



State Pension 'top-ups'

Following much interest, the deadline for individuals to voluntarily pay to fill gaps in their National Insurance (NI) record to increase their State Pension entitlement has been extended to 31 July 2023.

The extension applies to the tax years between April 2006 and April 2016 that would otherwise become unavailable for topping up from 5 April 2023.

Topping up NI records by making voluntary payments to HMRC might be beneficial for those aged between 45-70, but is not necessarily so.

In some cases, you may increase your entitlement to the State Pension in other ways, for example, continuing in paid employment or making a claim to HMRC for missed benefits, so making voluntary NI contributions may not be in your best interest.

However, for an individual in good health with average life expectancy and where affordability allows, and if there is no better way to increase their State Pension entitlement, paying voluntary NI contributions can offer a cost-effective way of boosting income in retirement.

You should first check your NI record and the costs for plugging any gaps by logging into your HMRC account or by contacting HMRC.

Thereafter, a decision can be made as to whether to top up any missed years before the July deadline.

Risk Warnings This document has been prepared based on our understanding of current UK law and HM Revenue and Customs practice as at 1 May 2023, both of which may be the subject of change in the future. The opinions expressed herein are those of Cantab Asset Management Ltd and should not be construed as investment advice. Cantab Asset Management Ltd is authorised and regulated by the Financial Conduct Authority. As with all equity-based and bond-based investments, the value and the income therefrom can fall as well as rise and you may not get back all the money that you invested. The value of overseas securities will be influenced by the exchange rate used to convert these to sterling. Investments in stocks and shares should therefore be viewed as a medium to long-term investment. Past performance is not a guide to the future.

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