

**Northern Ireland
State Pensions Reform**

**NI State
Pensions
Reform –
briefing pack
for advisors**

November 2009



Department for
**Social
Development**
www.dsdni.gov.uk



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Introduction and contents

Welcome to the State Pensions Reform Briefing Pack for Advisors.

This pack has been provided by The Pension Service (NI) to support any advisor whose customers wish to understand how they may be affected by changes to State Pensions coming into effect from 6th April 2010. These changes, which will make State Pensions simpler, fairer and more widely available, will have wide-ranging effects.

This pack does not attempt to provide a comprehensive overview of the reformed State Pension system. For general information about State Pensions, please visit the NI Direct Website – Pensions and Retirement Planning - www.nidirect.gov.uk

Who should use this pack?

This pack will be of interest to anyone advising people on issues affecting their planning for retirement, their savings, or their benefits in later life. It contains high-level information for those needing a quick overview of the changes, as well as more detailed fact sheets.

It will be of particular interest to those providing advice or support to:

- people approaching or over State Pension age (SPa)
- those with spouses or civil partners who are approaching or past SPa
- people with extensive caring responsibilities.

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Abbreviations

ADI	Adult Dependency Increase
ESA	Employment and Support Allowance
HRP	Home Responsibilities Protection
LMA Test	Labour Market Attachment Test
NICs	National Insurance Contributions
SDA	Severe Disablement Allowance
SPa	State Pension age
S2P	State Second Pension

State Pensions Reform

Section 1: Overview



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Overview: State Pensions Reform

Following changes introduced by the Pensions (Northern Ireland) Order 1995, further changes are being made to the State Pension system to reflect how we live, how long we live and how we work.

- The Pensions Act (Northern Ireland) 2008 brought in several major changes to State Pensions.
- The Pensions (No 2) Act (Northern Ireland) 2008 brought in changes to Private Pensions.

The principles of these reforms are:

- To make the State Pension fairer and more widely available.
- To make the State Pension simpler and more generous so that a solid foundation is built on which people can save
- To make saving for retirement easier through the introduction of automatic enrolment into workplace pension schemes and the creation of personal accounts. Together these will provide those without access to occupational pension schemes the opportunity to save for their retirement.
- To support and encourage extended working lives.

The key elements of the State Pensions Reform package are:

- Gradually increasing the State Pension age (SPa) for women from 60 to 65, so that it will be the same as for men. (This increase was legislated for in 1995 and will begin to come into effect from 6th April 2010).
- Beginning in 2024, further increasing the SPa for men and women from 65 to 68.
- Reducing the number of qualifying years needed to get a full basic State Pension
- Replacing the current minimum National Insurance contribution conditions required to obtain a basic State Pension with a single contribution condition.
- The introduction of new weekly credits for parents and carers.
- Abolition of Adult Dependency Increases (ADIs).

- Changing the rules to enable husbands and civil partners (as well as wives) to get a State Pension based on their spouse's or civil partner's National Insurance contributions.
- Changes to age thresholds and qualifying ages for other Pensioner and Working Age benefits.
- Up-rating the basic State Pension in line with earnings.
- Increasing the number of people eligible for State Second Pension (S2P), which will also become flat-rated in the future.
- Allowing certain customers to buy additional voluntary National Insurance contributions. Enacted for Northern Ireland at Westminster by the Pensions Act 2008

These changes, and their impacts on different groups of people, are explained in this briefing pack.

State Pensions Reform

**Section 2: How people are
affected**



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How people are affected: The broad impact of the changes

- The State Pension reforms involve a number of changes to State Pension rules. The main changes are listed in the box on the next page. The effect on an individual will depend on a number of factors, in particular:
 - their age
 - whether they are married or in a civil partnership
 - whether they provide care for others.
- Everyone reaching SPa on or after 6th April 2010 (providing they have at least 1 full qualifying year made up of paid contributions, credits or a combination of both) will receive a State Pension under the new rules, and should take this into account when considering their plans for later life. This affects:
 - women born on or after 6th April 1950
 - men born on or after 6th April 1945.
- However, some people reaching SPa before 6th April 2010 may also be affected by some of the changes.
- The following pages give more information on this, and on how to identify someone who may be affected. Further information on the changes can be found on the NI Direct website – www.nidirect.gov.uk by going to the Pensions and Retirement Planning page.
- **Some of these people may need to take action now to ensure they receive their full State Pension entitlement in the future**

Key changes for those who reach State Pension age from the 6th April 2010

- The number of qualifying years needed for a full basic State Pension will be reduced to 30, and every qualifying year will give entitlement to some basic State Pension.
- A new weekly credit, which will count towards the qualifying years for a basic State Pension and S2P. This will be available to people caring for children or disabled people – including many people who do not benefit from the current system of Home Responsibilities Protection (HRP).
- The SPa for women born on or after 6th April 1950 will increase gradually to bring it in line with the SPa for men by 2020.
- Increasing the maximum age of entitlement for Working Age Benefits, and the maximum age for the mandatory Work Focused Interview regime.
- Increasing the qualifying age of entitlement for pensioner benefits such as State Pension Credit and Winter Fuel Payments in line with the increase with women's SPa.
- Gradually increasing the SPa from 65 to 68 for both men and women, between 2024 and 2046.

Other key changes from the 6th April 2010

- Changes to the system which allows people to receive a State Pension based on their spouse's contributions (known as Category B or Cat B(L) pensions).
- The abolition of Adult Dependency Increases (ADIs)

Key changes from April 2012

- Simplifying S2P to provide a simple flat-rate top-up to the basic State Pension, with a more straightforward way of building up entitlement.
- From a future date the basic State Pension will increase in line with earnings, rather than prices, which means that, over time, it should rise by more each year than it does now.

How people are affected: Who is affected first?

- The changes will affect some specific groups of people before others. Some of these people may need to take action as a result.
- Some of these groups can be hard to identify, as the impacts may depend on very specific sets of circumstances.
- To help you identify those who *may* be affected in the short term, we have identified five **key groups** who should consider their circumstances in more detail. These can be found in the boxes below and on the following pages.
- Not everyone fitting these descriptions will be affected, but we recommend that anyone in these groups finds out more about the reforms by visiting www.nidirect.gov.uk
- We are also aiming to ensure that people who are living abroad, who are affected by the changes, have access to relevant information.
- People who are not in one of these groups should be made aware of the broader changes, especially if they are approaching SPa.

Key groups – approaching or over State Pension age

- Women born between 6th April 1950 and 5th April 1955 inclusive.
- People whose entitlement age for benefits such as State Pension Credit, Winter Fuel Payments and Working Age Benefits will increase in line with women's SPa.
- People who can claim their State Pension before 6th April 2010 but have deferred or may be considering deferring their claim.
- People approaching or already over SPa who may not have sufficient National Insurance Contributions to qualify for a full basic State Pension, in particular:
 - Married people and people in civil partnerships
 - People reaching SPa between 6th April 2008 and 5th April 2015.

Key groups – carers

- People of working age who have certain caring responsibilities from 6th April 2010.

How people are affected: People approaching, or aged over, State Pension age

1. Women born between 6th April 1950 and 5th April 1955 inclusive

A woman born between 6th April 1950 and 5th April 1955 inclusive will reach SPa between 60 and 65.

The age conditions for receiving some other benefits, for instance Jobseeker's Allowance, Winter Fuel Payments, State Pension Credit, Employment and Support Allowance (ESA) and the higher rate allowances in the calculation of Housing Benefit and Rates Rebates are also affected by this change in SPa (see the following page).

Action required

- **The Pension Service (NI) will be writing to women born between 6th April 1950 and 5th April 1955 (inclusive) to tell them their SPa date (see page 20). However, we will be unable to contact some women because, for example, we do not have a current address.**

Those who are affected by this change may need to:

- **check their SPa by visiting the SPa calculator on The Pension Service website – www.direct.gov.uk**
- **reconsider any plans for retirement in the light of their actual SPa**
- **understand the impact of the changes, particularly if they are in receipt of Working Age Benefits.**

Note

The changes to SPa will also affect women born on or after 6th April 1955 and men born on or after 6th April 1959:

- **women born between 6th April 1955 and 5th April 1959 inclusive will have a SPa of 65**
- **women and men born on or after 6th April 1959 will have a SPa between 65 and 68.**

2. People likely to receive benefits

Along with the changes in SPa, there will be gradual changes to the qualifying age for other benefits

- These changes will begin from 6th April 2010.

Some changes affect both men and women:

- The minimum age at which they can receive State Pension Credit will increase from 60 to 65 in line with the increase in SPa for women.
- The minimum age for receiving the Winter Fuel Payment will increase from 60 to 65 in the same way.
- The age at which Income Support would normally stop will increase from 60 to 65 in the same way.

Other changes only apply to women (as men can already receive these benefits up to the age of 65):

- The age at which the following benefits can be paid to women will increase from 60 to 65 in line with their SPa:
 - Incapacity Benefit
 - Jobseeker's Allowance
 - ESA
 - Reduced Earnings Allowance
 - Bereavement Benefits
- People receiving Severe Disablement Allowance (SDA) who have not been transferred to ESA, may continue to receive it beyond SPa unless their State Pension gives them a higher amount.

Action required

- **The Pension Service will be providing information about these changes to customers who receive Working Age Benefits and are aged 50 plus. We will be doing this in a flyer which will be included in uprating notifications from next year onwards.**
- **People need to be aware that the age for receiving these benefits is changing – they will of course still need to meet the necessary entitlement conditions.**
- **People should be advised to check their SPa by visiting the SPa calculator on the Pension Service website www.direct.gov.uk**

Concessionary Benefits

The entitlement age for the following concessionary benefits will remain at 60 and will not rise in line with the increase in women's SPa:

- exemption from prescription charges (Prescriptions in Northern Ireland will be free from 01 April 2010)
- exemption from eye test charges
- concessionary travel
- legal aid scheme higher capital allowance
- warm home scheme (subject to eligibility conditions).

Action required

- **People need to be aware that the entitlement age for these concessionary benefits is not rising in line with women's SPa.**

Note: Third parties may wish to check with the relevant service providers as this information may be subject to change.

3. People considering whether to claim State Pension before 6th April 2010

Anyone who can claim State Pension between now and April 2010 (i.e. anyone who will reach SPa during this time, or who has already reached SPa but deferred their claim):

- A customer may be able to get an increase of up to £57.05 per week to their State Pension if they have a dependent spouse or someone looking after a dependant child for them and they satisfy certain qualifying conditions, including that the dependant earns no more than £64.30 per week (including income from pensions). This is called an Adult Dependency Increase or ADI. All amounts are April 2009 rates.
- From April 2010, with more people becoming eligible for the full basic State Pension, this increase is being phased out.
- There will be no entitlement to an ADI if either the ADI or the State Pension is claimed on or after 6th April 2010, even if the customer reaches SPa before that date.
- But anyone who is eligible and claims their State Pension and ADI before 6th April 2010, will keep receiving the ADI until they no longer satisfy the qualifying conditions or until April 2020, whichever is first.

Action required

- **Customers who have deferred or are considering deferring their State Pension should be aware that they will not qualify for an ADI if they claim after 5th April 2010.**
- **They should think carefully about this choice and may need additional support and advice.**

4a. People with insufficient National Insurance contributions: Married or in a civil partnership

From 6th April 2010, married men and female civil partners who:

- Have reached SPa, and
- Qualify for less than 60% full basic State Pension based on their own contributions (or are not entitled to any State Pension based on their own contributions), and
- Have a wife or civil partner born on or after 6th April 1950 who has reached SPa

...may be able to claim a State Pension based on their partner's contributions. This is called a Category B(L) or Cat B(L) Pension.

Note that:

- Married women already have this entitlement, providing their husband has reached SPa and has claimed his State Pension. What is new from April 2010 is the ability to start claiming this straight away, rather than waiting for their husband to start claiming his State Pension.
- Married men and civil partners will be getting this entitlement for the first time but only if their wives or civil partners were born on or after 6th April 1950. This means that:
 - Married men and female civil partners may be entitled to a Cat B(L) pension from 6th May 2010 onwards.
 - Male civil partners may be entitled to a Cat B(L) pension from 6th April 2015 onwards

Action required

- **The Pension Service will identify most people who will be eligible for a Cat B pension under the new rules and will contact them about this. However, we may be unable to identify:**
 - anyone who is not entitled to a State Pension based on their own contributions or who is deferring claiming their own State Pension
 - some men and civil partners who may benefit from the new rules.
- **Anyone in this situation may wish to check their eligibility for a Cat B(L) pension**

4b. People with insufficient National Insurance contributions: Reaching State Pension age between 2008 and 2015

From 6th April 2009, people who:

- reach SPa between 6th April 2008 and 5th April 2015, and
- already have 20 qualifying years (including any full tax years of Home Responsibilities Protection (HRP))

...may be able to buy up to an additional six years of voluntary Class 3 National Insurance contributions (NICs) back to 1975.

- This is over and above any additional years they may be able to buy under the usual time limits of normally the six most recent tax years.
- Buying additional contributions could help people to improve their basic State Pension.

People reaching SPa between 6th April 2008 and 5th April 2010:

- Must have at least one qualifying year from paid or treated as paid National Insurance contributions.

Note: Voluntary contributions cannot be paid for any tax year the whole of which is covered by the married women's reduced rate election. (Only applies to certain married women and widows.)

Action required

- **The Pension Service will not be making direct contact with those who may be able to benefit from this change.**

Anyone who thinks they might benefit from this change should:

- **Access the information on National Insurance contributions at www.nidirect.gov.uk.**
- **Request a pension forecast online at www.nidirect.gov.uk or contact the Future Pensions Centre on 0845 3000168, to see how much State Pension they might already be entitled to (only applies to customers who are more than 30 days away from their State Pension age or, for an online forecast, more than 4 months away).**
- **Consider if it is worth buying additional voluntary contributions taking into account the cost, the amount of additional basic State Pension they could get, and the impact that any additional State Pension would have on other benefits e.g. State Pension Credit or Housing Benefit; any pension based on a spouse's or civil partner's National Insurance Contributions (i.e. a Cat B(L) pension), or any impact on income tax.**

How people are affected: Changes affecting carers

From 6th April 2010 weekly National Insurance Credits will be available for the following groups of Carers:

- Child Benefit recipients caring for a child or children up to the age of 12.
- Anyone caring for a total of 20 hours or more each week for someone in receipt of:
 - Disability Living Allowance (the middle or highest rate care component), or
 - Attendance Allowance or Constant Attendance Allowance at any rate, or
 - Someone certified as needing this care by a Health or Social Services Professional or another appropriate person who is familiar with the needs of the person being cared for
- Registered Foster Carers.
- Those regularly and substantially engaged in caring for a severely disabled person and who receive Income Support, but not Carer's Allowance.

These people will receive Class 3 National Insurance credits towards basic State Pension and S2P.

These National Insurance Credits will be automatically awarded to:

- Child Benefit recipients until the youngest child reaches the age of 12
- Income Support recipients who are substantially engaged in caring.

Note 1: Regulations will be laid before the Assembly which will set out who is treated as engaged in caring for the purposes of the credit.

Note 2: People in receipt of Carer's Allowance for caring for 35 hours or more each week do not need to apply and will continue to be awarded Class 1 National Insurance credits as now.

Action required

- **The Pension Service is unable to identify individuals who may be able to benefit from this change.**
- **Those caring for 20 hours or more per week for people receiving a qualifying benefit or where the disabled person is certified as needing care will need to apply to the Department for the new Carer's Credit. Application forms will be available from 6th April 2010.**
- **Registered Foster Carers will need to apply for the new Carer's Credit to HMRC by the end of the tax year following the year during which a person was a foster carer.**

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**Section 3: Communicating the
changes**



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Communicating the changes

- The changes to State Pensions will affect people over a very long period. Many people will not be affected for some time. Similarly, we intend to communicate the changes over a number of years, to help ensure that the full scope and impact of the changes is understood.
- In the period leading up to April 2010, when many of the changes come into effect, we will focus on those groups who will be affected soonest, especially those who will be impacted in the short term.
 - We will be putting out messages about the changes through a range of channels during this period.
 - Information is also available on Pension Reforms on the Pensions and Retirement Planning page on the NI Direct website www.nidirect.gov.uk. Leaflets and information held on the site will be in printed format. You can ring the Pension Service on Tel: 0845 601 8821 if further information is required.
 - We will also be writing directly to all women born between 6th April 1950 and 5th April 1955 inclusive, the first group affected by increases to the SPa (see the next page).
- Organisations like yours that provide people with support and advice will play a vital role in making sure people understand how they are affected.
 - If you require any further information to help you do this, please visit www.nidirect.gov.uk

Women born between 6th April 1950 and 6th April 1955 inclusive

Between April 2009 and January 2012 we will be writing to all women affected by the gradual increase in SPa. The mailing will tell each woman the date at which she will reach SPa. The table shows when women will receive their letter and how far in advance of their 60th birthday it will be sent.

Date when women will reach age 60	Date of mailing	Notice period (i.e. amount of time between mailing and 60 th birthday)
06/04/2010–06/07/2010	Apr 2009	12–15 months
06/07/2010–05/10/2010	Jul 2009	12–15 months
06/10/2010–05/04/2011	Oct 2009	12–18 months
06/04/2011–05/10/2011	Jan 2010	15–21 months
06/10/2011–05/04/2012	Apr 2010	18–24 months
06/04/2012–05/10/2012	July 2010	21–27 months
06/10/2012–05/04/2013	Oct 2010	24–30 months
06/04/2013–05/10/2013	Jan 2011	27–33 months
06/10/2013–05/03/2014	April 2011	30–35 months
06/03/2014–05/08/2014	July 2011	32–37 months
06/08/2014–05/01/2015	Oct 2011	34–39 months
06/01/2015–05/04/2015	Jan 2012	36–39 months

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**Section 4: Appendix
Fact sheets**



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Appendix 1: Factsheets

The following factsheets give information on the different elements of the State Pension changes. Please see table below of factsheets provided. If you need further information, please visit www.nidirect.gov.uk.

Increases in State Pension age
State Pension age is changing
State Pension Equalisation Mail shot
The age threshold for other 'pensioner' benefits will rise to 65
The age threshold for Working Age Benefits is increasing
Changes for Parents and Carers
Home Responsibilities Protection is being replaced by a new weekly credit which will be available for carers and parents
Making State Pensions fairer, more widely available and more generous
The State Pension contribution conditions are changing
The basic State Pension will be uprated in line with earnings
Workplace Pension Schemes
Changes to different elements of the State Pension
Voluntary National Insurance Contributions
The Adult Dependency Increase is being abolished
Entitlement to Category B and Category B(L) pensions is changing
The State Second Pension is changing

State Pension age is changing

The facts

Equalisation of SPa

1. The equalisation of SPa was legislated for in the Pensions (Northern Ireland) Order 1995.
2. From 6th April 2010 the age at which women reach SPa will gradually rise to become the same as for men (65). These changes will be phased in between 2010 and 2020. Phasing affects women born on or after 6th April 1950 but before 6th April 1955. See the table on the next page for details.

Extension of SPa

1. The SPa for men and women will further increase from 65 to 68 years between 2024 and 2046. This will affect anyone born on or after 6th April 1959.
2. The increase will be phased in over two years in the middle of each decade as follows:
 - the increase from 65 to 66 will happen between April 2024 and April 2026
 - the increase from 66 to 67 will happen between April 2034 and April 2036
 - the increase from 67 to 68 will happen between April 2044 and April 2046.

State Pension age for women is changing

There will be a gradual increase in SPa, which will be phased in over ten years and will affect all women born between the 6th April 1950 and the 5th April 1955 (inclusive). It will mean that women's SPa will rise by one month every two months between 2010 and 2020. Women born on or after the 6th April 1955 will have the same SPa as men.

Date of Birth	State Pension age date
06/04/1950 – 05/05/1950	06/05/2010
06/05/1950 – 05/06/1950	06/07/2010
06/06/1950 – 05/07/1950	06/09/2010
06/07/1950 – 05/08/1950	06/11/2010
06/08/1950 – 05/09/1950	06/01/2011
06/09/1950 – 05/10/1950	06/03/2011
06/10/1950 – 05/11/1950	06/05/2011
06/11/1950 – 05/12/1950	06/07/2011
06/12/1950 – 05/01/1951	06/09/2011
06/01/1951 – 05/02/1951	06/11/2011
06/02/1951 – 05/03/1951	06/01/2012
06/03/1951 – 05/04/1951	06/03/2012
06/04/1951 – 05/05/1951	06/05/2012
06/05/1951 – 05/06/1951	06/07/2012
06/06/1951 – 05/07/1951	06/09/2012
06/07/1951 – 05/08/1951	06/11/2012
06/08/1951 – 05/09/1951	06/01/2013
06/09/1951 – 05/10/1951	06/03/2013
06/10/1951 – 05/11/1951	06/05/2013
06/11/1951 – 05/12/1951	06/07/2013
06/12/1951 – 05/01/1952	06/09/2013
06/01/1952 – 05/02/1952	06/11/2013
06/02/1952 – 05/03/1952	06/01/2014
06/03/1952 – 05/04/1952	06/03/2014
06/04/1952 – 05/05/1952	06/05/2014
06/05/1952 – 05/06/1952	06/07/2014
06/06/1952 – 05/07/1952	06/09/2014
06/07/1952 – 05/08/1952	06/11/2014
06/08/1952 – 05/09/1952	06/01/2015
06/09/1952 – 05/10/1952	06/03/2015
06/10/1952 – 05/11/1952	06/05/2015
06/11/1952 – 05/12/1952	06/07/2015
06/12/1952 – 05/01/1953	06/09/2015

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06/01/1953 – 05/02/1953	06/11/2015
06/02/1953 – 05/03/1953	06/01/2016
06/03/1953 – 05/04/1953	06/03/2016
06/04/1953 – 05/05/1953	06/05/2016
06/05/1953 – 05/06/1953	06/07/2016
06/06/1953 – 05/07/1953	06/09/2016
06/07/1953 – 05/08/1953	06/11/2016
06/08/1953 – 05/09/1953	06/01/2017
06/09/1953 – 05/10/1953	06/03/2017
06/10/1953 – 05/11/1953	06/05/2017
06/11/1953 – 05/12/1953	06/07/2017
06/12/1953 – 05/01/1954	06/09/2017
06/01/1954 – 05/02/1954	06/11/2017
06/02/1954 – 05/03/1954	06/01/2018
06/03/1954 – 05/04/1954	06/03/2018
06/04/1954 – 05/05/1954	06/05/2018
06/05/1954 – 05/06/1954	06/07/2018
06/06/1954 – 05/07/1954	06/09/2018
06/07/1954 – 05/08/1954	06/11/2018
06/08/1954 – 05/09/1954	06/01/2019
06/09/1954 – 05/10/1954	06/03/2019
06/10/1954 – 05/11/1954	06/05/2019
06/11/1954 – 05/12/1954	06/07/2019
06/12/1954 – 05/01/1955	06/09/2019
06/01/1955 – 05/02/1955	06/11/2019
06/02/1955 – 05/03/1955	06/01/2020
06/03/1955 – 05/04/1955	06/03/2020
06/04/1955	06/04/2020

State Pension Equalisation Mailshot

1. From 6 April 2010 Women's State Pension age (SPa) is being gradually increased to 65 so that by 2020 it will be equal to men's.
2. A phased direct mailing exercise to women affected by the gradual increase in SPa is being conducted.
3. The content of the mailing will comprise a letter giving the recipient their SPa date and an accompanying flyer giving more general information about State Pension changes and extending working lives.
4. For more information on State Pension equalisation, please refer to previous page.

The age threshold for other ‘pensioner’ benefits will rise to 65

The facts

1. The minimum age at which both men and women will be able to receive State Pension Credit will rise incrementally to 65, in line with the increase in women's SPa, between 2010 and 2020.
2. The minimum age at which both men and women will be able to receive a Winter Fuel Payment will rise incrementally to 65, between 2010 and 2020.

Note: The minimum age to receive State Pension Credit and Winter Fuel Payments will rise again to 68 in line with the increase in SPa for both men and women.

The age threshold for Working Age Benefits is increasing

The facts

1. The maximum age for both men and women to receive Income Support will gradually increase to 65 – in line with the increase in women's SPa.
2. The maximum age for women to receive Working Age Benefits will gradually increase to 65 in line with the changes to SPa. This will affect claims for:
 - Jobseeker's Allowance, Incapacity Benefit, Bereavement Benefits, Severe Disablement Allowance(for existing customers), ESA, Reduced Earnings Allowance.
3. From 2010, as women's SPa increases, men will have to stay on Jobseeker's Allowance and remain in the mandatory Work Focused Interview regime for longer as they will no longer have the option of claiming State Pension Credit from age 60.
4. It is planned that people on Incapacity Benefit or SDA below SPa will be gradually transferred to ESA from 2010 onwards.
5. People receiving SDA who have not been transferred to ESA may continue to receive it beyond SPa, unless their State Pension gives them a higher amount.
6. From 2024 the Working Age Benefit upper age limit for both men and women will again increase incrementally to 68, in line with the increase in SPa.

Note: Although the maximum age for receipt of Bereavement Benefits will gradually increase to 65, Pension Reforms will not change the qualifying conditions for entitlement to Bereavement Benefits.

Home Responsibilities Protection is being replaced by a new weekly credit will be available for carers and parents

The facts

1. Home Responsibilities Protection (HRP) was introduced on 6th April 1978 to assist people with caring responsibilities, who are not in paid employment or have low earnings. It works by reducing the number of qualifying years a person needs to build up a basic State Pension.
2. HRP is automatically awarded to those who receive Child Benefit for a child or children under 16 and to customers who are not receiving Carer's Allowance but who receive Income Support and are regularly caring for someone who is severely disabled – providing entitlement conditions are met.
3. A person needs to claim for HRP if they are regularly caring for at least 35 hours a week throughout a tax year, for someone receiving Attendance Allowance, Disability Living Allowance or Constant Attendance Allowance, and they do not get Carer's Allowance or Income Support.
4. Foster Parents need to claim HRP if they do not get Child Benefit, or if they are not in paid employment in which they pay or are treated as paying National Insurance contributions.
5. From the 6th April 2010 HRP will be replaced by a new weekly credit.
6. Up to 22 years' HRP will be automatically converted into credits for customers reaching SPa on, or after, 6th April 2010.
7. From 6th April 2010 HRP will be replaced with a weekly credit that will be available to people getting Child Benefit for a child/children aged under 12, registered Foster Carers and people spending 20 hours a week or more caring for someone who is disabled.
8. The new weekly credit will count towards both basic State Pension and S2P and help many people to build up a more valuable State Pension during their working life.
9. The new weekly credit for those looking after a disabled person for 20 hours a week or more, is known as Carer's Credit.
10. Individuals over SPa will not qualify for the new weekly credit as there is no liability to pay National Insurance contributions after SPa.

Note: Regulations will be laid before the Assembly which will set out who is treated as engaged in caring for the purposes of the credit

The State Pension contribution conditions are changing

The facts

1. The number of qualifying years needed for a full basic State Pension is being reduced to 30. The current rule is 44 years for men and 39 years for women.
2. Where someone has fewer than 30 qualifying years, each year will give entitlement to 1/30th of the full basic State Pension.
3. There will be a new single contribution condition where a minimum of 1 qualifying year built up through paid contributions or credits will give entitlement to some basic State Pension.
4. The amount of basic State Pension a person receives at SPa is based on their National Insurance Contribution record over their working life from age 16 to SPa.
5. During a single tax year people will be able to combine National Insurance Contributions from earnings with National Insurance Credits to build up a qualifying year for S2P.

The basic State Pension will be uprated in line with earnings

The facts

1. The basic State Pension is currently uprated by the Retail Price Index. From a date to be decided in the future, the basic State Pension and Industrial Death Benefit will be uprated in line with earnings. The intention is to do this from 2012, subject to affordability and the fiscal position, or by the end of the next Parliament at the latest (the latest possible date would be 2015, assuming full-term Parliaments).
2. The State Pension Credit standard minimum guarantee will continue to increase by no less than earnings.

Workplace Pension Schemes

1. From 2012 there will be a new employer duty whereby employers will be required to automatically enrol employees into a workplace pension and make a minimum contribution, currently standing at 3%.
2. Employees will have the right to opt out should they so wish.
3. The personal accounts scheme is designed to target low to moderate earners who are not currently contributing to a pension plan, and will be run by a not-for-profit trustee organisation as a simple and low-charge scheme to ensure that members keep as much of their pension savings as possible.
4. Contributions will be phased in over a number of years and will eventually equate to 8% of a band earnings between £5,035 and £33,540 at 2005 prices.
5. Personal accounts will be one of the qualifying workplace pension schemes available for employers to choose from for auto enrolling their employees.

Voluntary National Insurance Contributions

1. Since the 6 April 2009 individuals who reached, or will reach, State Pension age (SPa) between 6 April 2008 and 5 April 2015 and who satisfy the qualifying conditions are able to purchase up to an additional 6 years of voluntary National Insurance contributions back to 1975.
2. This is in addition to the usual rules which allow voluntary National Insurance contributions to be purchased to fill gaps, in the previous 6 tax years.
3. Currently (to be entitled to a full basic State Pension) a man must have 44 qualifying years and women 39. For people reaching State Pension age on or after 6 April 2010 the number of qualifying years for a full basic State Pension will be 30 for both men and women.
4. The price of voluntary National Insurance contributions is £12.05 a week from 6 April 2009. [Previously £8.10 a week]
5. Customers should be directed to The Pension Service (NI) were they can obtain information about this change.

The Adult Dependency Increase (ADI) is being abolished

The facts

1. From 6th April 2010 it will no longer be possible to claim an increase of State Pension for another adult.
2. If the customer is already entitled to the increase on 5th April 2010, they will be able to keep it until they no longer meet the conditions for the increase or until 5th April 2020, whichever is first.
3. If the adult dependant is a wife and she reaches her SPa on or after 6th April 2010 entitlement to the ADI will cease at her SPa date.
4. If the adult dependant is a husband or an adult looking after the children for the customer it will be possible for the increase to continue beyond the adult dependant's SPa.
5. All ADIs will cease from 6th April 2020.

Entitlement to Category B(L) Pension is changing

The facts

Married women

- A Cat B(L) pension is currently payable to married women who do not have sufficient National Insurance Contributions to qualify for at least 60% of a basic State Pension based on their own contribution record.
- It is currently paid if they and their husband have reached SPa and their husband has claimed his State Pension.
- From 6th April 2010 a married woman will no longer have to wait until her husband has claimed his State Pension before she can claim her Cat B(L) pension.

Married men and female civil partners

- Married men and female civil partners cannot currently get a Cat B(L) pension.
- From the 6th May 2010 they will be able to claim a Cat B(L) pension on the same basis as married women, providing their wife or civil partner reaches SPa on or after 6th May 2010 (due to equalisation, no woman will reach SPa between 6th April 2010 and 5th May 2010).

Male civil partners

- Male civil partners cannot currently get a Cat B(L) pension.
- From 6th April 2015 they will be able to claim a Cat B(L) pension on the same basis as married women, married men and female civil partners, providing their civil partner reaches SPa on or after 6th April 2015.

The State Second Pension is changing

The facts

1. The new S2P rules will allow people to combine contributions from earnings with National Insurance Credits, including Carer's Credits, in order to gain qualifying years of S2P.
2. The new S2P rules will allow people caring for children up to the age of 12, Foster Carers and those who spend at least 20 hours a week caring for disabled people to build up an entitlement.
3. From 6th April 2010 the Labour Market Attachment Test (LMA Test) for the purpose of S2P entitlement will be withdrawn. This will mean more individuals will have a greater opportunity to an entitlement to S2P.
4. S2P entitlement earned through HRP for tax years before 6th April 2010 will be retained and used in the S2P calculation.
5. From April 2009 the Upper Accrual Point replaced the Upper Earnings Limit for additional pension purposes and is frozen at £770 per week.
6. From a date yet to be set, but likely to be 2012, the amount of S2P will change over time to become a simple, flat-rate weekly top-up to the basic State Pension.
7. Customers reaching SPa from April 2020 will have all additional pension built up before April 2012 converted to a single cash amount which will be added to the new flat-rate amount (see 6 above).