JUST.

NEWS RELEASE

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A quarter of those approaching retirement are unaware of option to defer receiving State Pension

- **25% of retirees aged 55-64 are unaware of option to delay or stop claiming State Pension which could boost annual income by hundreds of pounds for each year deferred**
- **Research by retirement specialist Just Group highlights significant numbers with poor knowledge of the options available**

More than a fifth of retirees aged 55 and above (22%) did not know they had the option to defer the date they start to receive the State Pension in return for a higher State Pension.

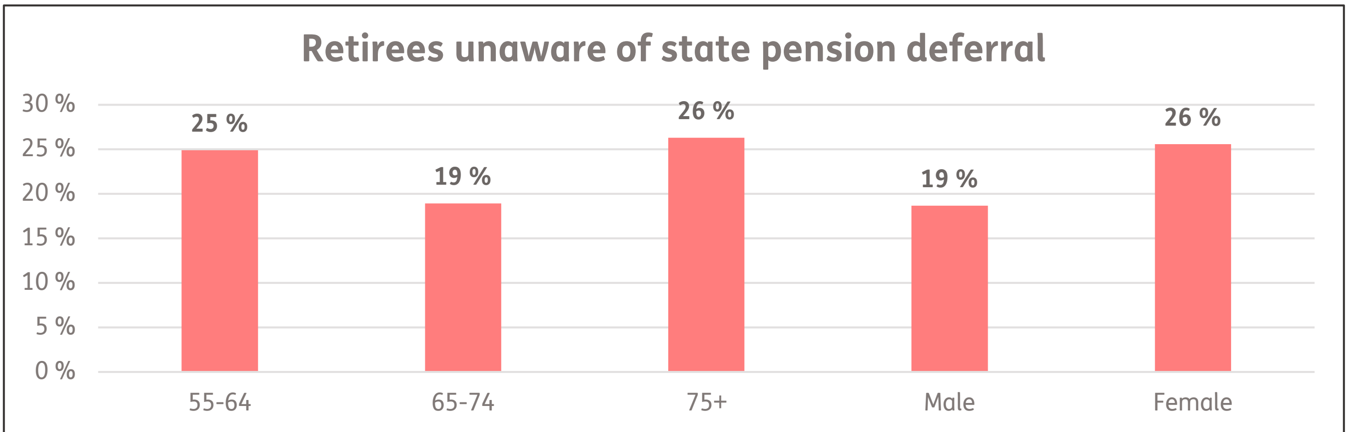
A survey of 1,050 retired and semi-retired people by **retirement specialist Just Group** revealed that a quarter (25%) of those aged 55-64 – the cohort who will soon be making important pension choices – are unaware of State Pension deferral option.

Women (26%) were significantly more likely than men (19%) not to know about the possibility of deferring the State Pension, while 26% of those aged 75+ also did not know deferral was an option. Only 7% of the over-55s said they had used State Pension deferral themselves.

Someone reaching State Pension age – which currently stands at 66 years old – can either claim State Pension or defer. Even if someone is receiving State Pension, they can still choose to defer, but can only do this once. How much people can gain by deferring depends on whether they reached State Pension age before or on/after 6 April 2016.

Those who reach State Pension age *on or after* 6 April 2016 can benefit from a 1% increase in their weekly State Pension for every nine weeks that payments are deferred, equivalent to nearly 5.8% extra income for every full year deferred.

With the triple lock boosting the annual State Pension to £221.20 a week from April 2024 for this younger cohort of State Pensioners those who defer their payments for the 2024/2025 financial year will benefit from an extra £12.78 a week – which equates to £664.58 of additional payments across an entire year.



Someone choosing to defer their State Pension by one year would recover the one year's missed income in a little over 18 years and from that point, would be cash-positive from the decision.

Those who reached State Pension age *before* 6 April 2016 and defer are treated more generously, with an extra 1% State Pension income for every five weeks deferred, equal to an annual rise of 10.4% or £916.66, which can be taken either as extra income or a lump sum.

"Deferring can be good option for people who don't need the income immediately – perhaps because they are still working or have other sources of cash – so it is disappointing a quarter of those approaching State Pension age don't know about the option," **said Stephen Lowe, group communications director at retirement specialist Just Group**.

"While deferring might not be the right option for everyone, it should still be something everyone knows about given that the State Pension is widely considered a 'bread and butter' source of income in retirement, with 3.4 million retired households relying on it for more than half of their yearly income[2].

"Deferring has become less attractive in recent years because the terms have become less generous for those who reached State Pension age on or after 6 April 2016 and there is no option to take the deferred income as a lump sum. However, even for those who reached State Pension age after that date, in some circumstances it can still make sense to forego some income in the short term for a higher income in later life that is currently guaranteed to keep up with inflation.

"The State Pension is a straightforward idea that most people understand but the details can be complex. It provides an important bedrock of income for many pensioners so it's very important people have a full understanding of all the options that are available to them.

"Professional, regulated financial advice is the gold standard to later-life planning but the government's free independent and impartial guidance service, Pension Wise, will also help people reach the information they need."

New State Pension (turned State Pension age on or after 6th April 2016)[3]						
Year	Weekly **non-deferred** state pension	Weekly **deferred** state pension	**Weekly difference (£)**	Annual **non-deferred** State Pension	Annual **deferred** State Pension	**Annual difference (£)**
April 2024-March 2025	£221.20	£233.98	£12.78	£11,502.40	£12,166.96	£664.58

Old State Pension (turned State Pension age before 6th April 2016)[4]						
Year	Weekly **non-deferred** state pension	Weekly **deferred** state pension	**Weekly difference (£)**	Annual **non-deferred** State Pension	Annual **deferred** State Pension	**Annual difference (£)**
April 2024-March 2025	£169.50	£187.13	£17.63	£8,814	£9,730.66	£916.66

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Notes to Editors

1 – Just Group, survey of 1,050 UK adults aged 55+ and retired/semi-retired conducted by conducted by Opinium between 17th and 27th August 2023

2 – ONS, Expenditure of one and two adult retired households, mainly dependent on State Pensions, by sex of Household Reference Person
[Effects of taxes and benefits on household income - Office for National Statistics (ons.gov.uk)]

3 – The figures in this table were based on a State Pension deferral of one year. For the new State Pension, this meant an annual increase of 5.77777778%

4 – The figures in this table were based on a State Pension deferral of one year. For the old State Pension, this meant an annual increase of 10.4%

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage more than £26 billion of customers' retirement savings and has helped customers release over £6.5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

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- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

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