InSight

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State Pension

How much has the 2023/24 State Pension increased by?

If you are a UK resident planning for your retirement, it's important to be aware of the State Pension changes that have taken effect in the new tax year. From April, the amount you can now receive as part of the UK State Pension has risen, which will be welcome news to those who have retired or are nearing retirement age.

Knowing what to expect from your future State Pension, and when you can expect to start receiving it, is an essential part of planning for retirement. This may involve making contributions to the National Insurance scheme, which can provide additional entitlements on top of the basic State Pension.

Unlike a private pension, the State Pension is a four weekly payment made by the government to people who have reached the qualifying age and have paid enough National Insurance contributions.

In November last year, the government confirmed that the State Pension would increase by 10.1% – in line with September's Consumer Prices Index (CPI) measure of inflation.

From April 2023, payments are:

- £203.85 a week (up from £185.15) for the full, new flat-rate State Pension (for those who reached State Pension age after April 2016)
- £156.20 a week (up from £141.85) for the full, old basic State Pension (for those who reached State Pension age before April 2016)

HOW IS THE STATE PENSION AGE CHANGING?

In addition to the increase in the pension amount, there are also changes being considered to the State Pension age. This means that the age at which you can start receiving your pension may be adjusted in line with life expectancy changes.

The government says 12.4 million people currently receive the State Pension. Men and women born between 6 October 1954 and 5 April 1960 start receiving theirs at the age of 66.

But for people born after this date, the State Pension age is gradually increasing to 67 by 2028 and 68 by 2046. At a cost of £105 billion, the StatePension accounts for just under half the total amount the government spends on benefits. ■

WANT TO EXPLORE YOUR OPTIONS FOR RETIREMENT SAVINGS?

The key to successful retirement planning is to start early and stay informed. By keeping up to date with State Pension changes and exploring your options for retirement savings, you can help ensure a financially stable and comfortable retirement. To get your retirement plans in motion, talk to us about your finances. We look forward to hearing from you.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.

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