



Basic State Pension ready reckoner

How much basic State Pension will you get?
This ready reckoner gives you a rough guide
to how much you may have built up so far.

Important note: This ready reckoner is designed only for:

- women born on or after 6 April 1950, and
- men born on or after 6 April 1945.

If you are not in one of these groups do not use this ready reckoner.

To find out more about your State Pension visit

www.direct.gov.uk/pensions

How do you get a State Pension?

Most people get some State Pension when they reach their State Pension age, but the amount they get varies. State Pension is based on National Insurance contributions and credits. People get a qualifying year towards their basic State Pension for each year they have paid or been credited with enough National Insurance contributions, or been treated as having paid enough contributions.

In 2009-2010, the full basic State Pension for a single person is £95.25 a week. You may also get an additional State Pension on top of this amount.

Anyone reaching State Pension age on or after 6 April 2010 will need 30 qualifying years to get a full basic State Pension. This ready reckoner helps you estimate how many qualifying years you may have so far and what this may be worth. You may also get an additional State Pension on top of this. You can find out more about the basic and additional State Pension and find out your State Pension age by visiting www.direct.gov.uk/pensions.

Getting started

Please fill in the boxes on pages 3 and 4. If you need any help filling out these boxes, please refer to the help section on page 6, or see the contact details on page 2 to get more help.

You will need: a pocket calculator or the Calculator programme on your computer or phone.

If you'd rather not work out your own basic State Pension, look out for the interactive State Pension profiler, coming soon on www.direct.gov.uk/pensions. This simple tool will do the working out for you, and will also give you important additional information about your State Pension.

Important Information

This ready reckoner is based on UK law as it currently stands, and on the information you provide. It will give you a rough estimate of how many qualifying years you are likely to have built up to date. It uses a simplified calculation that cannot take into account every circumstance that might affect your exact number of qualifying years. When making decisions about your future finances you should not rely on this ready reckoner without obtaining further advice.

Counting your qualifying years

The ready reckoner asks you to count the number of years you have spent doing different things, like working or caring for children. Please answer the questions as fully as you can. You will need to enter whole numbers, so please only enter complete years. If you are uncertain as to whether a year counts as a qualifying year please use the contact details below for help and information on National Insurance.

It is important that you do not double count years. For instance, if there are years when you were working and caring at the same time, you should only count those years once.

Contact details

For more information on National Insurance, visit www.hmrc.gov.uk Or to find contact details of relevant help lines, visit direct.gov.uk, then click on "Contacts" and "Tax and National Insurance".

Section 1: your qualifying years

Start by filling in boxes A - D. When entering numbers of years please do not include any years you have already counted.

Question 1: National Insurance contributions you have paid

You can start building up National Insurance contributions from the age of 16. If you earn more than a certain amount while working, you pay National Insurance contributions. The amount increases every year. You may also pay National Insurance contributions if you are self-employed, or choose to pay voluntary National Insurance contributions to make up additional qualifying years. See page 6 for help with this question.

From the age of 16, how many years have you paid National Insurance contributions?	_____ years	Box A
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Question 2: Unemployment and sickness

You may have been credited with National Insurance contributions by the Government because you were unemployed and “signing on” or claiming benefits or credits because you were unable to work because of sickness or disability.

From the age of 16, how many years were you unemployed and looking for work or unable to work because of sickness or disability?	_____ years	Box B
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Question 3: Years when you were awarded Home Responsibilities Protection

Until April 2010 you may be awarded Home Responsibilities Protection (HRP) for years when you are not working or your earnings are low. (See page 7 if you need help with this question.)

From the age of 16, how many years of HRP (up to a maximum of 22) do you think you have been awarded?	_____ years	Box C
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Question 4: Years when you were receiving Carer's Allowance

You may have been credited with National Insurance contributions for years when you were receiving Carer's Allowance.

From the age of 16, for how many years were you receiving Carer's Allowance?	_____ years	Box D
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Section 2: putting it together

You're nearly there! Now you need to work out your total number of qualifying years, and use this to find out how much basic State Pension you may have built up so far.

Add up the numbers in boxes A, B, C and D, and enter the total in box E	TOTAL: _____ years	Box E
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The number in Box E will show you roughly how many qualifying years you have built up so far (as long as the information you have provided is accurate). Note: this number should not be any higher than the number of years since your 16th birthday.

Section 3: your basic State Pension

To get a full Basic State Pension, you need to have built up 30 qualifying years of National Insurance.

If you have 30 or more years in box E

You may already have 30 or more qualifying years. If so, you will get a full basic State Pension. In 2009-10, this is £95.25 a week for a single person. This amount usually rises each year, so the amount you will get when you claim your State Pension may well be more than this.

Remember that you may also be entitled to some additional State Pension. To find out more about your basic State Pension, and whether you may have built up any additional State Pension, visit www.direct.gov.uk/pensions

If you have fewer than 30 years in box E

You may not have built up 30 qualifying years. But you may have built up some State Pension already. On current rates, you are likely to get about £3 a week of basic State Pension for every qualifying year you build up. Using your calculator, multiply the number in box E by 3 and write the result in box F. For instance, if you have 12 qualifying years in box E, you should enter $12 \times £3 = £36$ per week in box F.

Number of years in box E multiplied by 3	TOTAL: £ _____ per week	Box F
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If all the information you have entered is correct, box F should tell you roughly how much basic State pension you've built up so far at 2009-10 values. This is the amount of basic State Pension you would get a week in today's terms.

You may still be entitled to a full basic State Pension when you reach State Pension age. For instance:

- if you have not yet reached State Pension age, you may be able to make up the full 30 qualifying years. For instance, if you currently have 15 qualifying years, but you have 20 years to go until you reach State Pension age, you may well be able to build up more than 30 qualifying years by the time you claim your State Pension. To find out your State Pension age, visit www.direct.gov.uk/pensions and use the State Pension age calculator
- you may have been credited with up to three years of National Insurance credits between your 16th and 19th birthday. To find out more about this, please use the contact information on page 2
- you may be able to buy voluntary National Insurance contributions to make up any shortfall in qualifying years. To find out more about voluntary national Insurance contributions, visit www.direct.gov.uk/pensions

Help with Section 1, Question 1 – National Insurance contributions

You may build up a qualifying year of National Insurance contributions if:

- you are an employee and earn at least £4,940 a year
- you are self-employed and pay class two National Insurance contributions
- you weren't working but have paid voluntary class three National Insurance contributions to make up a qualifying year

If you are a married woman or widow who chose to pay the reduced rate of National Insurance (sometimes called the married woman's stamp) these do not count for State Pension. Please **do not include** any such years in Box A.

Employees

If you're an employee:

- you pay National Insurance contributions when you earn at least £110 a week (in 2009/10). The contributions are taken out of your pay automatically by your employer.
- if you earn between £95 a week and £110 a week (in 2009/10), you won't actually pay National Insurance contributions but you will be treated as if you've paid them. This means you continue to build up entitlement to State Pension.

To make a year count towards your basic State Pension you need to have earnings of at least £4,940 a year (in 2009/10) on which you have paid, or are treated as having paid, National Insurance contributions. National insurance paid at the reduced rate (sometimes called the married woman's stamp) does not count for basic State Pension.

Depending on how much you earn and the frequency of payment you may not need to work for a full year to make the year count towards your basic State Pension. In some cases it is also possible to have high earnings for a very short period and still not pay enough National Insurance for it to count towards your basic State Pension.

Self-employed people

If you are self-employed you pay National Insurance contributions yourself. You build up a qualifying year by paying 52 Class 2 contributions in a tax year. You pay flat-rate Class 2 contributions however much you earn, unless you have a Certificate of Small Earnings Exception which says you do not have to pay Class 2 contributions. Even if you have a Certificate of Small Earnings Exception, you may still choose to pay Class 2 contributions to protect your National Insurance contribution record for, amongst other things, your basic State Pension.

You can go to HM Revenue & Customs www.hmrc.gov.uk to find out more about making contributions if you're self-employed.

Help with Section 1, Question 3 – Home Responsibilities Protection (HRP)

You may be awarded HRP for years when you were:

- receiving Child Benefit for a child under age 16 – you don't have to be the parent of the child (or children), but you must normally have been the
- person who was awarded Child Benefit
- caring for a sick or disabled person
- a registered foster carer (but only from 6 April 2003 onwards)

Anyone who reaches State Pension age on or after 6th April 2010 will have any HRP automatically converted to Qualifying Years. The maximum number HRP years that can be converted is 22.