Do you know when you will receive your state pension?

The Government is proposing to bring forward its planned increase to the state pension age to 68, 7 years earlier than planned.

This follows a review by the Department of Work and Pensions to address the Government's ability to maintain a fair and sustainable state pension for the ageing UK population.

MELROSE WEMYSS ASSOCIATES

We can help you achieve a tax-efficient financial plan by providing advice that's based on a thorough understanding of your personal circumstances and goals. Please get in touch to find out more.

66 **On the 6 October 2020, the state pension age increased to age 66.**

This means that anyone born between 6 October 1954 and 5 April 1960 will now reach their state pension age on their 66th birthday, regardless of their gender.

For those born after that, the state pension age is due to **increase to 68 for both men and women from 2037-2039** (this has been brought forward, it was originally due to increase to 68 for both men and women from 2044 - 2046).

This means that if you were born between 1970 and 1978, you will have to wait an extra year before you can claim your state pension.

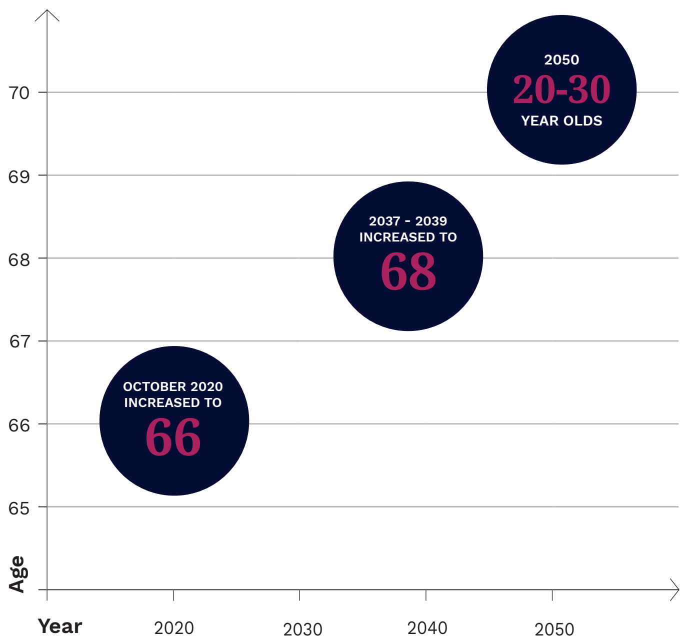
Naturally, if you are older, you will be unaffected by the changes. Also, if you have been paying into your own pension plan and are not relying on the state pension, it probably won't have a huge impact.

If you're in your late 40s and early 50s, you cannot be certain that your state pension age will remain at 67 and younger generations might be worried that the current timetable for the rises could change again.

Could you imagine a scenario where **20 - 30 year olds will have to wait until they are at least 70** before they can receive a state pension?

The graph on the right hand side displays this.

Rising state pension age



So, what can you do?

Put simply, the bigger your own personal pension savings, the less reliant you will be on the state pension. Even if retirement seems a long way off, the earlier you can start saving, the better.

Even saving a small amount can make a difference when you come to retire. It's important to save as much as you can, as often as you can, so that you can stop working and enjoy a comfortable retirement.

Your own pension plan is a tax efficient way to save because:

— you get tax relief on your contributions (subject to limits)

— the investments grow in a tax-efficient way

— you have the option to take a tax-free cash lump sum when you retire

The state pension age for future generations is hard to predict and could change throughout a person's working life.

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This information is based on our current understanding of the rules for the 2021/2022 tax year.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

The value of investments and any income from them can go down as well as up and you may not get back the original amount invested.

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