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# 'Shocking' figures show quarter of a million get no state pension

‘Government must do more’

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**A quarter of a million older people who are entitled to some level of state pension are missing out on what is rightfully theirs due to little known rules and claims procedures, according to LCP.**

Research from the pension consultant said latest population estimates state there are 8.78 million people in Great Britain aged 70 or over, but only 8.53 million get a state pension - a difference of a quarter of a million.

LCP partner and ex-pensions minister during the coalition Steve Webb said it was "shocking" that there are so many older people who are getting no state pension at all.

He added: "In particular, when we have a special state pension payable to those over 80 which does not depend on National Insurance contributions, it is hard to understand why over 100,000 people over 80 are still on zero pensions.

"The government needs to do much more to identify those who are on zero state pensions and to make sure that they draw the pension to which they are entitled."

LCP's *Mystery of the Missing Pensioners* report said there were legitimate reasons why some older people may not be in receipt of a state pension - such as long-term deferral, National Insurance (NI) gaps or other benefits cancelling out pension entitlement - but these only explained a fraction of the missing 250,000 people affected.

It said there was no evidence that the proportion of 'missing' pensioners declines with age: "This suggests that people deferring into their early 70s but claiming in their late 70s is not having much effect on the figures", the report said.

It added that even people with incomplete NI records can access the state pension two ways - either through the married women pensions route or the over 80s category D entitlement which is universal.

It explained: "Married women can claim a 60% basic pension based on their husband's contributions, so unless the husband also has a nil pension, the wife should be able to get something.

"From age 80 onwards, the UK has a non-contributory state pension where the amount you get does not depend on your NI record.

"Yet there are still large numbers of over 80s with zero state pension."

## **Case study: Bernie Weallans**

A married woman aged 73 who was until recently on zero state pension but could have been on over £4,000 per year

*Mrs Weallans is aged 73 and now lives in Brighton with her husband Martin.*

*She was born in the Netherlands and receives no state pension in her own right because most of her paid work was outside the UK. Her husband, Martin, 70, is a British citizen and receives a state pension.*

*They both worked in the oil industry. The couple has been married for over forty years. Mrs Weallans contacted Steve Webb because she had read reports that some women were being underpaid.*

*It turned out that Mrs Weallans could have had a 'married woman's' state pension once her husband retired. A regular pension of £82 is now being put into payment*

*and arrears of over £20,000 are due to be paid.*

*Mrs Weallans says: "When I saw the recent coverage it made me wonder if I should be getting a pension and I was delighted when my application was successful. I would encourage any other woman who is not getting a pension to check whether she is entitled to anything. This extra money will enable me to do more to support my children and grandchildren."*

## **Category D**

LCP also hones in on **entitlement to a category D state pension** - currently £82.45 per week or over £4,000 per year.

To qualify, people need to be 80 or over; been resident in England, Scotland or Wales for ten out of the last 20 years; and been an 'ordinary resident' of the UK, Channel Islands, Isle of Man or Gibraltar on their 80<sup>th</sup> birthday.

However, the LCP report found there are about 107,000 people (65,000 women, 42,000 men) in the UK aged 80 or over but have zero state pension despite the existence of a non-contributory state pension for this age group.

The report's authors believe a large proportion of this group could make a successful claim for a Category D state pension if they were aware of it. If 100,000 people aged 80 or over claimed their £82.45 per week, this would cost over £400m per year in extra state pension payments.

It lists lack of awareness, language barriers, practical barriers and mental capacity as possible reasons for people not actively claiming their pensions.

It recommended a focused campaign to raise awareness among older people who are not getting what is rightfully theirs. The government should consider removing the need to claim at age 80 and pay category D pensions automatically, it said.

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