

## The Importance of a State Pension Forecast

The State Pension is a regular payment from the government which most people can claim when they reach State Pension age.

The amount of State Pension you get depends on your National Insurance record. Your National Insurance record includes National Insurance contributions that you pay when you are working and contributions that are credited to you when you are unable to work.

The full State Pension is currently worth £203.85 per week (2023/24) or £10,600 per year. It is currently adjusted each year based on the 'triple lock' guarantee, which means that each April it increases by the greater of September's price inflation, earnings growth or 2.5%.

Whilst the State Pension is unlikely to provide sufficient income for clients to live-off, at MGP Financial Planning Ltd, we find the State Pension to be a very valuable source of guaranteed income, which will often make up a reasonable proportion of total expenditure, particularly where there are two people.

It is important to note that not everyone will be entitled to the maximum State Pension. You'll need to have 10 years of National Insurance Contributions to receive the bare minimum. To receive the maximum State Pension amount, you'll need to have 35 'qualifying' years with periods of 'contracting out' often significantly reducing the State Pension you may receive.

At MGP Financial Planning Ltd we encourage all clients to obtain a State Pension forecast, so they can successfully plan for the future. The State Pension system is very complicated and we frequently come across situations where the forecast is lower than client expectations.

Specifically, a state pension forecast will confirm: -

- How much State Pension income you'll receive
- When you'll become eligible to receive payments
- How you could increase your forecast payment amount
- National Insurance records so that any gaps in a contribution history can be checked.

A state pension forecast can be obtained from [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension).

***If you would like to discuss how the State Pension interacts with the other areas of your financial circumstances, please do get in touch by contacting the office on 0161 839 8229 or [rob@mgp-financialplanning.com](mailto:rob@mgp-financialplanning.com).***

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