

**As broadcast on Smooth Radio on Wednesday 21<sup>st</sup> October 2009**

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

**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:** Hmmm... 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/pensions](http://www.direct.gov.uk/pensions) 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/pensions](http://www.direct.gov.uk/pensions).

**Jasmine Birtles spoke to Angie Brown about what she can do to make the most of the changes.**

**Jasmine:** Now, no one likes to think about getting older, but as we are living longer, it's important to plan for your future. To help get you started the State Pension is changing from April 2010 so that more people will get it.

Everyone reaching State Pension age after that date will 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 Angie Brown about what she can do to make the most of the changes.

**Angie:** I'm just 60 and I've found out that I've only got a small State Pension. So what can I do?

**Jasmine:** The amount of State Pension you'll get depends on how many years of National Insurance contributions you've built up while working. In some situations, for example if you have been caring for someone, or looking after young children or claiming certain benefits, the government may have paid some contributions for you or you may have voluntarily bought some contributions.

Right now women need 39 years to get the full basic State Pension, but anyone reaching State Pension age on or after 6<sup>th</sup> April 2010 will need just 30 years.

Now Angie, you already know what State Pension you're entitled to, but for those of you nearing State Pension age it's worth checking out how many years of contributions you've got.

As you haven't clocked up enough contributions to get the full basic State Pension you may be able to boost what you currently get on the basis of your husband's entitlement. You'll qualify for this if he has enough contributions to get some State Pension and you get less than 60%, that's around £57 a week.

**Angie:** Tom still works and has put off claiming his State Pension. Does this mean I won't be able to get any more until he stops working?

**Jasmine:** Well from April 2010 you will be able to get this pension boost, even if he carries on working and doesn't claim his State Pension.

**Angie:** Oh, that's great!

**Jasmine:** And if Tom carries on working and puts off claiming his state pension he won't pay National Insurance on his earnings and can get extra money on his State Pension, or a lump sum, when he does come to retire.

**Jasmine:** Angie's circumstances are based on a real-life situation. If you think your situation's like hers you can find out more by logging onto [www.direct.gov.uk/pensions](http://www.direct.gov.uk/pensions).

**Jasmine Birtles spoke to Alan Blackwood, a 66 year old engineer, about what the changes will mean for him.**

**Jasmine:** Well, if you're like me you probably don't like thinking about getting older or planning for your retirement. But as we're all living longer, we should think about how we are going to fund those extra years. To get you started from April 2010 the State Pension is changing which mean more people will get it.

Everyone who reaches State Pension age after that date is going to 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 Alan Blackwood, a 66 year old engineer, about what the changes will mean for him.

**Alan:** I started work at 18 and I've been running my own business for 25 years. Although I'm 66 I'm still working , but I'm a bit worried that my State Pension won't support both me and my wife Alison . Should I claim my State Pension now or continue working?

**Jasmine:** Well Alan you can claim your State Pension and carry on working but the amount you receive depends on how many years of National Insurance contributions you've clocked up. As you've already reached State Pension age and you've been working throughout your life, it's likely you'll get the full amount of basic State Pension if you decide to claim it now. Also, if you're supporting Alison there could be other benefits available to you. So how old is Alison, and has she ever worked?

**Alan:** She's 55 and she's never worked.

**Jasmine:** Ok well, because Alison is financially dependent on you, one option might be for you to start claiming your State Pension rather than continuing to defer and then you may also be able to claim an Adult Dependency Increase (that's an ADI for short) at the same time. This is worth up to £57 a week, and can be claimed until Alison reaches her State Pension age, when she'll then be able to claim her own pension, based on your record. **BUT**, ADIs are being phased out, so you can only get it **IF** you begin claiming your pension before April 2010. Before you make any decisions, you should get further advice to check that this is the best option for you.

**Alan:** Thanks Jasmine.

**Jasmine:** Alan'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/pensions](http://www.direct.gov.uk/pensions).

**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 can find out more by logging onto [www.direct.gov.uk/pensions](http://www.direct.gov.uk/pensions).