

Crunch deadline to buy state pension top-ups pushed back to 31 July

The Government has caved in to pressure and extended a crunch deadline to buy extra state pension top-ups after frustrated savers jammed its phone lines for weeks.

People trying to boost their retirement payments will now get until 31 July to do so at current rates of up to £824 for each year, and less for a part-year gap.

This is Money [exclusively revealed the phone gridlock last month](#), and the Government said a few days ago it might accept late payments on a case-by-case basis, while the [Liberal Democrats attempted to force an extension until 2025](#).

Today, Financial Secretary to the Treasury Victoria Atkins said: 'We've listened to concerned members of the public and have acted.'

Buying state pension top-ups 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 special deal that was due to expire on 5 April.

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 is Money reader Sue Murtagh on trying to get info from DWP on buying top-ups: 'I permanently just sit in the queue or get cut off'

Sue Murtagh, pictured above, was among the many This is Money readers who contacted us to complain she could not get through to the Department for Work and Pensions - prompting us to send it a dossier of some 20 cases and join calls for the deadline to be pushed back.

Mrs Murtagh, a 54-year-old retired bank worker from North Yorkshire, wanted to know whether buying top-ups covering six years at a cost of around £4,700 would improve her state pension.

'I have been trying for some weeks to get hold of someone on the telephone and having gone through the quite laborious automated phone system for the Future Pensions Centre, I permanently just sit in the queue or get cut off,' she told us.

'Getting all the way through and then suddenly getting an engaged tone is so frustrating!'

'It is especially welcome that people will be able to continue to top up at current rates and not pay the increased rates for voluntary contributions that will come in from April

Steve Webb, This is Money's pensions columnist

On hearing of the new deadline, Mrs Murtagh said: 'I am delighted to hear that the DWP have acknowledged the delays in this important service and the concerns that people have to make sure their pensions are fully funded.'

'An extension is a really sensible option and I look forward to making contact with a DWP representative soon.'

Nicola Foote, 65, a retired actuary from the north of England, emailed us after trying unsuccessfully to find out if it was worth buying two more extra years to increase her state pension.

'I've already topped up my NI contributions. This took forever and contained much inaccurate information which, despite me being an actuary, was hard to decipher,' she said.

'As I already have 38 years contributions, I don't understand if I really need to

pay for two missing years, and if in fact I've already overpaid in terms of top ups.

'I've telephoned many times, got through a few times, and fairly quickly been cut off. I've submitted two formal complaints.'

Following news the deadline would be delayed, Ms Foote added: 'The extension is a start, but probably not nearly long enough judging by my experience of making top ups in the past.'

'There are practical issues such as obtaining a reference number to accompany the payment; things may have changed but nevertheless some guidance on how to actually make the top up would be useful.'

Steve Webb, a former Pensions Minister and now a partner at LCP, had also called for an extension after the inbox for his This is Money column filled up with complaints.

'I am delighted that the Government has listened to our concerns and extended the deadline for people to top up their state pensions,' he said today.

'It is especially welcome that people will be able to continue to top up at current rates and not pay the increased rates for voluntary contributions that will come in from April.'

'For most people with a state pension shortfall, topping up can be excellent value, and this extended deadline will mean that more people will be able to do the proper checks and then top up

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

Buying top-ups to boost your state pension 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, [who has developed a tool to help people with top-ups here.](#)

'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

with confidence.'

Liberal Democrat Work and Pensions spokeswoman Wendy Chamberlain, who had called for the deadline to be pushed back until 2025, said: 'While we are pleased to see the Government has listened to our concerns and given people longer to seek help, we still have major worries.

pension for 20 years will get back £4,400 (net of basic rate tax) for an initial outlay of £824.20.

But he warns 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.

'An extra two months is simply not long enough for pensioners and soon-to-be pensioners to seek the advice they need.

'It is pure negligence for ministers to risk hundreds of thousands of pensioners being left without their full state pension through no fault of their own.'

'Ministers must listen to Liberal Democrats once more with an urgent two year extension to the deadline and a fully resourced Future Pension Centre helpline to ensure everyone affected can access the advice they need.'

HMRC said today it had given taxpayers more time for to make voluntary National Insurance contributions 'after members of the public voiced concern over the previous deadline of 5 April 2023'.

It said: 'Anyone with gaps in their National Insurance record from April 2006 onwards now has more time to decide whether to fill the gaps to boost their new state pension. Any payments made will be at the lower 2022 to 2023 tax year rates.

'As part of transitional arrangements to the new state pension, taxpayers have been able to make voluntary contributions to any incomplete years in their National Insurance record between April 2006 and April 2016, to help increase the amount they receive when they retire.

'And after an increase in customer contact, the Government has extended the deadline to ensure people have time to make their contributions.'

What do pension experts say?

Tom Selby, head of retirement policy at AJ Bell, said: 'Extending the deadline for Brits to pay voluntary National Insurance contributions to boost their state pension entitlement is a pragmatic and welcome step by the government.'

'Thousands of people taking advantage of transitional measures established as part of reforms introduced in 2016 could increase their state pension income by hundreds of pounds a year.'

'But with the original deadline less than a month away, a surge in the number of calls to HMRC led to the real risk of people being caught in a telephone logjam and missing out as a result.'

'That would have been a PR disaster for the DWP and inevitably have led to claims for compensation.'

'If you are considering paying voluntary NI it is vital you think carefully about the decision, as while it will be a savvy move for some, it will not benefit everyone.'

Jon Greer, head of retirement policy at Quilter, said: 'It is commendable that the government have listened to concerns from the public and industry and has extended this golden opportunity for people to fill gaps in their National Insurance record and top up their state pension.'

'An extra three months will hopefully mean that people who might have struggled to get through to the DWP and HMRC to top up can now try again and take advantage of what is a fantastic opportunity for people to boost their retirement income.'

'It will also give others more time to decide to save up and take advantage of making these contributions.'

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 in April - the old state pension to £156.20 and the new to £203.85.

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.