

State Pension issues for older divorced women

Divorce is always a difficult and emotional time. When you factor in money circumstances as well, it can feel complicated and unsettling. One of the key factors that is often discussed, but not covered in sufficient detail, is pension provision.

Normally, when a marriage or civil partnership ends, Courts deal with the pension arrangements in one of three ways:

- » You're given a percentage share of your former partner's pension pot. This is known as Pension Sharing. The money that you get from the pension pot of your former spouse or civil partner is then legally treated as your money.
- » The value of a pension is offset against other assets. This is known as pension offsetting. For example: you keep your pension, and your former spouse or civil partner keeps the home.
- » Some of your pension is paid to your former partner. This is known as pension attachment or sometimes pension earmarking. This is like a maintenance payment directly from one person's pension pot to their former spouse or civil partner.

As if this isn't complicated enough, it has recently been drawn to our attention that potentially tens of thousands of women who divorce later in life could be missing out on state pension entitlements.

The issue arises for divorced women who reached state pension age before 6 April 2016 and fall under the 'old' state pension system. A married woman who has divorced can substitute her ex-husband's National Insurance record for her own up to the date of their divorce for the purposes of working out her basic state pension. This can make a significant difference concerning the state pension received for some divorced women, but only if they notify the Department for Work and Pensions of their divorce.

In many instances, women are not receiving what they are entitled to, due to a lack of understanding or simply because the process is too complicated. The issue is compounded by the increase in the number of divorces happening amongst the older generation. Over the period from 1998-2018, more than 100,000 women aged 60 or over divorced, according to figures from the Office of National Statistics. *

Any woman who reached pension age before 6 April 2016 and has since got divorced should contact the DWP if she is not on a full basic state pension to see if she is entitled to an increase based on her ex-husband's contributions.

If you would like to discuss this matter in more detail, please do contact your adviser.

**<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/divorce/bulletins/divorcesinenglandandwaleslatest>*

