

# Thousands risk having their pensions slashed because of taxman's blunder

Cross-party figures have condemned the massive blunder which could leave some people up to £10,000 worse off

SHARE       

By **Claire Gilbody-Dickerson**  
14:57, 30 JUN 2018

**NEWS**



Tens of thousands of pensioners risk having income cut by half (Image: Getty)

Get **Politics** updates directly to your **inbox**

Enter your email


[+ Subscribe](#)

[See our privacy notice](#)

Tens of thousands of pensioners risk having their income slashed because of taxman blunders dating back four decades.

A huge government data-clean up compared HMRC's records against those of pension schemes of public and private workers.

Close Advertisement




Part of the **TKMAXX** family

ADVERTISEMENT

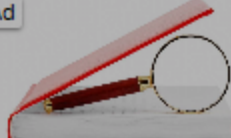
★ ★ ★  
**£42M\***  
JACKPOT  
★ ★ ★  
TONIGHT

**PLAY NOW**



Tap for legals

### RECOMMENDED

Ad 

**Pension Drawdown Calculator - Compare Pension Drawdown Rates**



**More people escaping to Europe since Brexit vote - here are 8 money questions to ask before making your move**




**Jason Beattie: Tell Sid the Tories have shafted us with failing privatised services on railways, energy, water and telecoms**



**Hard-up families spending more than they earn for the first time since Margaret Thatcher**

ADVERTISEMENT



**From London to Miami International From £267**  
*Promoted by skyscanner.net*

It found some pensioners could be up to £10,000 worse off in total because of significant errors in records.

Those who have been overpaid will have their future pension payments adjusted rather than being asked to pay it back.

Those who have been underpaid will receive back payments as well as a future income boost, but they will not be compensated or receive the interest they would have been due.

However, Sir Steve Webb, former Liberal Democrat pensions minister, has called for any errors to be written off by the taxman,



Baroness Ros Altmann said those affected should not be made to pay for other people's mistakes (Image: Newcastle Chronicle)

**M READ MORE**

► Time to "wake up" - how people are losing 37% of their savings by making the wrong choices and the new plan to help them

Baroness Ros Altmann, a Tory peer and former pensions minister lashed out at the taxman's failure, saying it is "utterly wrong" people are made to pay for the mistakes of those who are supposed to be taking care of them.

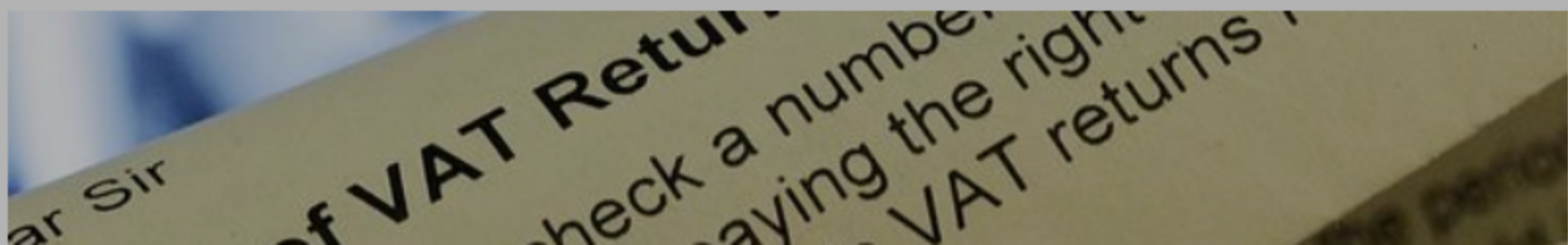
"It is almost beyond belief that thousands of pensioners can suddenly be told they will have their income cut because of mistakes by those supposed to be in charge of paying them the right amount," Baroness Altmann [told the Telegraph](#).

"It seems utterly wrong to make pensions suffer for the mistakes of others.

"Confidence in pensions is so important and if people can't even trust that the figures they are told by the experts are right, then it damages the whole system."

The massive government data trawl, which kicked off four years ago and is due to wrap up by the end of the year, looks to put HMRC's records in line with those of pension schemes.

It affects people who have "contracted out" of government pension schemes between 1988 and 1997 but who were still entitled to a guaranteed minimum pension (GMP).



Voice of the Mirror: Government's tight-fisted pay rises for public sector workers comes at a cost

PROMOTED STORIES



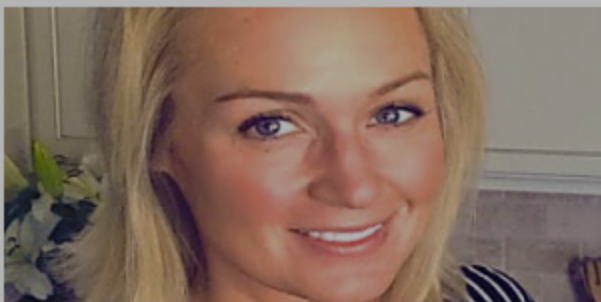
Old Man's Neighbor Blocks His Driveway With Cinder Blocks So He Teaches Him A Brutal Lesson

Mental Flare



Stop Wasting Money - This App Finds Every Voucher Code on the Internet

Honey



Lookup Your Name to Check if You Are Owed a PPI Payout

We Fight Any Claim



Most UK men can't guess these 48 auto parts! Can you?

Autoversed

Sponsored Links by Taboola

ADVERTISEMENT

18+. New online customers only. Min first deposit and spend £5 within 30 days on bingo tickets only. 4x wagering reqs (bonus + winnings) apply. Bonus not withdrawable. Bonus valid for 7 days (bonus + winnings removed). T&Cs apply. www.begambleaware.org

RECOMMENDED



Protesters sent a removal van to Boris Johnson's £20m taxpayer-funded pad



Boris Johnson won't



The HMRC had mistakes in its records stretching back four decades (Image: Getty Images Europe)

**M** READ MORE

► Pensions cold-calling ban delayed until autumn - and it could mean thousands more scam victims

It found 10,000 people on the Civil Service Pension Scheme face having their pensions slashed because of overpayments amounting to a total of £22 million.

There were also over 5,000 workers who had been underpaid by an average of £36.

While the Pensions Regulator said pension schemes are entitled to ask for excesses to be repaid, the Cabinet office and the Work and Pensions Department (WPD) have both said they will not seek repayment but will adjust future payments to correct levels.

Sir Steve Webb said: "It would be totally unacceptable for pension schemes to try to claw back hundreds or thousands of pounds from scheme members.

"The whole system is eye-wateringly complex, and there is no way that members would have a clue if the figures were right or not.



The DWP said it will not expect repayment from pensioners (Image: PA)

"If the pension scheme and HMRC have taken years to agree the right number, members should not be the losers.

"Any overpayments arising from GMP errors should be written off as a matter of course," Sir Steve said.



Boris Johnson won't budge from his rent-free taxpayer-funded £20m mansion for WEEKS



Boris Johnson STILL in £20m ministerial mansion despite quitting Foreign Secretary post over two weeks ago



FREE Flights on Exotic Cruises Promoted by Fred Olsen



Public sector pay rise revealed for a million workers - full details and why it's being blasted



How you can claim a free £15 Pizza Hut takeaway Promoted by Mirror

ADVERTISEMENT ns&i Start your journey with just £1 Find out more ►

RECOMMENDED



Victim of sexual violence shutdown as she voices 'disgust' at having to sit with councillor who sexually harassed staff



Brian Reade: Watching our infantile MPs this week was despair for democracy



7 truly alarming things that have been said about Brexit this weekend

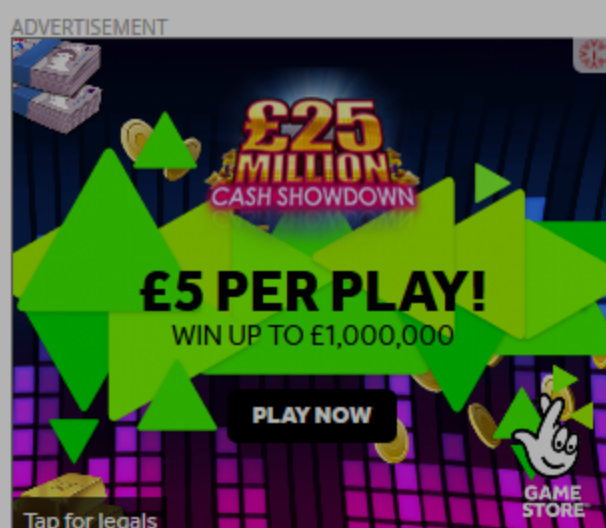


Voice of the Sunday Mirror: Andrew Griffiths is too sick to stay as MP

ADVERTISEMENT £42M\*

A Government spokesperson said: "The reconciliation exercise has been underway for some time.

"Most queries submitted as part of the exercise do not have an impact on the amount of an individual's state pension.



"However where queries do result in changes, we are notified by HMRC, and where the pension is in payment, review the award and notify the individual of the change.

"HMRC and pension scheme administrators determine whether the GMP figures are correct.

"However, where overpayments of State Pension do occur due to incorrect GMP figures, individuals will not be expected to repay any overpayments."

