

CASE STUDY



STATE PENSION ENTITLEMENT

Recently the press has been full of stories about people reaching State Pension age and not knowing their entitlement. The State Pension is an important part of your retirement income and so just because there is no capital value, it doesn't mean you shouldn't look after your State Pension entitlement.

What's more is easy to check your entitlement, simply complete the DWP form BR19 online or via printing and posting to receive your forecast. It can even be done via your Personal Tax Account on www.gov.uk.

Once received you can see if your State Pension will meet the maximum, but what happens if not? Well, you can top up the entitlement by paying Class 3 National Insurance Contributions. But your National Insurance Record can be increased without a cost to you.

When checking with a client about their State Pension entitlement we discovered that their record was only 26 years and hence they would not receive the full entitlement. Discussing their circumstances with them I realised that they were caring for two elderly relatives and therefore, they could be entitled to the Carers Allowance from DWP.

On checking, the criteria became clear that Carers Allowance would not be payable but the client could still claim the Carers Credit which provided a credit their National Insurance record.

Some 6 years later the client is now just 2 years away from claiming their State Pension and having completed a new forecast we have seen a significant increase in the entitlement and due to change in circumstances we just need 3 years voluntary contributions to provide a full State Pension.

The moral of this case study is that you should check your State Pension and where you have a shortfall ask "how can I fill the gaps"?

CHRISTIAN HARTNELL
CONSULTANT

ALBERT GOODMAN CHARTERED FINANCIAL PLANNERS

