

BRITISH PENSIONS in AUSTRALIA

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ABN 42 186 383 389

UK Age Pension Rules change from 6th April 2010

- From 5th April 2010 any male born on or after April 6th 1945 and any female born on or after April 6th 1950 and therefore who reach pension age on and after April 6th 2010, will receive a full pension after having made just 30 years of full National Insurance contributions.
- Those, whose age, 60 women or 65 men, whose birthdays fall prior to that 2010 date, come under the previous/current pension payment rules.
- People who reach pension age on and after 6th April 2010 will have their pension entitlement expressed as a fraction of 30, not as a percentage. E.g. for 1 year's contribution one will be entitled to 1/30th of the basic age pension, for 11 years 11/30ths and so on up to a full pension for 30 years contributions
- So the minimum UK age pension payable from 6th April 2010 will be 1/30th and this will be achieved after just 1 year's pension contribution is credited to your National Insurance account
- Deferring a pension payment WILL NOT enable one to get this higher rate of pension, if one's 65th or 60th women's birthdays fall prior to the 6th April 2010, although such pension candidates can still defer their pension payment to achieve a greater pension, eventually. They will come under the current rules which will be made redundant after April 6th 2010.
- Voluntary pension contributions will be still be available to boost one's pension so long as one complies with the required HMRC criteria.
- The rules re payment of voluntary contributions will stay the same. One has to have lived and or worked in the UK for a total of 3 years before one can make any additional voluntary contributions to boost one's UK pension entitlement.
- The much cheaper Class 2 VCs [about £110/year] require one to have been employed immediately prior to leaving the UK and one has to be gainfully employed when one is claiming to pay these additional contributions from Australia. Otherwise one is required to pay the Class 3 VCs, which range from \$309/year in 1996 up to over £400/year currently.
- The UK Pension Service advises it is a customer's responsibility to maintain his/her own National Insurance account details, even when overseas and any change of address and or marital status should be advised immediately to the DWP. The customer has a "duty of care" to maintain his /her NI record, as has the DWP.
- BPiA will help its members with both their UK age pension forecast applications, which we recommend everyone who has worked in the UK should request from Britain and their age pension claims. Please contact us for help in this regards.

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