Should you delay your State Pension? The pros and cons explained

Thousands of people delay claiming their State Pension every year. There are some potential benefits, including managing their tax liability, but there are also drawbacks that are important to consider.

The State Pension is a regular government payment you may receive from when you reach State Pension Age until you die. The current State Pension Age is 66, though it is gradually rising and is expected to reach 68 in 2046.

The full rate of the new State Pension is £241.30 a week in 2026/27. However, your personal circumstances and National Insurance record will affect your entitlement.

You can use the government's State Pension forecast to see when you could claim the State Pension and how much you can expect to receive.

If you choose, you can delay claiming your State Pension. According to data collected by Royal London (28 January 2026), almost 42,000 people deferred their State Pension in 2023/24, and 1 in 4 of these pensioners postponed taking their State Pension for five years or more.

Find out why some people might be delaying their State Pension and the potential drawbacks of doing so.

2 reasons you might delay your State Pension

1. *You'd receive a higher State Pension payment when you claim it*

One of the benefits of delaying your State Pension is that you'll receive higher payments when you do claim it.

For every nine weeks you defer, your State Pension will increase by 1%. This works out at just under 5.8% if you defer for a year. For example, in 2025/26, the full new State Pension was £230.25 a week. If you deferred for the full year, you'd receive an extra £13.35 a week.

In some cases, you may be able to receive the additional amount as a one-off payment.

If you reached the State Pension Age on or after 6 April 2016, you can usually claim a one-off arrears payment of up to 52 weeks. If you reached State Pension Age before this date and deferred for at least 12 months, you could receive a lump sum payment, which will include interest of 2% above the Bank of England base rate.

2. *Delaying your State Pension could be tax-efficient*

If you plan to work past the State Pension Age or receive an income from other sources, delaying your State Pension payments could make sense from a tax perspective.

Your State Pension counts as income, and you could be liable for Income Tax. As a result, receiving the State Pension could increase your tax liability and potentially push you into a higher Income Tax band. For some, this could make delaying payments an attractive option.

Your personal circumstances will affect your tax position and whether delaying your State Pension is appropriate for you. We can help you assess your tax liability. Please get in touch if you have any questions.

2 drawbacks to consider before you delay your State Pension

1. *You might not break even*

One aspect to consider before delaying your State Pension is how long it would take to break even.

According to the government (6 April 2025), it will take more than 15 years to get back 52 weeks of the deferred full new State Pension. This time increases by around a year for each additional 52 weeks you defer.

So, while you'd benefit from higher payments once you do claim the State Pension, you could receive less overall.

2. *Higher State Pension payments could increase your tax liability in retirement*

As mentioned above, the money you receive from the State Pension is classed as income for tax purposes. So, deferring your State Pension to receive a higher amount in the future could increase your tax liability in retirement.

If your total income is below the Personal Allowance, which is £12,570 in 2026/27, you don't need to pay Income Tax. However, in 2026/27, the full new State Pension is only just below this threshold at £12,547.60, so deferring is likely to push your income above the Personal Allowance before you factor in other sources of income.

Receiving a higher income from the State Pension might also affect eligibility for means-tested benefits.

So, you could benefit from considering the long-term tax implications of deferring your State Pension before you make a decision.

You don't need to do anything to delay your State Pension

You need to claim your State Pension when you're ready to receive it. So, if you wish to delay the payments, you don't need to do anything.

However, it may be a good idea to assess this decision as part of your overall financial plan. As financial planners, we could help you calculate whether the potential tax benefits of delaying your State Pension make sense for you and assess alternative options. Please get in touch if you have any questions.

Please note: This article is for general information only and does not constitute advice. The information is aimed at individuals only.

All information is correct at the time of writing and is subject to change in the future.

HM Revenue and Customs' practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

Approved by The Openwork Partnership on 10/04/2026.