

State Pension Reform

Single-Tier State Pension

The Pensions Act 2014 (PA2014) introduced a ‘new’ single-tier State Pension from 6 April 2016, which meant the abolition of contracting out from that same date. The key features of the single-tier State Pension are as follows:

- a) The single-tier State Pension has been designed to cost no more overall than the ‘previous’ two-tier system of State Pension which existed for pensioners who reached their State Pension Age (SPA) before 6 April 2016. The full amount is a simple, flat rate amount and is £203.85 per week from 6 April 2023 for pensioners who reach their SPA from 6 April 2016 (set above the basic level of means tested support – the Pension Credit Standard Minimum Guarantee – which is £201.05 per week from 6 April 2023).
- b) The single-tier State Pension replaces the Basic State Pension (for which the full amount is £156.20 per week from 6 April 2023 for pensioners who reached their SPA prior to 6 April 2016), the Additional State Pension (ASP), any Graduated Retirement Benefit and the savings element of the Pension Credit.
- c) Uprating arrangements contained in PA2014 mean the single-tier State Pension increases in the same way as the ‘previous’ Basic State Pension (i.e. by no less than (i) the highest of average earnings growth (ii) the rise in inflation (iii) 2.5%).
- d) The full single-tier State Pension is payable to individuals (including the self-employed) who have built up at least 35 qualifying years of National Insurance contributions or credits from before/after 2016 (as opposed to the 30 qualifying years which were required for the full Basic State Pension).
- e) Individuals with fewer than 35 qualifying years receive a proportionately lower amount provided they have a minimum of 10 qualifying years.
- f) It is possible (as with the ‘previous’ system) for pensioners to defer receiving their single-tier State Pension beyond SPA in return for an increase of one-ninth of 1% for each week of deferment (assuming a minimum deferral period of 9 complete weeks), which equates to approximately 5.8% for each full year. This is lower than the ‘previous’ system’s deferral amount of approximately 10.4% and, in addition, it is no longer possible to take any increase in pension as a lump sum.
- g) There is no longer an ability to inherit rights from a spouse or civil partner.

- h) The single-tier State Pension only applies to future pensioners who reach their SPA from 6 April 2016. Those pensioners who were already over SPA on 6 April 2016 continue to receive their State Pension (and the Savings Credit element of the Pension Credit, where applicable). This means that the single-tier State Pension applies to men born from 6 April 1951 and women born from 6 April 1953.
- i) Pensioners who reached SPA before 6 April 2016 were able to top up their ASP by paying voluntary Class 3A National Insurance contributions up to 5 April 2017 to secure a maximum additional amount of £25 per week.
- j) Transitional arrangements apply for those individuals who had not reached their SPA on 6 April 2016 and who have pre-implementation National Insurance records. The Government will convert these records into a 'Foundation Amount' (i.e. essentially the higher of what would have accrued under the 'new' system had it always applied up to 5 April 2016 and the amount that would have been received under the 'previous' system up to 5 April 2016; with any excess in the 'Foundation Amount' over and above the full single-tier State Pension being uprated in line with prices rather than the 'triple lock' guarantee).
- k) Contracting out for defined benefit schemes was abolished from 6 April 2016 and the reference test no longer applies (i.e. individuals who were contracted out on 5 April 2016 were automatically contracted in from 6 April 2016, with both employers and employees paying full rate National Insurance contributions from this date – an additional 3.4% for employers and 1.4% for employees).
- l) Employers who were contracted out at 5 April 2016 had a time limited statutory override power (which had to be exercised by 5 April 2021) to offset the higher National Insurance costs by either reducing future service benefits or increasing member contributions without trustee consent.
- m) Member consultation was not required on ending contracting out but was required in the event of a redesign of the scheme.

Timetables for State Pension Age Increases

The following tables detail the legislated (and proposed / announced) increases in the State Pension Age (SPA) for males and females, which are contained in various Pension Acts.

Increases under the Pensions Act 1995

The Pensions Act 1995 legislated for the SPA for women to increase from 60 to 65 on a phased basis for women born between 6 April 1950 and 5 April 1955 (although the Pensions Act 2011 (see below) subsequently legislated for the phased increase to be brought forward for women born after 5 April 1953 – highlighted in the table).

Table 1: Women's SPA under the Pensions Act 1995 (60 to 65)

Date of Birth	Date State Pension Age Reached
6 April 1950 – 5 May 1950	6 May 2010
6 May 1950 – 5 June 1950	6 July 2010
6 June 1950 – 5 July 1950	6 September 2010
6 July 1950 – 5 August 1950	6 November 2010
6 August 1950 – 5 September 1950	6 January 2011
6 September 1950 – 5 October 1950	6 March 2011
6 October 1950 – 5 November 1950	6 May 2011
6 November 1950 – 5 December 1950	6 July 2011
6 December 1950 – 5 January 1951	6 September 2011
6 January 1951 – 5 February 1951	6 November 2011
6 February 1951 – 5 March 1951	6 January 2012
6 March 1951 – 5 April 1951	6 March 2012
6 April 1951 – 5 May 1951	6 May 2012
6 May 1951 – 5 June 1951	6 July 2012
6 June 1951 – 5 July 1951	6 September 2012
6 July 1951 – 5 August 1951	6 November 2012
6 August 1951 – 5 September 1951	6 January 2013
6 September 1951 – 5 October 1951	6 March 2013
6 October 1951 – 5 November 1951	6 May 2013
6 November 1951 – 5 December 1951	6 July 2013
6 December 1951 – 5 January 1952	6 September 2013
6 January 1952 – 5 February 1952	6 November 2013
6 February 1952 – 5 March 1952	6 January 2014
6 March 1952 – 5 April 1952	6 March 2014
6 April 1952 – 5 May 1952	6 May 2014
6 May 1952 – 5 June 1952	6 July 2014
6 June 1952 – 5 July 1952	6 September 2014
6 July 1952 – 5 August 1952	6 November 2014
6 August 1952 – 5 September 1952	6 January 2015
6 September 1952 – 5 October 1952	6 March 2015
6 October 1952 – 5 November 1952	6 May 2015

6 November 1952 – 5 December 1952	6 July 2015
6 December 1952 – 5 January 1953	6 September 2015
6 January 1953 – 5 February 1953	6 November 2015
6 February 1953 – 5 March 1953	6 January 2016
6 March 1953 – 5 April 1953	6 March 2016
6 April 1953 – 5 May 1953	6 May 2016
6 May 1953 – 5 June 1953	6 July 2016
6 June 1953 – 5 July 1953	6 September 2016
6 July 1953 – 5 August 1953	6 November 2016
6 August 1953 – 5 September 1953	6 January 2017
6 September 1953 – 5 October 1953	6 March 2017
6 October 1953 – 5 November 1953	6 May 2017
6 November 1953 – 5 December 1953	6 July 2017
6 December 1953 – 5 January 1954	6 September 2017
6 January 1954 – 5 February 1954	6 November 2017
6 February 1954 – 5 March 1954	6 January 2018
6 March 1954 – 5 April 1954	6 March 2018
6 April 1954 – 5 May 1954	6 May 2018
6 May 1954 – 5 June 1954	6 July 2018
6 June 1954 – 5 July 1954	6 September 2018
6 July 1954 – 5 August 1954	6 November 2018
6 August 1954 – 5 September 1954	6 January 2019
6 September 1954 – 5 October 1954	6 March 2019
6 October 1954 – 5 November 1954	6 May 2019
6 November 1954 – 5 December 1954	6 July 2019
6 December 1954 – 5 January 1955	6 September 2019
6 January 1955 – 5 February 1955	6 November 2019
6 February 1955 – 5 March 1955	6 January 2020
6 March 1955 – 5 April 1955	6 March 2020
6 April 1955 onwards	65 th birthday

Increases under the Pensions Act 2007

The Pensions Act 2007 legislated for the SPA for men and women to increase from 65 to 66 on a phased basis for men and women born between 6 April 1959 and 5 April 1960 (although the Pensions Act 2011 (see below) subsequently legislated for the phased increase to be brought forward to include men and women born between 6 December 1953 and 5 December 1954 – highlighted in the table).

The Pensions Act 2007 legislated for the SPA for men and women to increase from 66 to 67 on a phased basis for men and women born between 6 April 1968 and 5 April 1969 (although the Pensions Act 2014 (see below) subsequently legislated for the phased increase to be brought forward to include men and women born between 6 April 1960 and 5 April 1961 – highlighted in the table).

The Pensions Act 2007 legislated for the SPA for men and women to increase from 67 to 68 on a phased basis for those born between 6 April 1977 and 5 April 1978.

Table 2: Men's & Women's SPA under the Pensions Act 2007 (65 to 66)

Date of Birth	Date State Pension Age Reached
6 April 1959 – 5 May 1959	6 May 2024
6 May 1959 – 5 June 1959	6 July 2024
6 June 1959 – 5 July 1959	6 September 2024
6 July 1959 – 5 August 1959	6 November 2024
6 August 1959 – 5 September 1959	6 January 2025
6 September 1959 – 5 October 1959	6 March 2025
6 October 1959 – 5 November 1959	6 May 2025
6 November 1959 – 5 December 1959	6 July 2025
6 December 1959 – 5 January 1960	6 September 2025
6 January 1960 – 5 February 1960	6 November 2025
6 February 1960 – 5 March 1960	6 January 2026
6 March 1960 – 5 April 1960	6 March 2026
6 April 1960 – 5 April 1968	66 th birthday

Table 3: Men's & Women's SPA under the Pensions Act 2007 (66 to 67)

Date of Birth	Date State Pension Age Reached
6 April 1968 – 5 May 1968	6 May 2034
6 May 1968 – 5 June 1968	6 July 2034
6 June 1968 – 5 July 1968	6 September 2034
6 July 1968 – 5 August 1968	6 November 2034
6 August 1968 – 5 September 1968	6 January 2035
6 September 1968 – 5 October 1968	6 March 2035
6 October 1968 – 5 November 1968	6 May 2035
6 November 1968 – 5 December 1968	6 July 2035
6 December 1968 – 5 January 1969	6 September 2035
6 January 1969 – 5 February 1969	6 November 2035
6 February 1969 – 5 March 1969	6 January 2036
6 March 1969 – 5 April 1969	6 March 2036
6 April 1969 – 5 April 1977	67 th birthday

Table 4: Men's & Women's SPA under the Pensions Act 2007 (67 to 68)

Date of Birth	Date State Pension Age Reached
6 April 1977 – 5 May 1977	6 May 2044
6 May 1977 – 5 June 1977	6 July 2044
6 June 1977 – 5 July 1977	6 September 2044
6 July 1977 – 5 August 1977	6 November 2044
6 August 1977 – 5 September 1977	6 January 2045
6 September 1977 – 5 October 1977	6 March 2045
6 October 1977 – 5 November 1977	6 May 2045

6 November 1977 – 5 December 1977	6 July 2045
6 December 1977 – 5 January 1978	6 September 2045
6 January 1978 – 5 February 1978	6 November 2045
6 February 1978 – 5 March 1978	6 January 2046
6 March 1978 – 5 April 1978	6 March 2046
6 April 1978 onwards	68 th birthday

Increases under the Pensions Act 2011

The Pensions Act 2011 legislated for the phased increase in the SPA for women to 65 to be brought forward for women born between 6 April 1953 and 5 December 1953.

The Pensions Act 2011 legislated for the phased increase in the SPA for men and women from 65 to 66 to be brought forward to include men and women born between 6 December 1953 and 5 October 1954.

Table 5: Women’s SPA under the Pensions Act 2011 (quicker move to 65)

Date of Birth	Date State Pension Age Reached
6 April 1953 – 5 May 1953	6 July 2016
6 May 1953 – 5 June 1953	6 November 2016
6 June 1953 – 5 July 1953	6 March 2017
6 July 1953 – 5 August 1953	6 July 2017
6 August 1953 – 5 September 1953	6 November 2017
6 September 1953 – 5 October 1953	6 March 2018
6 October 1953 – 5 November 1953	6 July 2018
6 November 1953 – 5 December 1953	6 November 2018

Table 6: Men’s & Women’s SPA under the Pensions Act 2011 (quicker move to 66)

Date of Birth	Date State Pension Age Reached
6 December 1953 – 5 January 1954	6 March 2019
6 January 1954 – 5 February 1954	6 May 2019
6 February 1954 – 5 March 1954	6 July 2019
6 March 1954 – 5 April 1954	6 September 2019
6 April 1954 – 5 May 1954	6 November 2019
6 May 1954 – 5 June 1954	6 January 2020
6 June 1954 – 5 July 1954	6 March 2020
6 July 1954 – 5 August 1954	6 May 2020
6 August 1954 – 5 September 1954	6 July 2020
6 September 1954 – 5 October 1954	6 September 2020
6 October 1954 – 5 April 1968	66 th birthday

Increases under the Pensions Act 2014

The Pensions Act 2014 legislated for the phased increase in the SPA for men and women from 66 to 67 to be brought forward to include men and women born between 6 April 1960 and 5 April 1961.

The Pensions Act 2014 also legislated for the Government to carry out an ‘SPA review’ once every Parliament to take into account rising life expectancy, with the fundamental aim of maintaining the same proportion of adult life spent in receipt of the State pension – the review will be informed by analysis from the Government’s Actuary Department (GAD) on life expectancy and from an independently-led review body on wider factors (the first report was published in 2017, with future reports having to be published no later than 6 years after the previous report).

Table 7: Men’s & Women’s SPA under the Pensions Act 2014 (quicker move to 67)

Date of Birth	Date State Pension Age Reached
6 April 1960 – 5 May 1960	66 years & 1 month
6 May 1960 – 5 June 1960	66 years & 2 months
6 June 1960 – 5 July 1960	66 years & 3 months
6 July 1960 – 5 August 1960	66 years & 4 months
6 August 1960 – 5 September 1960	66 years & 5 months
6 September 1960 – 5 October 1960	66 years & 6 months
6 October 1960 – 5 November 1960	66 years & 7 months
6 November 1960 – 5 December 1960	66 years & 8 months
6 December 1960 – 5 January 1961	66 years & 9 months
6 January 1961 – 5 February 1961	66 years & 10 months
6 February 1961 – 5 March 1961	66 years & 11 months
6 March 1961 – 5 April 1977	67 th birthday

For the purposes of calculating an individual’s SPA under the Pensions Act 2014, the following examples apply:

1. A person born on 31 July 1960 is considered to reach the age of 66 years and 4 months on 30 November 2026
2. A person born on 31 December 1960 is considered to reach the age of 66 years and 9 months on 30 September 2027
3. A person born on 31 January 1961 is considered to reach the age of 66 years and 10 months on 30 November 2027

Proposed Increases in State Pension Age

The Government announced in the Autumn Statement 2013 that the increase in the SPA to age 68 was likely to come forward from the current date of 2046 to the mid-2030's (and is likely to increase further to age 69 by the late 2040's).

In 2016, the Government appointed John Cridland to lead an independent SPA review. His final report was published in March 2017 with a view to allowing the Government to consult on his recommendations. His proposals suggested that the phased increase in the SPA to age 68 (for which the legislation is currently contained in Pensions Act 2007) should be brought forward to include men and women born between 6 April 1970 and 5 April 1971. This has not yet been contained in legislation.

A second SPA review is currently under way to consider whether the rules around pensionable age remain appropriate based on the latest life expectancy data and other evidence.

As the Pensions Act 2014 requires the Government to regularly review the SPA, and in accordance with law, this latest review must be published by 7 May 2023.