

Retirees owed thousands in fresh state pension scandal

Parents who took time off work to raise children since the 1970s have missed out

[By Jessica Beard](#) 1 September 2022 • 11:00am

British mothers could be owed millions of pounds after years of being wrongly short changed their state pension, in the latest of a catalogue of errors by the Government.

In some cases women who took time out of work to raise children were [underpaid](#) by as much as £80,000 over the course of their retirement.

Since 1978, parents who take time out of work to care for their children have been granted National Insurance credits for those years to plug any gaps in their record. The system, first known as “home responsibilities protection”, was meant to mean parents could still build up entitlement to the state pension despite not working.

The full state pension is only paid out to those who have at least 35 years of full National Insurance contributions. Anyone falling short will receive a smaller weekly stipend.

However, the system has failed to work under these rules, the Department for Work and Pensions has admitted.

The Government has confirmed that this new error is the second-largest source of [mistakes in the payment of state pension](#), behind the [£1.5bn underpayment to married women and widows](#).

The DWP said it is working with HM Revenue & Customs to assess how

many people have been affected and how much they have been wrongly denied.

Sir Steve Webb, former pensions minister and now partner at LCP, who has championed the cause of women against state pension underpayment, urged women to check their records.

“The DWP has admitted that even more people are being underpaid state pension than previously thought, with a whole new category of errors coming to light,” he said.

“Yet again, this error overwhelmingly affects women, and undoubtedly means that many thousands have been underpaid for years.”

Helen James, 67, from South Wales, was wrongly told she would get no state pension at all after the Government failed to give her credits for years she spent caring for her children and young grandson.

Last year, Mrs James was told that she was not entitled to anything because she did not have the minimum required 10 years of contributions.

After fighting the decision, she was awarded 12 years of home responsibilities protection, which meant she would receive £79 a week and a lump sum of £4,000 for money she should have received since July 2021.

Mrs James stood to miss out on more than £80,000 over the course of a 20-year retirement if the error had not been identified, leaving her £4,100 out of pocket each year, Sir Steve calculated.

She said: “It is quite wrong that I was told I wasn’t entitled to any pension, and if my daughter hadn’t read press coverage about the issue I might still be getting nothing.

“I would encourage any mother who has been turned down for a pension to challenge the decision and get it checked”.

Sir Steve has previously said that pensioners “just can’t trust what you are told anymore because so many times it [the DWP] is getting it wrong”.

Lorraine Wainwright, 68, from Gloucestershire with her husband Eddie (67) missed out on £1,500 after she was not given credits for seven years in the 1970s and 1980s during which she looked after her daughters.

This left her four years short of the full 35 years of NI needed to receive the full pension, meaning she was wrongly underpaid by more than £20 a week.

However, when challenging the DWP over her payments in early 2020, her case went unrectified. It was only after Sir Steve’s involvement that the Government accepted the error and paid out, he said.

Mrs Wainwright said: “If I had not checked my own record carefully, it is quite possible I would still be getting the wrong rate of pension.”

The problem first came to light more than a decade ago when raised by Sir Steve, which resulted in the Government making payments worth £83m to 36,000 people. However, the number of errors today could “easily” be of a greater scale, he warned.

This latest error is the second large scale mistake on state pensions made by the Department for Work and Pensions. The Government has admitted to underpaying [237,000 women £1.47bn in state pension payments](#) because of errors in pre-2016 state pensions.

The errors related to pensioners who claimed state pension before April 2016 and were entitled to higher rates due to their husbands’ work records. In these cases, the DWP has pledged to track down and reimburse all those who have missed out by late 2024.

A spokesman for the DWP said: "This year we will spend over £110bn on the state pension and support over 12.5 million pensioners.

"We are investigating an issue with the historical recording of Home Responsibilities Protection, with work under way to identify those affected."