

Freedom of Information request 2526/2013

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Information request

I have some questions regarding the method of funding for the Basic State pension

1. Can you confirm that:

(a) All NI contributions received go into a segregated fund, and do not go into Government general revenues

(b) All pension payments are made from this segregated fund, and do not come out of Government general revenues

(c) The only liability the government has, is to make payments to this segregated fund (top up), in the event that current contributions received are insufficient to fund current pension payments.

2. Can you advise when was the last time that the government had to make this kind of a top up payment to the NI fund, and how many times has it happened in the last 30 years ?

3. Based on the NI fund's current surplus, and current actuarial projections of NI revenue and payments, when is it anticipated that the Government will have to make another top up payment ?

DWP response

Whilst the Department for Work and Pensions is responsible for the control and management of benefit payments, overall responsibility for the control and management of the National Insurance Fund (NIF), (which includes allocation of funds to other departments with NIF responsibilities and the collection of National Insurance Contributions) sits with Her Majesties Revenue and Customs. HMRC may be able to help you with your enquiry.

You may wish to look at the information published by HMRC at <http://www.official-documents.gov.uk/document/hc1213/hc11/1107/1107.pdf> and the Government Actuary's Department at http://www.gad.gov.uk/services/Social%20Security/UK_social_security.html