

PENSIONS ACT 2007

EXPLANATORY NOTES

SUMMARY AND BACKGROUND

State Pensions Measures

Category B retirement pension – removal of restriction on entitlement

Current position

25. Currently, in order for a married woman to qualify for a Category B pension based on her husband's contributions:
 - both she and her husband must have reached state pension age;
 - her husband must have satisfied the contribution conditions for a Category A pension; and
 - her husband must have made a claim for his Category A pension.
26. A wife cannot receive her Category B pension until such time as her husband makes a claim for his Category A pension.
27. Where a husband chooses to defer his Category A pension, increments may be added to his wife's Category B pension. She may also have the option of taking a lump sum payment if her Category B pension has been deferred for at least 12 months. However, both of these are contingent on her not receiving any Category A pension during the period her Category B pension is deferred (if she does receive Category A pension in this period, she can later receive her Category B pension, but without the increments or lump sum). Thus, a situation may arise in which a wife is required to relinquish entitlement to her Category A pension in order to avoid losing increments or a lump sum payment in respect of her deferred Category B pension.
28. From 2010, Category B pensions will become available to married men and people in civil partnerships on the same basis as they are currently available to married women, where their spouse or civil partner was born on or after 6 April 1950.