

Information

Topping up your State Pension

While your Firefighters' Pension Scheme benefits form a very important part of your retirement planning it is important not to forget about your State Pension. If you are not on track to get the full amount of State Pension (or you are not receiving the full amount if you have already drawn your State Pension), then it is worth considering topping up.

The amount of State Pension you get is based on your record of National Insurance Contributions (NICs):

- If you reached State Pension age before 6 April 2016, you need to have completed at least 30 qualifying years of NICs to receive the basic State Pension of £134.25 per week (2020/21 rate).
- If you reach State Pension age on or after 6 April 2016, your past NICs to that date are used to calculate a 'Starting Amount' for the new State Pension. From 6 April 2016 you may be able to add 1/35 of the full amount to this each year, until you reach the full amount or your State Pension age, whichever comes first. The full amount of the new State Pension is £175.20 per week (2020/21 rate). To get your individual forecast go to www.gov.uk/check-state-pension.

Why you may not receive the full new State Pension

If you paid into a 'contracted out' pension scheme, such as any of the Firefighters' Pension Schemes, between 6 April 1978 and 5 April 2016 the amount of new State Pension you receive will be reduced¹ in respect of this period, to reflect the fact that you and your employer paid a lower rate of National Insurance (NI)².

How to check if you are on track to get a full State Pension

If you're not sure whether you're on track to get the full State Pension visit www.gov.uk/check-state-pension to find out.

¹ Apart from any periods over State Pension age or during which you paid the Married Woman's / Widow's Reduced Rate of National Insurance contributions.

² However, in most cases, the pension you get from any of the Firefighter's Pension Schemes will be at least the equivalent to that which you would have received from the State Pension had you not been contracted out. The Government refer to this as the Contracted Out Pension Equivalent (COPE) amount.

Gaps in your National Insurance record

If you have gaps in your NI record you may be able to pay voluntary Class 3 NICs to fill them, and so increase your State Pension. Normally you must make the top-up payment within six years of missing the original payment, however, individuals reaching State Pension age on or after 6 April 2016 have until 5 April 2023 to pay for any gaps from 2006/07 to 2015/16 tax years - see the [GOV.UK website](https://www.gov.uk) for more information.

Bear in mind that just because you can fill gaps in your record it doesn't necessarily mean you should; you might first want to check if you qualify for any [NI credits](#) (such as carers credit), and if you don't, whether paying voluntary NICs would actually increase the amount of State Pension you will receive.

Paying voluntary NICs after you draw your Firefighters' pension

If you retire from your Firefighters' Pension Scheme before your State Pension age you could consider paying voluntary NICs after you retire.

For the majority of Firefighters' Pension Scheme members, entitlement for the new State Pension will take into account that all the Firefighters' schemes were contracted-out between 6 April 1978 and 5 April 2016. Because of this, you will have paid a lower rate of NI and this means you may not receive the full amount of the new State Pension.

However, by paying voluntary Class 3 NICs for years from 2016/17 up to the financial year before the one in which you reach State Pension age, you may be able to increase your State Pension by 1/35 of the full new State Pension rate for each year up until you reach the full rate. This is currently £175.20 divided by 35 or an extra £5.00 per week.

Bear in mind that you normally only have up to six years in which to pay. You might first want to check whether you qualify for certain [NI credits](#) (such as carers credits) or you are able to make NI contributions from employed or self-employed earnings.

Example

Frederic was a member of the Firefighters' Pension Scheme and retired from his job on his 60th birthday on 6 April 2020. He can draw a pension from the Firefighters' Scheme at once, but his State Pension will not be payable until he is 66. He does not intend to work again and does not qualify for any NI credits so each of the years from 2020/21 to 2025/26 will be gaps in his NI record. Because he was a member of the Firefighter's Pension Scheme throughout most of his working life he has a deduction to the new State Pension meaning that he will receive a State Pension of £125.95 per week.

Frederic decides that he can afford to set aside a lump sum of £796.60 which will pay for one year of voluntary NICs (2020/21 rate). He pays this lump sum shortly before he draws his State Pension in 2026. As a result his State Pension is increased by 1/35 of the full flat rate pension per week – currently £5.00 per week (£260.30 per year).

As Frederic is under State Pension age when he leaves his job on 6 April 2020 he does not need to pay the voluntary NICs straight away. He can set the money aside and use it to pay his voluntary NICs either when he reaches State Pension age or within six years, whichever is sooner.

Deferring your State Pension

Delaying the date you start taking the State Pension can make a significant difference to the level of pension you'll get.

For those who reach State Pension age **after 6 April 2016**, the new State Pension rules will apply which means that for every 9 weeks you delay taking your pension, it increases by 1%. This means you'll receive an increase of around 5.8% by delaying for at least a year. The rules for people who reach State Pension age **before 6 April 2016** are that for every five weeks you delay taking your pension, it increases by 1%. This means that if you defer for at least a year, you'll get a 10.4% boost to your pension.

Find out how to defer your State Pension on the [GOV.UK website](#)

The information provided in this leaflet is intended to provide helpful information but does not constitute financial advice. It should not be treated as a complete and authoritative statement of the law. Before deciding whether or not to top up your State Pension it is worth considering consulting an [independent financial adviser](#) and/or the [Pensions Advisory Service](#). In the event of any dispute the appropriate legislation will prevail.