

# Irish who worked in UK urged to claim years before pension concession ends

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In order to qualify for any UK state pension, a person must have a minimum of 10 qualifying years on their National Insurance record. File photo: iStock

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Thousands of Irish people could be entitled to a UK state pension but are unaware that they qualify.

Due to some upcoming changes to the rules, there has been a surge in the number of people seeking more information on the topic.

Frank Buckley, chartered accountant and founder of USP Financial, said he received more than 70 inquiries about the UK pension over just one week. Mr Buckley said that a large percentage of people who have returned from the

UK do not know about their pension entitlements.

Here, we answer all your questions about eligibility and the process of maximising your potential pension.

*Who is qualified for a UK state pension?*

In order to qualify for any UK state pension, a person must have a minimum of 10 qualifying years on their National Insurance record.

"A qualifying year is not a calendar year, it is a tax year in which you earned above the lower earnings limit and paid appropriate national insurance contributions," said Mr Buckley. A person may only have paid contributions for two months in the tax year but that year will still qualify.

If they have less than 10 years, then they may be entitled to make voluntary contributions to bring their national insurance record to this threshold. To qualify for voluntary contributions, a person must have lived and worked in the UK for three consecutive years.

*What changes are coming on 5 April 2023?*

Normally, an individual can pay for a maximum of six historic years missing from their National Insurance record. However, currently, HM Revenue and Customs are allowing people to pay back for a total of 16 years - back as far as the 2006/07 tax year.

This concession will expire on 5 April 2023 and the window will revert to the standard six years, so back until the 2017/18 tax year. It is not possible to make voluntary contributions for years prior to 2006/07.

Every year a person adds to their National Insurance record, they are boosting their UK state pension entitlement pro rata. Even if they qualify for all 16 years, they may opt to just pay for some of them. They are not required to pay for every year they qualify.

*How do I find out if I have gaps in my record?*

When applying to pay voluntary contributions abroad, one of the questions on the form is 'Do you want to know about any shortfall of National Insurance contributions that you can pay?'.  
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*How do I apply to pay the voluntary contributions and how much is it?*

People can apply to pay voluntary contributions while outside of the UK on the government website - [gov.uk](https://www.gov.uk). There are two rates for voluntary contributions: the default Class 3 rate and the Class 2 rate.

To avail of Class 3, a person must:

- have lived and worked in the UK for three consecutive years
- have at least three qualifying tax years on their national insurance record
- be now living outside of the UK.

Those who opt for Class 3 will currently be paying a rate of approx. £824.20 (roughly €940) for each additional year they wish to add to their record.

The Class 2 rate is much cheaper at €163.80. To avail of this rate, a person must fulfill the same requirements as for Class 3 and additionally, they must:

have been employed in the UK up until immediately before they left  
be in insurable employment abroad i.e. part of any social security system in the world - for Ireland that would mean being subject to PRSI.

The Class 2 rate costs around 20% of the Class 3 but it counts equally for the UK state pension, Mr Buckley explains.

There are additional benefits attached to Class 3 but they are not really

relevant to those living outside the UK, he said.

*If I pay voluntary contributions now, am I obligated to keep paying each year?*

A person may continue to pay voluntary contributions to build up their UK state pension up until their UK state retirement date - currently the UK state pension age is 66.

If a person has previously paid contributions, they will receive a notice each year for the previous tax year. It is not a demand for payment, it is just notifying you of the amount that would need to be paid if the person chooses to add another year to their record.

A person does not have to pay each year, if they don't wish to. They can take a break and then return to paying contributions. Where a person has not paid in a couple of years, they may stop receiving notices and it will be up to that person to remember to pay.