synergi INVESTMENT

LATEST NEWS

May 2026 | UK State Pension Update 2026/27

The new 2026/27 financial year brings meaningful changes to the UK State Pension. Driven by the Triple Lock guarantee, pension payments have risen by **4.8%** from April 2026 — the highest increase in three years. At Synergi, we believe it is important that our clients fully understand what these changes mean for their retirement income, their tax position, and the planning opportunities that may be available to them.

At a Glance

From 6 April 2026, the full New State Pension rose to £241.30 per week (£12,547.60 per year), while the Basic State Pension increased to £184.90 per week. Both rose by 4.8% under the Triple Lock, driven by average UK earnings growth. However, with the Personal Allowance frozen at £12,570 until at least 2028, the State Pension now sits just £22 below the income tax threshold — a narrow margin with significant implications for those with any additional income in retirement.

2026/27 State Pension Rates at a Glance

	2025/26	2026/27	Change
New State Pension (weekly)	£230.25	**£241.30**	**+4.8%**
New State Pension (annual)	£11,973.00	**£12,547.60**	**+£574.60**
Basic State Pension (weekly)	£176.45	**£184.90**	**+4.8%**
Basic State Pension (annual)	£9,175.40	**£9,614.80**	**+£439.40**
Pension Credit (single)	£218.15/wk	**£227.10/wk**	**+4.1%**
Personal Allowance	£12,570	**£12,570**	Frozen

The Triple Lock: How It Works

What Is the Triple Lock?

The Triple Lock is the government's guarantee that the State Pension will rise each April by whichever is the highest of three measures: average UK earnings growth, CPI inflation, or a minimum floor of 2.5%. For 2026/27, earnings growth of **4.8%** was the highest of the three — outpacing September 2025 CPI inflation of 3.8% and the 2.5% floor. This delivered an additional £574.60 per year for those on the full New State Pension — £120 more than inflation alone would have provided.

Is the Triple Lock Under Threat?

Both major UK political parties have reaffirmed their commitment to the Triple Lock. However, with the additional cost of the 2026/27 uprating estimated at approximately **£11 billion** — including £6 billion on State Pensions and pensioner benefits — its long-term sustainability remains a topic of debate. The Triple Lock has increased the Basic State Pension by over 81% since its introduction in 2011, meaningfully ahead of the 65% rise in CPI inflation over the same period.

State Pension Age Is Rising

From **6 May 2026**, the State Pension Age begins its phased increase from 66 to 67, completing in March 2028. If you were planning to retire at 66, you may need to bridge a gap with other savings or consider deferring your State Pension. Deferring can increase your eventual weekly payment — worth reviewing if you remain in good health and continue working beyond State Pension age.

synergi INVESTMENT

LATEST NEWS

May 2026 | UK State Pension Update 2026/27

Key Issues to Be Aware Of

■ The Tax Threshold Squeeze

- The New State Pension (£12,547.60/yr) now sits just £22 below the frozen Personal Allowance of £12,570.
- Any additional income — a small private pension, part-time earnings, or rental income — could push you into income tax for the first time.
- The Personal Allowance is frozen until at least April 2028, meaning more pensioners will become taxpayers over time.
- Review your tax code with HMRC to ensure you are not overpaying or underpaying tax on retirement income.

✔ Pension Credit: An Underclaimed Benefit

- Pension Credit tops up weekly income to £227.10 for a single pensioner and £363.25 for couples from April 2026.
- An estimated 38% of eligible pensioners do not claim Pension Credit — leaving significant support unclaimed.
- Claiming Pension Credit also unlocks Housing Benefit, Council Tax Reduction, and the Warm Home Discount.
- Eligibility depends on your total income and savings — it is worth checking even if you think you may not qualify.

Planning Considerations for 2026/27

What You Should Be Thinking About

- Check your State Pension forecast at gov.uk/check-state-pension — knowing your projected income is the essential first step.
- If you have gaps in your National Insurance record, you may be able to buy qualifying years — often excellent value for boosting your eventual pension.
- NI eligibility requires 35 qualifying years for the full New State Pension and a minimum of 10 years to receive anything at all.
- Stay-at-home parents and carers should ensure Child Benefit is registered in the correct name to protect NI credits.
- Consider deferring your State Pension if you can afford to — each year of deferral increases your weekly payment by approximately 1% per 9 weeks.
- Pension contributions remain the most tax-efficient way to reduce taxable income — particularly valuable if you are close to or above the Personal Allowance.

NI Contributions: Are You Fully Protected?

Key NI Facts for 2026/27

- You need **35 qualifying NI years** for the full New State Pension — a minimum of 10 years to receive anything.
- NI years can be earned through employment, self-employment, or NI credits (e.g. caring for children, claiming benefits).
- Gaps in your record can often be filled by purchasing voluntary Class 3 NI contributions — frequently excellent value.
- You can generally fill gaps going back 6 years — act promptly as deadlines apply.
- Call the Future Pension Centre on **0800 731 0175** or visit **gov.uk/check-state-pension** to review your forecast.

The changes to the State Pension in 2026/27 present both opportunities and challenges. We encourage you to review your retirement income position and explore whether you may be entitled to additional support. Please do not hesitate to get in touch — we are always happy to help. Contact us at **info@synergi-investment.ch**

Information sourced from GOV.UK, DWP, House of Commons Library and MoneySavingExpert (May 2026). This newsletter is for general information only and does not constitute financial advice. Synergi does not accept responsibility for the accuracy of third-party data contained herein. Please consult an FCA-regulated adviser for personalised guidance.