

BRIEFING PAPER FOR CABINET (from Cllr Jenny Forde)

FAIR TRANSITIONAL STATE PENSION ARRANGEMENTS FOR 1950s WOMEN

Women born in this decade, living in the Cotswolds are suffering financially. These women have worked hard, raised families and paid their tax and national insurance with the expectation that they would be financially secure when reaching 60. It is not the pension age itself that is in dispute - it is widely accepted that women and men should retire at the same time. The issue is that the rise in the women's state pension age has been too rapid and has happened without sufficient notice being given to the women affected, leaving women with no time to make alternative arrangements.

The Proposed Motion

The Council calls upon the Government to make fair transitional state pension arrangements for all women born on or after 6th April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification.'

We are talking here about a group of women (6,354 in the Cotswolds) who have kept our economy going - many who have been working since age 15/16years of age.

They (and we) agree with the equalisation of the state pension age but we do not support the unfair manner in which these changes were made in the 2011 Pensions Act. Around 2.6 million women were affected by the accelerated pace and many will receive their pension years later than expected. Furthermore, due to the Government's shambolic handling of the notification process, these women have not been given a reasonable period of time to properly prepare for retirement.

The Government must take responsibility for this gross injustice. The issue has been widely debated in the House of Commons, and the Women Against State Pension Inequality (WASPI) groups have worked tirelessly to campaign for the introduction of fair transitional measures, but the UK Government has refused to act. Women born in the 1950s and affected by these changes are feeling the hardship now and need action.

I'm sure this Council will agree that it's unreasonable to suddenly expect these women to live with it - they have paid in all their lives expecting pensions.

Nobody is disagreeing that equality isn't a good idea! But pensions are a RIGHT not a benefit - it's a contract that we enter into when we pay into it. A bit like a contract you might take out on your mobile phone. If, after taking out a contract there was a change to the t's and c's, we'd have something to say about that and if they waited 14 years to tell us that the t's and c's had changed, we'd have something to say about it. If they said that on top of that you're going to be forced to live off your life savings because of the changes of that contract, you'd be up in arms about it and quite rightly so!

So why are Pensions any different here?

Please back this Motion. This is NOT Party Political, we need to take this chance to act and show the WASPI women of the Cotswolds that we hear them!

Some Details

What is happening to the women's state pension age (SPA)?

The age at which women qualify for the state pension is due to rise to 65 in November 2018 and 66 by October 2020, in order to bring the ages into line with men's SPA. The intention is to increase the SPA in future to take account of everyone living longer.

This equalisation of men and women's state pension age was originally outlined in 1995, when the then Conservative Government said it planned to gradually raise the women's retirement age from 60 to 65 between 2010 and 2020.

This was followed in 2007 by a Labour announcement that both men and women would see their retirement age go up to 66 between 2024 and 2026.

But, in 2011, Chancellor George Osborne brought forward the timing of both changes to 2018 and 2020 respectively, hitting women particularly hard because their increases are happening both sooner than expected and in quick succession.

According to House of Commons Library figures compiled for the former Shadow Work and Pensions Secretary Rachel Reeves, the accelerated changes will result in a state pension loss of between £8,000 and £12,000 state pension. (There are tables and a great deal of detail available on the link below).

A respected campaign group called the 'Women Against State Pension Inequality' (WASPI) says it agrees with equalising women's and men's pension ages, but not the 'unfair' way the changes are being implemented.

It says this is happening with little or no personal notice and faster than promised, adding: "retirement plans have been shattered with devastating consequences".

The campaign has prompted 4 Parliamentary debates where WASPI called on the Government to make fair transitional arrangements for all women born on or after 6th April 1951.

What Does the Government Say in Response?

In response to the debates, the Department for Work and Pensions said: 'The Government will not be revisiting the state pension age arrangements for women affected by the 1995 or 2011 Acts. The Government carried out extensive analysis of the impacts of bringing forward the rise when legislating for the change. The decision to amend the timetable originally set out in the Bill, to cap the maximum increase at 18 months rather than two years, was informed by this analysis.' It goes on: 'The policy decision to increase women's State Pension age is designed to remove the inequality between men and women. The cost of prolonging this inequality would be several billions of pounds.'

More details and a full report with tables can be found at:

<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7405>

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