to have their State Pension statement based on the new system rules.

It is important to note that although more men have been issued new State Pension statements, this should not be taken to mean that men are more likely to use the statement service. Owing to changes in the SPa, fewer women than men are reaching SPa in the first three years of the new State Pension.

### **New State Pension statement enquiries**

We are unable to provide accurate data on the number of specific enquiries DWP have received from individuals following receipt of their new state Pension statement. However, the management information on nSP enquiries does show that the most frequent enquiry areas since these statements were introduced in September 2014 are:

- Options for increasing the State Pension amount;
- Questions relating to contracting out of the additional State Pension;
- Why the estimate provided is not the full new State Pension amount;
- State Pension qualifying years.

DWP monitor trends in the enquiries that are received. This identifies if changes should be made to the State Pension statements. For instance, in light of such feedback:

- The existing and new rule amounts that are calculated to establish the individuals starting amount for the new State Pension were removed from new State Pension statements in April 2015, and;
- More information was added about contracting out deductions in August 2015.

Between 1<sup>st</sup> September 2014 and 31<sup>st</sup> October 2015:



- DWP have received 320 formal complaints (0.07% of statements issued between 1<sup>st</sup> September 2014 to the 31<sup>st</sup> October 2015) from individuals who have received a new State Pension statement;
- None of these complaints have been specifically about the estimated new State Pension amount included in the statement
- 70 individuals have received a revised statement from DWP following complaints they have made. Complaints relate to incorrect name, gender, date of birth, National Insurance number or incorrect or incomplete address on statement. Note that as one of these pieces of information was captured incorrectly, this may have resulted in an incorrect estimate being given in the original statement

### Combined Pension statements

DWP provide State Pension information to some pension schemes who have volunteered to join the Combined Pension Statement initiative. Pension schemes include this information in the annual statements they issue to their scheme members.

**Table 3: Total number of Combined Pension Statements issued**

2014/15	2015/16 [Until end of October 2015]
1,574,800	737,400

*Notes: Figures are rounded to the nearest 100.*

DWP contacted participating organisations and key external stakeholders in late July 2015 to inform them that the Combined Pension Statement service will close at the end of 2015/2016 tax year.

# Contact details

## **Queries about the content of this document**

**Press enquiries** should be directed to the Department for Work and Pensions press office: 0203 267 5144

**Website:** <https://www.gov.uk>

**Other enquiries** about these statistics should be directed to:

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Department for Work and Pensions