

State pension top-ups: DWP phone lines 'jammed' ahead of April deadline

Frustrated savers complain Department for Work and Pensions phone lines are jammed ahead of a crunch deadline to buy state pension top ups, prompting calls for it to be extended.

This is Money readers tell us they either can't get through at all, or if they do staff cannot give them crucial information on whether it is worth paying voluntary National Insurance contributions.

Doing this can give a generous boost to retirement income if you buy or fill up the correct years, and right now the usual six year deadline is extended back to 2006/07 - a deal that expires on 5 April.

But it can be hard to work out which years if any will benefit you individually, and the Government itself and other money experts warn you should check with the [Future Pensions Centre](#) before handing over your cash.

This information line is run by the DWP, but the top-up payments of up to £824 for each year - less for a part-year gap - must be made to HMRC.

Readers contacting This is Money complain:



© Shutterstock / AleksandarMilutinovic
Long waits: It can take hours to get through to the Future Pension Centre, say our readers

- It takes hours to get through to the Future Pension Centre, or sometimes no one answers, or at the phone menu stage the line goes dead

- When you do get through DWP staff give conflicting advice

Given the impending deadline, it is vital that DWP either boosts the capacity of its helplines as a matter of urgency or extends the April deadline

- Staff say they cannot send out a 'statement of eligibility' for top-ups for two months, potentially missing the April deadline

Steve Webb, former Pensions Minister

- They promise to send out details which never arrive - one reader says they have been repeatedly trying to obtain the necessary information on paying a lump sum since April last year

- When HMRC - which processes top-ups payments - was contacted by one reader, they were told there were tens of thousands of people's top-ups questions yet to be answered.

>>>Want to top up your state pension? Find out Steve Webb's golden rules below

When we put these claims to the DWP and HMRC, a Government spokesperson responded: 'Voluntary contributions do not always increase your state pension. Customers should make sure they would benefit before making any payments.'

'The quickest and easiest way for customers to see information about their state pension and National Insurance record is online.'

'If customers need to contact us, both HMRC and DWP will ensure calls are answered as quickly as possible.'

Former Pensions Minister Steve Webb said: 'Even the DWP admits that paying extra contributions will not always boost

Will buying top-ups boost YOUR state pension, and what does it cost?

Buying top-ups to boost your state pension

your pension and encourage people to check before paying.

'But if people cannot get through to the DWP's helplines to check, what are they meant to do? Given the impending deadline, it is vital that DWP either boosts the capacity of its helplines as a matter of urgency or extends the April deadline.

'For some people, getting their National Insurance record sorted out before 6 April could make a huge difference to their standard of living in retirement.'

Webb, now [This is Money's pensions columnist](#) and a partner at LCP, says: 'In some cases, missing the deadline will mean missing out on the chance to pay an extra 10 years into the system. This could reduce someone's final pension by up to £2,750 per year.

'This is why it is so important that people can get clear answers to questions about their own individual situation and can find out if it is worth topping up and how to do so.'

Jon Orchard, a chartered financial planner at financial firm Old Mill, says it is vitally important people talk to the DWP's Future Pension Centre to confirm they are buying the right extra years before paying for them.

He says: 'It is a complex area and very much depends on individual circumstances, and not everyone with 'gaps' will actually need to top up.'

And he adds: 'You have to keep trying. Don't leave it too late. There is no magic wand - keep trying to get through.

can be highly cost-effective.

A year of voluntary 'Class 3' National Insurance contributions typically costs £824.20, and if you are filling in gaps in a year where you already paid some NI contributions it will be less.

'In many cases this will boost state pension entitlement by 1/35th of the standard rate, or around £275 per year,' says Steve Webb.

'This means that someone who tops up by one year will get their money back within four years of drawing their pension, even allowing for basic rate tax.'

Webb says someone who draws a state pension for 20 years will get back £4,400 (net of basic rate tax) for an initial outlay of £824.20.

'If we are hearing people are struggling to get through and it's catching people by surprise, I think the Government should look at extending the deadline because it can have such a fundamental difference to people's retirement. Thousands or tens of thousands of pounds difference over someone's lifetime.'

You can get a refund if you mistakenly buy top-ups that turn out to be worthless, but it might take a while and is best avoided.

Want to top up your state pension, but baffled over which years to buy?

This is Money columnist Steve Webb runs a website to help people through the [state pension top-ups process here](#). Government information on [buying top-ups is here](#).

Webb says the Government's ['check your state pension'](#) website provides useful information, but crucially does not help people to decide which years, if any, they should top up.

His top-ups site, hosted by his firm LCP, helps to plug that gap for those who come under the 'new' state pension system launched in April 2016 - men born on or after 6 April 1951, and women born on or after 6 April 1953.

Any personal information inputted to the site is not retained by LCP

Users are warned they should always check with the Department for Work and Pensions that topping up the years identified will definitely boost their state pension before paying any money.

Webb says there are two groups for whom top-ups may be of particular interest. First, public servants who retired early and were members of a contracted out occupational pension scheme which reduced their state pension below the maximum amount.

And second, self-employed people who might have gaps in their NI record and be able to go back to any year since 2006/07 to top it up.

Orchard says: 'Each year you buy currently provides an extra £275 per year state pension, so if you survive say three years past state pension age, you would have received £825 back (before tax).

'Therefore, the cost equals the payback once you get to three years past pension age, and the longer you live, the more significant the boost will be.'

Steve Webb's golden rules for buying state pension top-ups

1. Make sure you are getting any credits you are entitled to before paying voluntary NI for a particular year.

For example, grandparents under pension age may be able to get credits towards their state pension if they are looking after a grandchild, enabling the child's parent to go out to work.

As NI credits don't cost anything, you should always claim what is available for free before paying voluntary NI for any given year.

2. Whether or not it makes sense for any



Jon Orchard: It is vitally important people talk to the DWP's Future Pension Centre to confirm they are buying the right extra years before paying for them

Are you struggling to buy top-ups?

Tell us about your recent experiences of attempting to buy top-ups at pensionquestions@thisismoney.co.uk - please put STATE PENSION TOP-UPS in the subject line.

If you would like us to send these details on to

given individual to top up depends on their individual circumstances.

You should always start by checking your state pension record at the Government's web page.

This may tell you, for example, that you are already going to get the maximum state pension and therefore don't need to make any voluntary contributions, even if you have some gaps in your record.

Filling blanks for certain years - particularly those before 2016/17 - can sometimes have no impact on your state pension, particularly if you were contracted out and have already paid in 30 years by April 2016

3. Some years may be cheaper to fill than others. If, for example, you worked for part of a year, you may find that you can complete that year more cheaply than filling a year that was completely blank.

You can [check your National Insurance record here](#).

4. Fill gaps at the Class 2 rate if you can as voluntary NI for the self-employed is much cheaper than for employees - currently £163.80 per year, rather than Class 3 contributions at £824.20 per year.

If you had low-income self-employment in a particular year and have a gap in your record, you should be able to pay at the Class 2 rate for that year, which will save you money.

5. People who expect to be on benefits in retirement might find their increased state pension is clawed back in reduced pension credit or housing benefit

the DWP and HMRC press offices, please add the following to your email:

I give This is Money permission to forward this email in its entirety to DWP and HMRC and ask them for feedback on my case.

Your name

Your address

Your phone number

Your National Insurance number

This is Money will not use your information for any marketing or other purposes except following up on this story, and all personal information will be deleted on request and certainly by 31 May.

You might also want to contact your MP for help.

6. Always check before handing over any money. The rules are complex and you can sometimes fill a gap which makes no difference to your final pension.

How much is the state pension?

The basic state pension is currently £141.85 a week, or around £7,400 a year. It is topped up by additional state pension entitlements - S2P and Serps - if accrued during working years.

The two-tier state system was replaced in 2016 by a new 'flat rate' state pension. This is currently worth £185.15 a week or around £9,600 a year.

Both amounts will rise by 10.1 per cent next April - the old state pension to £156.20 and the new to £203.85 a week.

People who have contracted out of S2P and Serps over the years and retire after April 2016 get less than the full new state pension.

Workers needed to have 30 years of qualifying National Insurance contributions to get the old state pension, but they now need to have 35 years of contributions to get the new flat rate state pension.

But even if you paid in full for a whole 35 years, if you contracted out for some years on top of that it might still reduce what you get.

Everyone gets the option of deferring their state pension to get more in their later years.

This is Money and our sister publication Money Mail have called in the past for an overhaul of state pension top-ups after receiving many complaints about the confusing system, which is operated jointly by the DWP and HMRC.

We covered numerous cases of savers who innocently bought worthless top-

ups, and were initially refused refunds before HMRC backed down.

And we have flagged cases of savers who paid thousands of pounds and [saw their money disappear without explanation for months](#), until This is Money intervened.