

Top up your State Pension

'State pension top up' is a way to increase your State Pension by making a lump sum payment.

You can choose to buy between £1 and £25 extra per week of extra state pension (which in most cases will be inflation-linked) by making a lump sum payment before 5 April 2017. At least 50% of the extra pension can be inherited by a spouse.

Eligibility

Anyone who already receives a UK state pension, or who will become eligible to receive the UK state pension before 6 April 2016, can take advantage of the top-up. This means you must be either:

- A man born before 6 April 1951
- A woman born before 6 April 1953

How much to pay

The amount payable to receive each extra £1 of pension depends on the pensioner's age at the time they make the payment. There is a State Pension top up calculator at <https://www.gov.uk/state-pension-topup> to find out how much you will need to pay.

For example a person aged 83 can pay £11,350 to receive the maximum extra £25 weekly top-up. A person aged 65 would have to pay £22,250 to receive the same weekly amount.

Who may not benefit?

Pensioners who are receiving other state benefits such as pension credit may find that benefit is cut if their income increases as a result of a pension top-up. Equally where the extra pension pushes a person into a higher tax band or their income over £100,000 the top-up will be less tax efficient.

Apply for a State Pension top up

You can apply online at

<https://www.tax.service.gov.uk/forms/form/State-Pension-Top-Up-Request/new>. You need:

- Proof of identity, eg your P60 or the last 4 digits of your bank account
- Your National Insurance number

You can also apply over the phone on 0345 600 4270.

There is a 90 day cooling off period in which the pensioner can get a refund if they change their mind.

What alternatives are there?

Where a person is under state pension age and has gaps in their National Insurance record which mean that they won't receive the full state pension, they can make voluntary National Insurance contributions. Those contributions may well work out cheaper than the state pension top-up.

For further information please contact us on

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