



A quarter of over 65s unaware of State Pension deferral option as number receiving extra State Pension drops to its lowest level

- Research from retirement specialist Just Group shows a quarter of over 65s are unaware of the option to defer State Pension
- Latest data shows 959,000 are receiving extra State Pension, the lowest number since 1999
- Those on full State Pension of £179.60 a week could boost their annual income by around £540 for every year they defer their payments

Research by retirement specialist **Just Group**¹ finds that a quarter (25%) of over 65s are unaware they could receive a higher weekly payment or even a lump sum by deferring the date they started to receive the State Pension, rising to 29% among 55-64 year olds.

The research comes as new figures from the **Department for Work and Pensions** (DWP)² show that the number of people receiving an increased State Pension after deferring the benefit has slipped to its lowest level in figures dating back to 1999.

In September last year 959,000 people – 7.7% of all State Pensioners – were receiving an increased weekly amount after deferring. That is down from a peak of 11% in 2004 when 1.25 million pensioners received extra income.

Most of the fall has been among women whose State Pension age began rising from age 60 in 2010. Women now make up 73% of those receiving extra pension, down from 80% in 2004.

Stephen Lowe, group communications director at retirement specialist Just Group, said the fall is to be expected given rising State Pension age and changes introduced with the New State Pension in April 2016 that reduced the returns for deferring.

“Deferring State Pension is still available and is something that should be considered alongside other retirement options,” he said. “In some circumstances it can make sense to forego some income in the short term for a higher income in later life that is guaranteed to keep up with inflation.

“Our concern is that a quarter of over-65s are unaware it is an option, raising questions about the support they are receiving when making pension decisions.”

Since April 6th 2016, those deferring can receive 1% more income for every nine weeks they defer. This equals a return of nearly 5.8% extra for every year deferred. For someone on full State Pension of £179.60 a week, that would boost their annual income by around £540 for every year deferred.

Those who reached State Pension Age before April 6th 2016 can still opt to defer with the return set at 1% more State Pension income for every 5 five weeks deferred, or 10.4% a year, which can be taken either as extra income or a lump sum.

Overall, the research from Just Group found that one in 10 (10%) said they had deferred their State Pension – broadly in line with the DWP statistics.

“It reinforces the message to people approaching retirement to take up their entitlement to the free, independent and impartial guidance that the government offers through the Pension Wise service,” said **Stephen Lowe**.

“Although highly valued by people for increasing their understanding and helping them to avoid scams, too few people are receiving the government backed service which means many thousands of people each year are at risk of making uninformed decisions.”

Enquiries

Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

Temple Bar Advisory

Alex Child-Villiers
William Barker
Sam Livingstone

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

About the research

1 – Research conducted by Opinium on behalf of Just Group among 1,043 UK retired and semi-retired adults aged 55+ between 21st and 26th April 2021

2 – **DWP benefits statistics**, State Pension Caseload Statistics (5% sample) to September 2020, 18 May 2021: <https://www.gov.uk/government/statistics/dwp-benefits-statistics-may-2021>

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