

As broadcast on Classic FM on Wednesday 27th January 2010

Finance expert Jasmine Birtles' Radio Clinics explaining the changes to the State Pension

Jasmine Birtles spoke to 53 year old Diane Johnson, about what the changes mean for her.

Jasmine: The State Pension is changing in April, which is good news because more people will get it. Everyone who reaches State Pension age is going to be affected by the changes eventually, but if you're over 55, approaching retirement, recently retired or are a carer, you may need to take action **now** to boost your retirement cash.

I spoke to Diane Johnson, a 53 year old part-time teaching assistant, about what the changes will mean for her.

Diane: I've been working part-time for most of my life. At the moment I'm helping out at my local primary school for a few hours a week, and spend about 4 hours a day looking after my elderly mum. Because I've spent time in and out of work, I'm not sure whether I'll get a State Pension?

Jasmine: Well, your State Pension depends on how many National Insurance contributions you've clocked up in your working life. The good news is that from this April a Carer's Credit will be available which might help you and thousands of other carers. To get Carer's Credit you need to be looking after someone who's receiving a relevant benefit or certified as needing care for a minimum of 20 hours a week.

Diane: I definitely care for my mum for more than 20 hours a week. But I'm still not sure I'll have enough contributions to claim the full State Pension.

Jasmine: Do you have a husband or civil partner?

Diane: Yeah, Rachel, she's a little older than me. We've been in a civil partnership for 3 years.

Jasmine: Right, well the new changes mean that your own State Pension could be combined with State Pension based on your civil partner's National Insurance record. This could give you a basic State Pension of up to 60% of the full amount. But you can only claim this when you reach your State Pension age.

Diane: Carer's Credit, that's great. I'll definitely look into that in April.

Presenter: Diane's circumstances are based on a real-life situation, so if you think your situation is like Diane's or like Rachel's, you can find out more by logging onto www.direct.gov.uk/betterfuture.

Jasmine Birtles spoke to 58 year old Sita Patel, about what the changes mean for her.

Jasmine: Now you may know that the State Pension is changing from April 2010. No one likes thinking about getting older, but it's really important to plan for your future as we're all living longer lives and we want to make the most of it. And the good news is more people will now get a State Pension.

Everyone reaching State Pension age after April 2010 is going to be affected by the changes eventually, but if you're over 55 or approaching retirement or recently retired, you may need to take action **now** to boost your retirement cash.

I spoke to 58 year old Sita Patel, about what the changes mean for her.

Sita: I've not been working lately, but over the years I worked on and off as a receptionist at my local doctor's and before I was at home with the kids. Will I get a full State Pension?

Jasmine: Well Sita, the National Insurance contributions you pay while working go towards your basic State Pension. So the amount you'll get depends on how many years you've worked and how many contributions you've clocked up. You've spent a chunk of time not working, but if you've ever claimed benefits like Jobseeker's Allowance or Child Benefit, the government may have paid some contributions for you. However, from April 2010, the number of years you need to get the full basic State Pension is going down from 39 to 30 – how many years do you think you have?

Sita: Mmmmm. Only 20 or so.

Jasmine: Well, there are a couple of things you need to do. Firstly, check your State Pension age. It is gradually rising for women who have not reached State Pension age by April 2010 - so Sita you may have some time to clock up more contributions.

You should also check how many years of contributions you already have. If you still don't think you'll have 30 years by the time you reach your State Pension age then you can look into buying some voluntary National Insurance contributions to plug the gaps. Most people can only fill gaps in the last 6 years, but because of your age you should be able to pay for some earlier years too. Do check out all the options first, because everyone's circumstances are different.

Sita: Thanks Jasmine that's really helpful.

Jasmine: Sita's circumstances are based on a real-life situation, so if you think your situation is like hers you can find out more by logging onto www.direct.gov.uk/betterfuture.

Jasmine Birtles spoke to 66 year old Dave Johnson, about what the changes mean for him.

Jasmine: The State Pension is changing from April 2010 which is good news because more people will get it. Now, everyone who reaches State Pension age after April will be affected by the changes eventually but if you're over 55, approaching retirement or recently retired, you may need to take action **now** to boost your retirement cash.

I spoke to Dave Johnson, a 66-year-old plumber, about what the changes mean for him.

Dave: Hi Jasmine, a few years ago I became self-employed. I'm 66 and still working. My wife Sophie's 61 and has never really worked. If I retire now, I'm not sure whether my State Pension will be enough for both of us. Should I retire or carry on working?

Jasmine: Well Dave, the good news is that you don't have to stop working just because you're older than State Pension age. It may make sense financially to continue working because when you work past State Pension age, you stop paying National Insurance contributions and you pay less income tax. You can work and claim your State Pension or you can delay claiming it and you'll get extra State Pension, or a lump sum, when you do decide to retire.

Dave: Great. But will Sophie still get a State Pension?

Jasmine: Potentially yes, but it doesn't sound like Sophie has a State Pension on her own record. She may be able to get up to 60 per cent of the basic State Pension through you, as long as you have a good National Insurance contributions record. And from April 2010 the new changes also mean she could claim this even though you've decided to carry on working and not take your pension.

Dave: Great. So how much will that be?

Jasmine: Oh it could mean around £57 per week, but it will depend on a number of things so you'll probably both want to look into it.

Dave: Oh thanks Jasmine.

Presenter: Dave's circumstances are based on a real-life situation. If you think your situation is like Dave's, or like Sophie's, you can find out more by logging onto www.direct.gov.uk/betterfuture.

Jasmine Birtles spoke to Stan Downing, a 64 year old electrician about what the changes mean for him.

Jasmine: We're all living longer lives and if you're like me you probably don't like thinking about getting older but it's important to plan for the future. To help get you started the State Pension is changing from April 2010, which is good news because it means more people will get it.

Everyone who reaches State Pension age after that date is going to be affected by the changes eventually but for people over 55 or approaching retirement, or recently retired, you may need to take action **now** to boost your retirement cash.

I spoke to Stan Downing, a 64 year old electrician about what the changes mean for him.

Stan: I've worked on and off most of my life but I spent some time working in Dubai and I'm not really sure if I'll still get a State Pension?

Jasmine: Well Stan, it depends on how many years you've worked in the UK and how many years of National Insurance contributions you've clocked up as these will help you qualify. Now in your case, you'll need 44 years to get the full basic State Pension as you'll turn 65, that's your State Pension age, before April 2010. But as you've worked overseas for some time you may have gaps in your record. Do you know how many years you've worked in the UK?

Stan: Hmm... Well I spent six years in Dubai and had some time off back in the eighties as well.

Jasmine: OK, the first thing you should do is check how many qualifying years you have. You can visit www.direct.gov.uk/betterfuture for more information, and if you don't have the 44 years you need, don't panic 'cos you might be able to fill these gaps by buying voluntary National Insurance contributions.

Stan: So I can buy back some years I've missed paying National Insurance and get a bigger State Pension?

Jasmine: Yes, if you have gaps in the last six years you should be able to plug those, and because of your age you may be able to buy up to six extra years. This could mean you may get more from your basic State Pension, but everyone's circumstances are different so it's really important to get more advice before making any decisions.

Stan: Thanks Jasmine. That's great.

Jasmine: Stan's circumstances are based on a real-life situation. If you think your situation's like his you can find out more by logging onto www.direct.gov.uk/betterfuture.