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HM Government



State Pension top up

What it is, how it could help you, and how to apply

For more information, visit:
gov.uk/statepensiontopup



What is

State Pension top up?

If you, or a family member have reached State Pension age, you may be considering ways to ensure financial security in later life. Or you might simply want to make sure you can keep doing what you enjoy.

State Pension top up could let you do this by giving you an extra £1 to £25 a week in exchange for a lump sum payment. You can apply for State Pension top up until 5 April 2017.

You're eligible if you're entitled to a UK State Pension and you reached your State Pension age before 6 April 2016. This means men born before 6 April 1951 and women born before 6 April 1953.

State Pension top up – Is it right for you?

State Pension top up offers a way of boosting your retirement income. Whether it is the right option for you depends on your personal circumstances. Do make sure you check whether it is right for you.

Before you make a payment, consider these points to check that State Pension top up matches your situation.

What it costs

The cost depends on how much you want to add to your State Pension payment. The costs rise depending on how much you want – between £1 and £25 a week.

It's also affected by how old you are when you make the payment: the cost falls as your age increases. This means it may make sense to wait until your next birthday before making the payment.

Our online calculator tells you how much each pound of State Pension top up will cost. Find it at: www.gov.uk/state-pension-topup

Tax

State Pension top up is taxable as income, so check how much you'd receive after tax.

It may also affect any income-related benefits that you receive now or in the future.

Other ways to boost your retirement income

State Pension top up isn't the only way to increase your income. It's worth looking into what else is available before you apply.



We recommend that you take independent financial advice before making a payment.

How State Pension top up could help you

There's more to State Pension top up than the extra income. It's also:



Guaranteed for life



Protected against inflation

The pension payment is linked to the Consumer Price Index, so it won't lose value over time.



Inheritable

In most cases, your spouse or civil partner can receive between 50% and 100% of the State Pension top up pension payment after your death. Your surviving partner will, in most cases, get the extra pension once they reach State Pension age, if they haven't already reached it.

The rules on whether State Pension top up is inheritable are the same as for Additional State Pension. You can find out more at: www.gov.uk/additional-state-pension/further-information

Other ways to boost your State Pension

Deferring your State Pension

You don't have to get your State Pension as soon as you reach State Pension age. For every 5 weeks you wait, it will increase by 1% for life. Most people can defer their State Pension but if you are receiving widow's pension or other benefits you may not be able to. Check the rules before deciding to defer. If you meet the criteria, you can also defer State Pension top up. If you make a State Pension top up payment and then defer your State Pension, your whole State Pension payment will increase, including the State Pension top up amount.

If you are already deferring your State Pension when you make your State Pension top up payment, you won't get the income until you claim your State Pension – it can't be paid separately.

For more information about deferring your State Pension and how to claim a lump sum instead of a weekly increase, visit: www.gov.uk/deferring-state-pension

Voluntary National Insurance contributions

If you don't have the full number of years of National Insurance contributions required to receive the full basic State Pension, you may be able to increase your State Pension by making voluntary National Insurance contributions. It's worth doing this before making a State Pension top up payment.

This way you can fill in the gaps in your National Insurance record. You can still make a State Pension top up contribution afterwards. For further info see: www.gov.uk/pay-voluntary-class-3-national-insurance

How to apply

You can apply for State Pension top up until 5 April 2017. The older you are, the less it costs, so it may make sense to wait until your next birthday before applying.

Once you're ready to apply, it takes just two easy steps:

Go online or call us

Make sure you have your National Insurance number with you, as we will ask you some questions to check your identity.

- To apply online, visit:
www.gov.uk/statepensiontopup
- To apply by phone, call 0345 600 4270 or +44 191 2182076 if calling from abroad

Make your payment

After you apply we will post you a form explaining how to pay. You can pay by:

- One-off Direct Debit
- Direct payment
- Your bank, in-branch
- Post Office
- Post (may take longer than other methods)

And that's all

Once we have your payment, your higher pension amount will be payable from that date.

You have a 90-day cooling-off period. If you change your mind in this time, you can get in touch to ask for your payment back.

For more information, visit:

gov.uk/statepensiontopup

or call 0345 600 4270

