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Women and the state pension – how to make sure you're not missing out

Women's pensions tend to be smaller than men's. Find out if you can boost your pension, and get tips to help you plan ahead.

By Laura Miller | Published - 22 Jan 2025

Women typically retire with a private pension 35% smaller than men the same age. This gender pension gap means it's even more important that women get the full state pension. But despite this, some are missing out. Here's how to make sure you get all you're due.

What's on this page?

No compensation for the "Waspi women"

Women's pensions hit the headlines again at the end of 2024. The previous Conservative government had already said it was not planning to pay compensation to millions of women born in the 1950s who were affected by rapid increases to their state pension age.

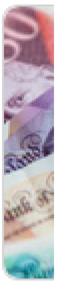
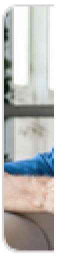
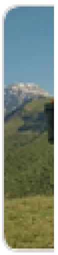
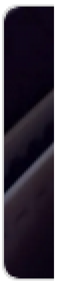
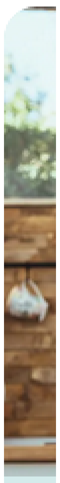
Then Keir Starmer's Labour government also said it can't afford to pay billions to compensate these women, despite a Parliamentary Ombudsman recommendation to do so.

The Waspi (Women Against State Pension Inequality) campaign group has long been calling for compensation, believing that women were unfairly treated when their state pension age was increased from 60 to 65 and then to 66.

The background is that in 1995 the then Conservative government introduced a timetable (the 1995 Pensions Act) to bring the age at which women start getting state pensions the same as for men.

This meant that the state pension age for women would gradually rise to 65, between 2010 and 2020. But in 2010, the Conservative-Lib Dem coalition government decided to speed up the changes, and so the Pension Act 2011 was passed, which brought forward a pension age of 65 for women to 2018.

The 2014 Pensions act brought in the new state pension and increased the number of National Insurance qualifying years you would need to get the full state pension, from 30 to 35. The Parliamentary Ombudsman found failings in communications about changes to state pension age from 2005 onwards, when research showed that the public information available was not reaching

people who needed it most.

It also found failings in how National Insurance qualifying years were communicated, as well as failings in how complaints were handled. It recommended payments of between £1,000 and £2,950, which is less than Waspi had called for.

Why the state pension is vital for many women

Baroness Ros Altmann, a former Pension Minister, has described the state pension as "crucial for many of the women born in the 1950s". "They often had little chance to build private pensions and if they worked part-time after having children, they were not even allowed to join their employer pension scheme. By not receiving the State pension they were relying on, many were plunged into poverty."

Research from investment platform Aegon found that over half (54%) of retired women report the state pension is an important or their only source of retirement income, compared to just 28% of retired men.

The same research, which also surveyed 900 people still working, found that 38% of women who are still working expect their state pension to be a significant or only income in retirement. The apparent gap between expectation and reality in retirement was not there for the men surveyed.

However, there were only 100 retired people in the study, so it may not be completely representative. Kate Smith, Head of Pensions at Aegon, says: "These findings are a wake-up call for all of us. The stark reality is that women are disproportionately affected by financial insecurity in retirement."

The gaps between men and women's state pensions

The full new state pension is currently £221.20 per week, or £11,502.40 per year. The old full basic state pension (for people who reached state pension age before April 6, 2016) is £169.50 per week, or £8,814 per year, though some people receive the additional state pension on top of that. But not everyone gets the full state pension.

The average weekly state pension income for women in November 2022 (the most recent data available) was £170.37 per week, compared to £175.47 for men. For older retirees getting the old state pension, there was a bigger gender gap – the average weekly income was £152.38 for women and £178.59 for men.

The same data showed that around 1.8m people were getting less than £100 per week in state pension – and around 1.3m of those were women. So what do women need to do to qualify for the full state pension and how can they check where they stand, particularly if they have taken time out of the workplace?

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Checking your pension entitlement

The best place to start to find out details of how much state pension you are likely to get is your National Insurance (NI) record. You can do this on the Government website. Then check your state pension forecast. The main information you get is the amount of pension you have already built up, and the amount of pension you could expect to get if you work (or contribute) between now and state pension age.

Many people will find that their forecast is for £221.20 per week, which is the standard rate of the new state pension and the amount that the majority of newly-retired people get. Steve Webb, partner at pension consultancy LCP and a former Pensions Minister, says you may get less than this "if you have 'gaps' in your NI record, or if you spent many years paying a lower 'contracted out' rate of NI contributions because you were in a workplace pension scheme".

A minority of people may get more than this if they had already built up a big state pension under the old rules by the time the rules changed in 2016, he adds.

What if you're not forecast the full rate?

If your state pension forecast shows you are not going to get the full rate of the new state pension, you may find that you can pay voluntary contributions to fill gaps or claim NI 'credits' to fill gaps.

"National Insurance credits are available in a wide range of circumstances – as explained on the Government website – and help to protect your NI record for years when you may not have been working and paying contributions," says Webb. Some credits are awarded automatically, such as for recipients of child benefit or Carer's Allowance.

But some have to be claimed, such as 'grandparents' childcare credits', or 'carer's credit' (for those looking after a disabled person for more than 20 hours a week, but not getting Carer's Allowance). These credits are for care you gave when you were still working age.

You may be able to backdate your claim back to 2011. "It is always worth checking for credits before thinking about paying voluntary NI contributions," says Webb.

Should you make voluntary NI contributions?

If you're not entitled to any NI credits, in general, making voluntary National Insurance contributions can be a highly cost-effective way of boosting your state pension income, Webb says, "especially for women, who on average tend to draw a state pension for longer than men".

In most cases, paying a lump sum in voluntary NI will generate a higher state pension, which will pay back the initial outlay within three to four years, allowing for basic rate income tax. There are two main exceptions, as Webb points out.

"People who have a short life expectancy, who may not live long enough to recover the initial outlay. Also, those who will be on means-tested benefits in retirement, where a higher state pension may simply mean lower benefits and no net gain overall," he says.

There is a deadline of April 5 2025 for filling NI gaps of more than six years ago. It is possible to pay for gap years online, but it's always worth checking with DWP's Future Pension Centre before paying, to make sure any voluntary contributions will definitely improve your pension. The Centre's number is 0800 731 0175.

Check if you've missed out due to state pension errors

Certain groups of women, such as widows and divorcees, could be missing out on state pension they are owed due to DWP errors. This is an issue that Webb has led campaigning on getting put right.

The Government is near the end of a massive correction exercise spanning the last four years, which has sought to put right errors in the state pensions of over 100,000 women. This has included those who should have got a pension uplift when their husband retired or died, and those on very low pensions who should have had an uplift at age 80.

Webb says: "In principle, the Government should have contacted anyone where an error was found and there's no need to claim." During this exercise, a second batch of errors was found, where over 100,000 women (in some cases the same women) were found to be missing out on 'home responsibilities protection' (HRP) to protect their NI record after 1978 for years spent looking after their children.

Although HMRC is trying to identify such women, they may not find everyone, so it is worth claiming HRP if you think you may be missing out. This can be done online through the Government website.

Not yet retired? Why you need to plan ahead

Given that the state pension alone is unlikely to support a comfortable retirement, it's a good idea to try to build other diverse and reliable income streams. Megan Rimmer, chartered financial planner at Quilter Cheviot, says: "Contributing regularly to a workplace pension is often the most effective way to save, especially when employer contributions and tax relief add extra value.

"If you're self-employed or want additional flexibility, personal pensions, such as SIPPs, can be an excellent supplement. Investments, including ISAs, can also play a role in retirement planning by offering tax-efficient growth."

It's worth considering how likely it is the state pension age will change again and how much notice will be given. It is subject to regular reviews, and at present is set to increase to 67 by 2028, and to 68 between 2044 and 2046.

While the government had previously indicated plans to accelerate the rise to 68, particularly for those born in the 1970s, this decision has been delayed for now. But Rimmer points out: "The Government remains under pressure to make difficult fiscal choices, and future increases are highly likely as they seek to balance rising pension costs with a shrinking working-age population."