

## British Tourist Boards' Staff Pension and Life Assurance Scheme ("the Scheme")

### Factsheet 13 – State Benefits

In addition to the benefits you receive from the Scheme, you will also be entitled to receive State Pension benefits when you reach your State Pension Age.

This factsheet describes the State Pension benefits currently payable as well as the planned changes to the State Pension system.

#### WHAT BENEFITS WILL I RECEIVE FROM THE STATE?

Under the current system, there are two State Pensions which you can receive. These are the Basic State Pension (BSP) and the State Second Pension (S2P).

##### Basic State Pension (BSP)

This is a flat rate pension paid to everyone who has paid, or is credited with having paid, sufficient National Insurance Contributions. The number of contributory years needed to qualify for a full BSP is 30 for both men and women.

The Basic State Pension for 2015/16 is £6,029.40 per annum for a single person or £9,643.40 per annum for a married couple. The BSP is reviewed each year by the Government.

##### State Second Pension (S2P)

This used to be known as the State Earnings Related Pension Scheme or 'SERPS' and is paid in addition to the Basic State Pension if you have paid full rate National Insurance Contributions.

S2P is based on your revalued earnings with annual earnings capped at around £40,000. Your earnings are split into bands with different accrual rates applied to different earnings bands.

If you are a member of a contracted out scheme you will pay lower National Insurance Contributions but will not earn any S2P pension while contributing to that scheme.

#### WHAT IS CONTRACTING OUT?

Instead of paying full rate National Insurance Contributions and building up an S2P Pension, you may be or may have been a member of a contracted out pension scheme.

'Contracted out' means that your employer provides a pension scheme that meets a required standard and the benefits from that scheme replace the S2P benefits you would otherwise earn. Both you and your employer will pay lower National Insurance Contributions while you are a member of a contracted out pension scheme.

#### Is the Scheme contracted out?

The Scheme is a contracted out scheme.

#### WHEN WILL I RECEIVE MY STATE BENEFITS?

The State Pension Age is currently 65 for men. The State Pension Age for women is to be equalised at 65 by December 2018 through a phasing-in period.

The Government has confirmed further changes to State Pension Age from December 2018 to reflect the fact that people are living for longer. The latest legislation allows for future increases in State Pension Age for both men and women as follows:

- To age 66 by October 2020
- To age 67 starting between 2026 and 2028
- To age 68 starting between 2044 and 2046.

#### SINGLE TIER PENSION

The Government plans to simplify the State Pension system from 6 April 2016 so that a single flat rate State Pension is paid instead of the current two tier system.

Further information can be obtained from the Government's new centralised website at the following address:

<https://www.gov.uk/government/topics/pensions-and-ageing-society>

## FURTHER INFORMATION ON STATE BENEFITS

Further information on State Pension benefits, including updates and estimates of your benefits can be obtained via the following link:

<https://www.gov.uk/browse/working/state-pension>

## IMPORTANT NOTE

This factsheet provides a summary of your State Benefits. However, your legal rights are set out in legislation which overrides the content in this document.