

Derived and inherited entitlement to a state pension

Briefing Paper July 2016



This briefing explains how the old and new state pension rules affect the area of derived and inherited entitlements to a state pension. The information has been collated from the Department for Work and Pensions official guidance and applies to those who reached State Pension age both before and after 6 April 2016.

- A person who reached State Pension age (SPA) before 6 April 2016 will continue to be covered by the old state pension rules on deriving and inheriting state pension even if their spouse or civil partner is in the new state pension system.

This means:

1. If you are married or in a civil partnership you can get up to 60% of the basic state pension based on your spouse's NI contribution record (currently £71.50 a week).
2. If widowed, divorced or your civil partnership has been dissolved you can get up to 100% basic state pension if you do not have enough NI contributions of your own (currently £119.30 a week).
3. In addition to the basic state pension you will also receive any Graduated Retirement Benefit/SERPS/S2P if you have accrued it in your own right.
4. If widowed you may also get half of your partner's Graduated Retirement Benefit and a proportion of their partner's additional state pension. The applicable proportion is up to half their state second pension (available since 2002) and 100% of their SERPS (available between 1978 and 2002) if they died before 6 October 2002.
5. If you are widowed on or after 6 October 2002 the maximum amount of SERPS you can inherit is as follows:

- 100% if they reached state pension age before 6 October 2002
- 90% if they reached or would have reached state pension age between 6 October 2002 and 5 October 2004
- 80% if they reached or would have reached state pension age between 6 October 2004 and 5 October 2006
- 70% if they reached or would have reached state pension age between 6 October 2006 and 5 October 2008
- 60% if they reached or would have reached state pension age between 6 October 2008 and 5 October 2010
- 50% if they reached or would have reached state pension age on or after 6 October 2010.

6. There is a limit on the maximum amount of additional state pension you can receive if you also have some additional state pension of your own: for people widowed in tax year 2016/17 that amount is £165.60.

7. If your spouse or civil partner reaches state pension age after 5 April 2016, the amount you can get based on their NI contribution record will be based on their record up to 5 April 2016 only.

8. The survivor may also inherit a deferred payment in line with old state pension deferral inheritance rules where the deceased spouse or civil partner had reached SPA before 6 April 2016 and deferred their old state pension. If the deceased spouse or civil partner had reached SPA on or after 6 April 2016 and deferred their new state pension the survivor will not inherit a deferral payment.

- People reaching SPA after 6 April 2016 will normally qualify for state pension based solely on their own NI record, but the following transitional arrangements can apply to women who paid reduced rate contributions and people who are widowed: :
 1. Women who can prove they paid the reduced stamp (married woman's stamp) at any point during the last 35 tax years up to 5 April 2016 before the tax year in which they reach state pension age will get the same as under the old rules eg. a state pension of about the same as the standard rate of old basic state pension (£71.50 if married, £119.30 if widowed or divorced) plus their own pre-2016 Graduated Retirement Benefit and additional state pension if this is more than they would get based on their own NI contributions.
 2. A widow or divorcee who remarries before SPA will get the lower rate at SPA or when her spouse reaches SPA if later. If she remarries after SPA she will retain the higher rate, but will not additionally be entitled to the married person's lower rate. A widow may also be entitled to some inherited state pension under the rules described in item 3 below.
 3. A person may inherit the additional state pension and graduated retirement benefit they would have inherited under the old state pension rules if their deceased spouse or civil partner died before 6 April 2016 or reached SPA before 6 April 2016. However, unlike the old state pension rules there is no cap on the maximum amount that may be paid.
 4. If their deceased spouse or civil partner reached SPA on or after 6 April 2016 or died under SPA on or after that date they may inherit half their protected payment (the amount above £155.65 a week that some post 6 April 2016 retirees will have).
 5. To inherit either additional state pension, graduated retirement benefit or protected payment , the survivor will get half of this if the marriage or civil partnership must have begun before 6 April 2016, the deceased reached SPA on or after 6 April 2016 or died under SPA on or after that date.
 6. If their deceased spouse or civil partner had deferred an old state pension they may also inherit a deferral payment in line with the old state pension rules (on page 1) regardless of when their marriage or civil partnership began.
 7. Any derived or inherited state pension will be based only on their spouse or civil partner's NI contribution record up to 5 April 2016.
 8. If their spouse or civil partner defers their new state pension, their extra state pension will not be inheritable.
 9. A person widowed under SPA after 6 April 2016 will receive any inherited state pension (in line with the rules above) when they reach SPA, providing they do not remarry or form a new civil partnership in the interim. A person who becomes entitled to an inherited payment under these rules will keep the payment if they remarry or form a new civil partnership after SPA.
 10. There is no time limit on how long these transitional rules can apply.

