

Research Note:

Debunking the myth that all pensioners will receive the full increase in State Pension amount from April 2025

October 2024

Introduction

In 2010, the then Government announced the introduction of the State Pension triple lock, meaning that the State Pension would increase each April by the highest of inflation¹, average earnings² or 2.5%. The current Government announced in their manifesto that they “*will retain the triple lock for state pension*” and it is therefore expected that the State Pension will rise by the highest of inflation, average earning or 2.5% each April until the next General Election.

In 2016, the then Government introduced changes to the State Pension system, meaning that:

- if you are a man born before 6th April 1951 and a woman born before 6th April 1953, you will get the basic State Pension
- if you are a man born on or after 6th April 1951 and a woman born on or after 6th April 1953, you will get the new State Pension

Pensioners in receipt of the basic State Pension can get up to £169.50 per week in 2024-25. The amount of the basic State Pension that any one pensioner will receive will depend on their number of qualifying years of National Insurance. In some instances, a pensioner may receive more than this weekly amount if they are eligible for Additional State Pension, or they delayed (deferred) taking up their State Pension. The triple lock does not apply to the Additional State Pension, or any additional amount received by having deferred take up of the State Pension³.

Pensioners in receipt of the new State Pension can get up to £220.21 per week in 2024-25. The amount of the basic State Pension that any one pensioner will receive will depend on their number of qualifying years of National Insurance. In some instances, a pensioner may receive more than this weekly amount if they delayed (deferred) taking up their State Pension and/or have protected payments from the previous system.

The differing State Pension systems and the qualifying years mean that the amount of increase in State Pension received by pensioners each April is not uniform. In this note we begin by setting out the proportion of pensioners in receipt of the basic State Pension and the new State Pension, before presenting our estimates of how many pensioners will receive what amount of increase in their State Pension in April 2025. We conclude with a short discussion. Annex A explains the methodology behind our estimates.

¹ Inflation is measured by the rate of the Consumer Price Index in the September of the previous year

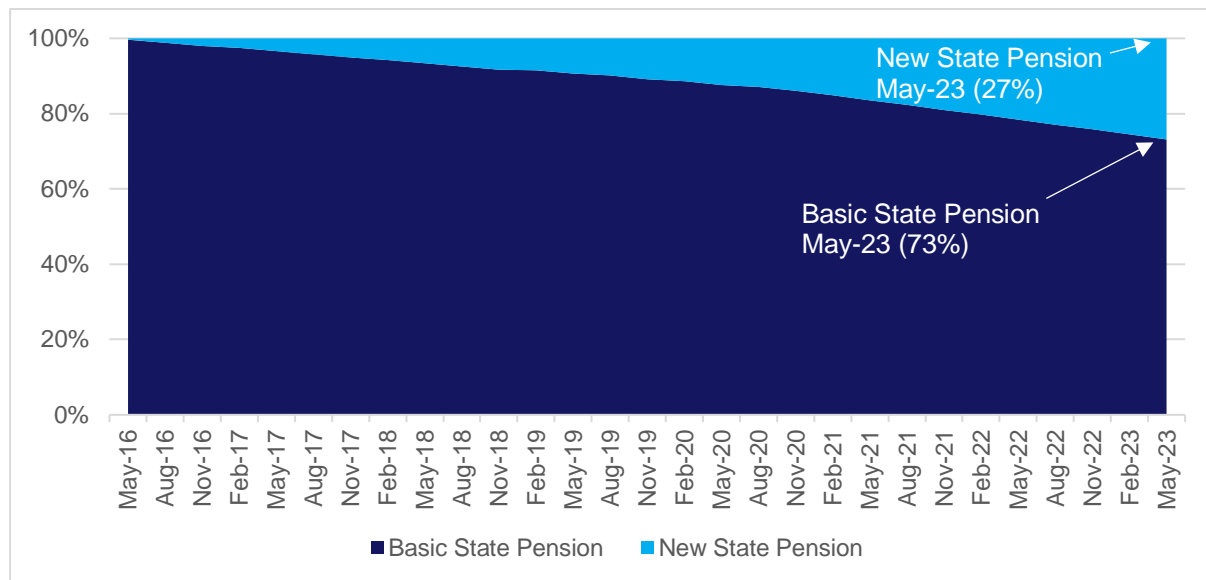
² Average earnings are defined as increase in total UK wages for May to July of the previous year

³ The Government can however choose to increase these amounts by the triple lock, and our analysis assumes these are increased in line with average earnings of 4.1% (see Annex A).

State Pension Types

The new State Pension was introduced in 2016. Figure 1 below shows the proportion of pensioners in receipt of the new State Pension has been gradually increasing since its introduction.

Figure 1: proportion of pensioners in receipt of State Pension by type (Great Britain)



Source: Visualisation of Department for Work & Pensions data

There are currently around 12.7 million pensioners in Great Britain, of whom almost three in four (9.3 million) are in receipt the basic state pension and a little over one in four (3.4m) in receipt of the new state pension. Table 1 presents these figures by countries of Great Britain.

Table 1: number and proportion of pensioners by type of State Pension by country

	Basic State Pension		New State Pension		State Pension
	number of all pensioners in receipt	proportion of pensioners in receipt	number of all pensioners in receipt	proportion of pensioners in receipt	number of pensioners in receipt
Great Britain	9.3m	73%	3.4m	27%	12.7m
England	7.2m	73%	2.7m	27%	9.9m
Wales	0.5m	72%	0.2m	28%	0.6m
Scotland	0.7m	70%	0.3m	30%	1.0m

Note: figures rounded to nearest hundred thousand; percentages to nearest one percent

State Pension Amounts – April 2025

The State Pension triple lock means that the basic and new State Pension will increase in April 2025 by average earnings (4.1%) since this was higher than inflation (1.7%) and the 2.5% figure⁴.

Table 2 below shows by how much the full rate of the basic State Pension and the new State Pension will rise when amounts are increased in line with average earnings (4.1%) in April 2025. It shows that pensioners in receipt of the full rate of the basic State Pension will receive an annual increase of £361.37; and pensioners in receipt of the new State Pension an annual increase of £471.62.

Table 2: increase in full rate of State Pension by type (Great Britain⁵)

	2024-25 (weekly)	2025-26 (weekly)	Weekly Increase	Annual Increase
Basic State Pension	£169.50	£176.45	£6.95	£361.37
New State Pension	£221.21	£230.28	£9.07	£471.62

Only pensioners in receipt of the full rate of the new State Pension will receive the maximum increase (of £471.62 per year) in their State Pension. Table 3 presents the number and proportion of pensioners who will receive this maximum increase by countries of Great Britain. It shows around one in seven (15%) - 1.9 million - pensioners in Great Britain, will receive this maximum increase.

Table 3: number and proportion of pensioners to receive maximum increase in State Pension amount in April 2025

	number of pensioners to receive maximum increase in State Pension amount	proportion of pensioners to receive maximum increase in State Pension amount
Great Britain	1.9m	15%
England	1.6m	16%
Wales	0.1m	16%
Scotland	0.2m	18%

Note: figures rounded to nearest hundred thousand; percentages to nearest one percent

⁴ The Government is legally required to increase the State Pension each year at least in line with average earnings. If average earnings are below the rate of inflation or 2.5%, it is for the Government to proactively decide if it wishes to increase the State Pension above the rate of average earnings.

⁵ Data source used does not include information for pensioners in Northern Ireland (see Appendix A)

Most pensioners will not receive the maximum increase (of £471.62 per year) in their State Pension in April 2025. Table 4 presents the number and proportion of pensioners in Great Britain by the amount of increase in their State Pension in April 2025.

Table 4: number and proportion of pensioners by State Pension amount increase in April 2025 (Great Britain⁵)

	Basic State Pension		New State Pension		State Pension	
	number	proportion	number	proportion	number	proportion
less £100 increase	0.6m	6%	0.1m	2%	0.6m	5%
between £100 & £200 increase	0.8m	9%	0.1m	3%	0.9m	7%
between £200 & £300 increase	0.9m	9%	0.2m	5%	1.0m	8%
between £300 & £400 increase	3.4m	37%	1.2m	36%	4.7m	37%
£400 or over	3.6m	39%	1.9m	55%	5.5m	43%

Note: figures rounded to nearest hundred thousand; percentages to nearest one percent

Table 4 shows that in Great Britain in April 2025:

- over one in two (55%) - 1.9 million - pensioners in receipt of the **new** State Pension will receive the maximum increase in their State Pension; with a further one in three (36%) – 1.2 million – such pensioners receiving an increase of between £300 and £400.
- around two in five (39%) - 3.6 million - pensioners in receipt of the **basic** State Pension will receive an increase in their State Pension of at least £400; with a further almost two in five (37%) – 3.4 million – such pensioners receiving an increase of between £300 and £400.
- around two in five (43%) – 5.5 million – pensioners **overall** will receive an increase in their State Pension of at least £400; with a further almost two in five (37%) – 4.7 million – pensioners receiving between £300 and £400.
- around one in eight (12%) – 1.5 million – pensioners **overall** will receive an increase in their State Pension of less than £200

Annex B presents these figures for each of England, Wales and Scotland.

Discussion

The basic and new State Pension will rise by average earnings (4.1%) in April 2025, resulting in the full rate of the basic State Pension rising by £361.37 per year and the new State Pension by £471.62 per year. Only those in receipt of the full rate of new State Pension will see the maximum increase in their State Pension amount.

This means around 1.9m pensioners (representing one in seven of all pensioners) in Great Britain will receive the maximum increase in their State Pension in April 2025, and conversely more than four in five (10.8 million) pensioners will receive less than this amount.

Around two in five (5.5 million) pensioners in Great Britain will receive an increase in their State Pension in April 2025 of at least £400; meaning around three in five (7.2 million) pensioners will receive a smaller increase.

Among those with a smaller increase:

- almost two in five (4.7 million) pensioners in Great Britain will receive an increase in their State Pension of between £300 and £400.
- around one in five pensioners (2.5 million) in Great Britain will receive an increase to their State Pension of less than £300, of whom 1.5 million will receive less than £200 (which will be an increase closer to if not below the rate of inflation). Lower amounts of State Pension are likely to reflect fewer qualifying years and/or the lower rates pensioners in receipt of the basic State Pension tend to receive compared to the new State Pension.

So, whilst increasing State Pensions by average earnings of 4.1% in April 2025 sounds relatively large, differing State Pension systems and qualifying years mean the majority of pensioners, will not see increases of amounts to be experienced by those in receipt of the full rate of the new State Pension.

Annex A: Methodology

To estimate the number and proportion of pensioners by the expected increase in their State Pension amount in April 2025 we used the Department for Work & Pensions (DWP) administrative data on pension recipients by category and by amount. This data only covers Great Britain, and we are therefore not able to include Northern Ireland in our analysis.

The data used is for the period up to May 2023 and accessed through Stat X-plore. DWP have suspended publication of more recent data because of internal processing issues, and we are therefore reliant on data from May 2023 as being the most up to date official dataset available.

The data presents the number of pensioners by receipt of basic State Pension and New State Pension by amounts received that are banded as follows: under £20, £20 to under £40, £40 to under £60, £60 to under £80, £80 to under £100, £100 to under £150, £150 to under £200, £200 to under £250, £250 to under £300, £300 and over.

For each band we calculate by how much the lower bound and upper bound amounts would rise when increased by average earnings of 4.1%. These figures are updated to annual amounts to provide an indication of how many pensioners by type of State Pension will receive what amount of annual increase in their State Pension amounts in April 2025. These figures are then presented in table 4 of the main body of this paper.

There are three key limitations with this approach:

- the first is that the data is from May 2023. Over the last year there will have been an increase in the number of pensioners; all likely to be in receipt of the new State Pension. However, with DWP having suspended the release of more recent data means we are reliant on the most up to date official data (which is from May 2023).
- the second is that the data does not split amounts by State Pension, Additional State Pension and Deferred State Pension and we therefore assume all amounts will be increased by average earnings of 4.1%
- the third is that the amounts received are in bands and so we cannot identify exactly how many pensioners will receive an increase of £361.37 (for those on full rate of basic State Pension) and £471.62 (for those on full rate of new State Pension). We may therefore be overcounting the number of new State Pension recipients receiving the maximum increase and undercounting the number of basic State Pension recipients receiving more than £400.

Whilst these limitations are important to be aware of our estimates are rounded to the nearest hundred thousand and so will provide a reasonably accurate ballpark figure of the numbers. And for those who still have reservations the greatest limitation is DWP not having released more recent data and it is for Government to provide this for us to be able to revise our estimates to reflect more recent data.

Annex B: Number and proportion of pensioners by State Pension amount increase in April 2025 by country

England:

Table B1 presents the number and proportion of pensioners in England by the amount of increase in their State Pension in April 2025.

Table B1: number and proportion of pensioners by State Pension amount increase in April 2025 (England)

	Basic State Pension		New State Pension		State Pension	
	number	proportion	number	proportion	number	proportion
less £100 increase	0.0m	1%	0.0m	0%	0.1m	1%
between £100 & £200 increase	0.6m	8%	0.0m	2%	0.6m	6%
between £200 & £300 increase	0.7m	9%	0.1m	4%	0.8m	8%
between £300 & £400 increase	2.8m	39%	1.0m	36%	3.8m	39%
£400 or over	3.1m	43%	1.6m	58%	4.6m	47%

Note: figures rounded to nearest hundred thousand; percentages to nearest one percent

Table B1 shows that there are around 9.9 million pensioners in England and in April 2025:

- around 1.6 million pensioners (representing one in seven pensioners) will receive the maximum increase in their State Pension in April 2025, and conversely more than four in five (8.3 million) pensioners will receive less than this amount.
- almost three in five (58%) - 1.6 million - pensioners in receipt of the **new** State Pension will receive the maximum increase in their State Pension; with a further one in three (36%) – 1 million – such pensioners receiving an increase of between £300 and £400.
- around two in five (43%) - 3.1 million - pensioners in receipt of the **basic** State Pension will receive an increase in their State Pension of at least £400; with a further around two in five (39%) - 2.8 million - such pensioners receiving an increase of between £300 and £400.
- almost half (47%) – 4.6 million - pensioners **overall** will receive an increase in their State Pension of at least £400; meaning more than half (53%) - 5.3 million – will receive a smaller increase:
 - around two in five (39%) – 3.8 million – pensioners **overall** will receive an increase in their State Pension of between £300 and £400.
 - around one in fifteen (7%) – 0.7 million – pensioners **overall** will receive an increase in their State Pension of less than £200.

Wales:

Table B2 presents the number and proportion of pensioners in Wales by the amount of increase in their State Pension in April 2025.

Table B1: number and proportion of pensioners by State Pension amount increase in April 2025 (Wales)

	Basic State Pension		New State Pension		State Pension	
	number	proportion	number	proportion	number	proportion
less £100 increase	0.00m	0%	0.00m	0%	0.00m	0%
between £100 & £200 increase	0.03m	7%	0.00m	1%	0.03m	5%
between £200 & £300 increase	0.04m	9%	0.01m	3%	0.05m	7%
between £300 & £400 increase	0.21m	45%	0.07m	39%	0.28m	43%
£400 or over	0.18m	39%	0.10m	57%	0.28m	44%

Note: figures rounded to nearest ten thousand; percentages to nearest one percent

Table B1 shows that there are around 0.64 million pensioners in Wales and in April 2025:

- around 0.10 million pensioners (representing one in seven pensioners) will receive the maximum increase in their State Pension in April 2025, and conversely more than four in five (0.54 million) pensioners will receive less than this amount.
- almost three in five (57%) – 0.10 million - pensioners in receipt of the **new** State Pension will receive the maximum increase in their State Pension; with a further two in five (39%) – 0.07 million – such pensioners receiving an increase of between £300 and £400.
- around two in five (39%) - 0.18 million - pensioners in receipt of the **basic** State Pension will receive an increase in their State Pension of at least £400; with a further over two in five (45%) - 0.21 million - such pensioners receiving an increase of between £300 and £400.
- over two in five (44%) – 0.28 million - pensioners **overall** will receive an increase in their State Pension of at least £400; meaning more than half (56%) – 0.36 million – will receive a smaller increase:
 - over two in five (43%) – 0.28 million – pensioners **overall** will receive an increase in their State Pension of between £300 and £400.
 - around one in seventeen (6%) – 0.04 million – pensioners **overall** will receive an increase in their State Pension of less than £200.

Scotland:

Table B2 presents the number and proportion of pensioners in Scotland by the amount of increase in their State Pension in April 2025.

Table B1: number and proportion of pensioners by State Pension amount increase in April 2025 (Scotland)

	Basic State Pension		New State Pension		State Pension	
	number	proportion	number	proportion	number	proportion
less £100 increase	0.00m	0%	0.00m	0%	0.00m	0%
between £100 & £200 increase	0.04m	6%	0.00m	1%	0.05m	5%
between £200 & £300 increase	0.06m	8%	0.01m	3%	0.07m	6%
between £300 & £400 increase	0.30m	42%	0.12m	38%	0.42m	41%
£400 or over	0.30m	43%	0.18m	58%	0.48m	48%

Note: figures rounded to nearest ten thousand; percentages to nearest one percent

Table B1 shows that there are around 1 million pensioners in Scotland and in April 2025:

- around 0.18 million pensioners (representing one in six pensioners) will receive the maximum increase in their State Pension in April 2025, and conversely around four in five (0.82 million) pensioners will receive less than this amount.
- almost three in five (58%) – 0.18 million - pensioners in receipt of the **new** State Pension will receive the maximum increase in their State Pension; with a further two in five (38%) – 0.12 million – such pensioners receiving an increase of between £300 and £400.
- around two in five (43%) - 0.30 million - pensioners in receipt of the **basic** State Pension will receive an increase in their State Pension of at least £400; with a further over two in five (45%) - 0.30 million - such pensioners receiving an increase of between £300 and £400.
- almost half (48%) – 0.48 million - pensioners will receive an increase in their State Pension of at least £400; meaning around half (52%) – 0.52 million – will receive a smaller increase:
 - over two in five (41%) – 0.41 million – **overall** pensioners will receive an increase in their State Pension of between £300 and £400.
 - around one in twenty (5%) – 0.05 million – **overall** pensioners will receive an increase in their State Pension of less than £200.