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State Pension age increases for women born in the 1950s

By
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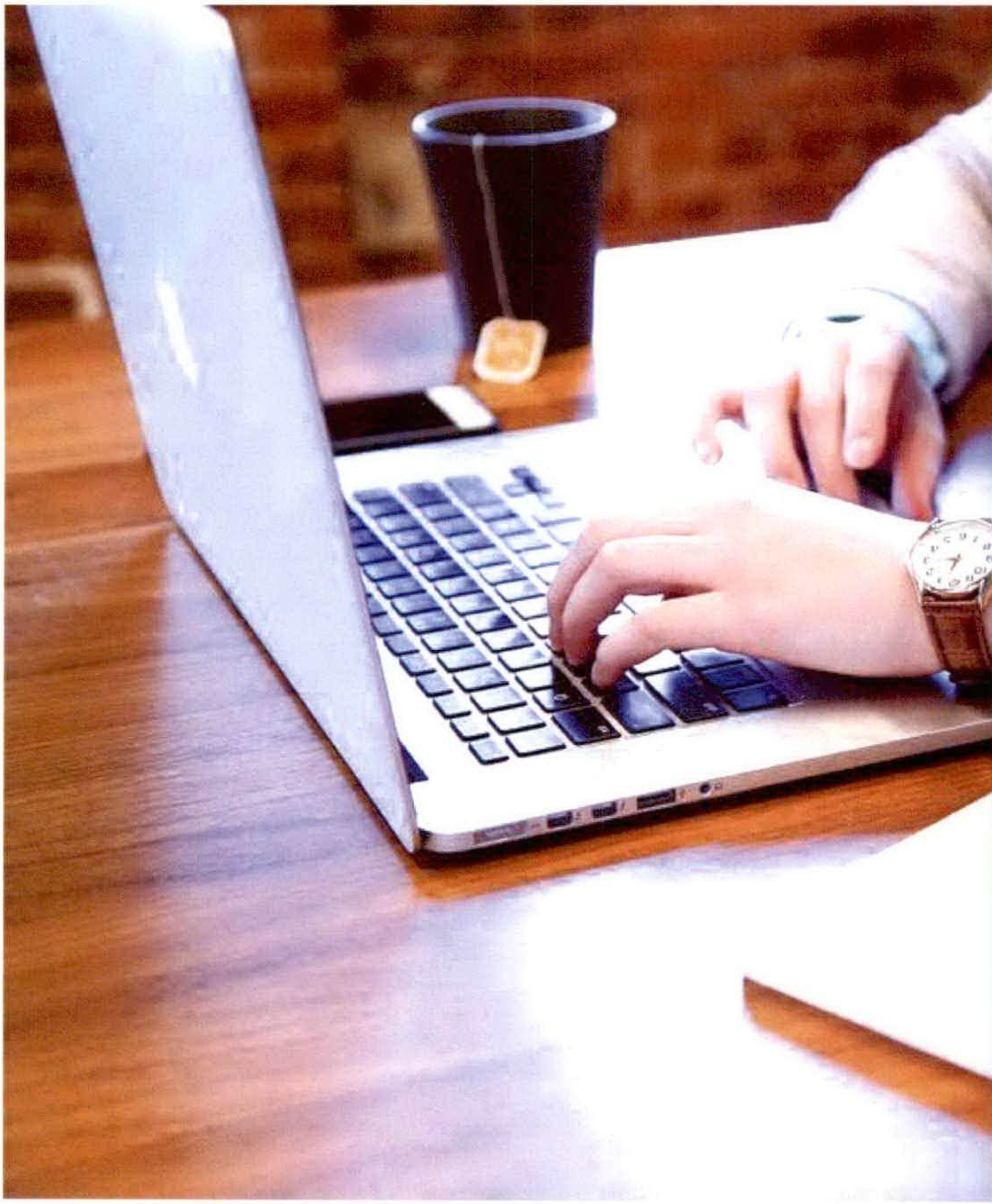

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Summary

The *Pensions Act 1995* provided for the State Pension age (SPA) for women to increase from 60 to 65 over the period April 2010 to 2020. The Coalition Government legislated in the *Pensions Act 2011* to accelerate the latter part of this timetable, starting in April 2016 when women's SPA was 63 so that it will now reach 65 in November 2018. The equalised SPA will then rise to 66 by October 2020. The reason was increases in life expectancy since the timetable was last revised.

The Government initially intended that the equalised SPA would then rise to 66 by April 2020 (Cm 7956, November 2010, Foreword). However, because of concerns expressed at the short notice of significant increases for some women (as much as two years compared to the timetable in existing legislation) the Government made a concession when the legislation was in its final stages. This limited the maximum increase under the Act at 18 months, at a cost to the Exchequer of £1.1 bn - see Library Briefing Paper, SN 06082 Pensions Bill 2011 – final stages (November 2011).

Some women born in the 1950s argue they have been hit particularly hard, with significant changes to their SPA imposed with a lack of appropriate notification. The campaign Women Against State Pension Inequality (WASPI) is calling for "fair transitional state pension arrangements," which they say translates into a 'bridging pension' paid from age 60 to SPA.

In a March 2015 report on *Communication of State Pension age changes,* the Work and Pensions Select Committee concluded that "more could and should have been done" to communicate the changes, especially between 1995 and 2009. It called on the Government to "explore the option of permitting a defined group of women who have been affected by state pension age changes to take early retirement, from a specified age, on an "actuarially neutral basis". It launched an inquiry to explore this further.

The issue has been debated in Parliament on a number of occasions and an all Party Parliamentary Group on State Pension Inequality for Women has been set up to "hold the government to account on the issue of transitional arrangements to compensate 1950s women who are affected by changes to the state pension age and to campaign on issues around the state pension age."

The Government argues that the changes in the 2011 Act were debated at length and a decision made by Parliament, as part of which a concession was made to limit the impact on those most affected. It says it will "make no further changes to the pension age or pay financial redress in lieu of a pension." (PQ 49721 27 October 2016; HC Deb 15 November 2016 c48WH.) In response to a Westminster Hall debate on 9 February 2017 Work and Pensions Minister Caroline Nokes said that going further than the Government had already done could "not be justified":

> [...] given that the underlying imperative must be to focus public resources on those most in need. I have listened to Opposition Members, and I have heard and understood their concerns. However, let me be clear—we are making no further concessions on this issue. As well as being unaffordable, reversing the *Pensions Act 1995* would create an anomaly, whereby women would be expected to work for less time than they work now, and it would be discriminatory to men. It is not practical to implement. (HC Deb 9 February 2016 c225-43 WH).

WASPI is planning a protest in Westminster on 8 March 2017 and is encouraging women affected to make a formal complaint to the DWP about maladministration and has issued a guide to the process produced by legal firm Bindmans - see WASPI.co.uk/action.

More information can be found in the following Library Briefing Papers:

- CBP-07286 Women and Pensions (November 2015)
- SN-06546 State Pension age increases (June 2015)
- RP 11/52 *Pensions Bill* (June 2011); RP 11/68 *Pensions Bill: Committee Stage Report* (October 2011) SN 6082 *Pensions Bill 2011 – final stages* (November 2011).
- RP 95/47 *Pensions Bill (HL) 1994/95: social security aspects* (April 1994)

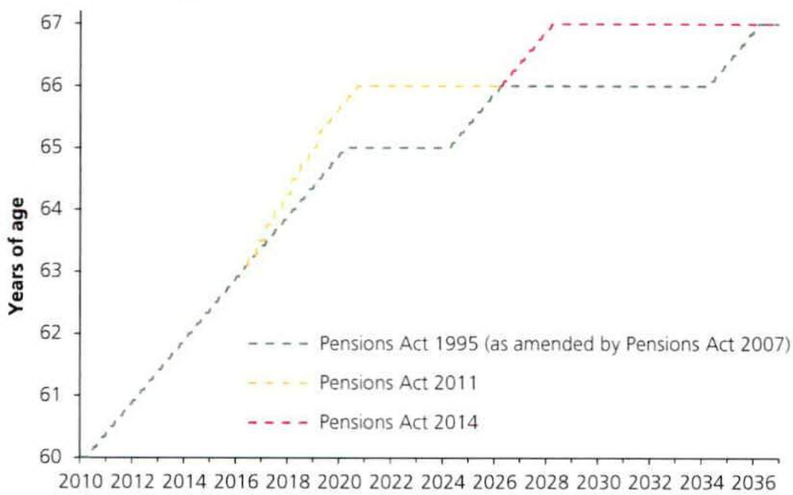
1. How is the State Pension Age for women changing?

From the 1940s until April 2010, the State Pension age (SPA) was 60 for women and 65 for men. The following legislation has increased the SPA since then:

- Provision to equalise the SPA for men and women by increasing the SPA for women from 60 to 65 in stages between April 2010 and 2020 was included in the *Pensions Act 1995*. Provision to increase the equalised SPA from 66 to 68 in stages over the period 2024 to 2046 was included in the *Pensions Act 2007.*
- Provision to bring forward to increase to 66 to October 2020 was included in the *Pensions Act 2011*. To achieve this, the Act brought forward the increase in women's SPA, so that it reaches 65 in November 2018 (rather than April 2020).
- Provision to bring forward the increase in the SPA to 67 to between 2026 and 2028 is in the *Pensions Act 2014*. People born after 5 March 1961 but before 6 April 1977 have an SPA of 67.[1]

The chart below shows how women's SPA is changing. The red line shows the timetable for increases to 67 after the *Pensions Act 2014*. The yellow line shows the timetable after the *Pensions Act 2011*. The green line shows the timetable in the *Pensions Act 1995* and *Pensions Act 2007*.

State Pension Age for women 2010 to 2036



Individuals can check their State Pension age under current legislation using the State Pension calculator on Gov.UK or DWP's State Pension age timetable. This can then be compared to the original timetable in the *Pensions Act 1995* (Schedule 4) as enacted.

[1] Pensions Bill Impact Assessment – Summary of Impacts, May 2013, para 19

In the *Pensions Act 2014,* the Government legislated for periodic reviews of the SPA in future - based around the principle that people should maintain a specific proportion of adult life receiving the state pension.[2] John Cridland was appointed to lead the first such review in March 2016.[3] He is not looking at the existing arrangements before April 2028, which are already in law.[4] An interim report was published in October 2016.

Equalising the SPA – *Pensions Act 1995*

When the contributory State Pension was introduced in the 1940s, it had a differential State Pension age (SPA) – 65 for men and 60 for women. During the 1970s and 1980s, pressure built for equalisation of the SPA for a number of reasons, including demographic changes, international comparisons and trends to equalise pension ages in occupational schemes in response to developments in European law.[5]

In his Budget statement on 30 November 1993, the then Chancellor of the Exchequer, Ken Clarke, announced that the Government had decided to equalise the SPA at 65. The change would be phased in over ten years starting in 2010.[6] When the legislation was before Parliament, then Social Security Minister Lord Mackay of Ardbrecknish, explained that developments in European law on occupational pensions had contributed to pressure for reform:

> We believe that it is right to equalise at 65 because, first, women are increasingly playing a role equal to men in the economy. They live longer and can expect to work as long as men. Secondly, equalising at 65 will improve the future support ratio between those working and those on a state pension. Lastly, throughout the world, countries are equalising upwards or increasing pension ages for both sexes. This move will help to maintain our international competitiveness while ensuring that the state pension remains affordable. It is also right in the light of developments in occupational pensions.
>
> In 1990 the European Court of Justice ruled that occupational pensions constituted part of pay and must be equal for men and women in respect of pensionable service from 17th May 1990. The great majority of schemes which have equalised their pension ages have done so at 65. The Bill will bring domestic legislation into line with the requirements of European law by requiring schemes to comply with an equal treatment rule which ensures that schemes do not discriminate on grounds of sex. This features in Part I of the Bill.[7]

The SPA timetable is in Schedule 4 of the *Pensions Act 1995*. The original timetable can be found in the Schedule 4 as enacted.

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2 Ibid, p13
3 'John Cridland CBE appointed to lead the UK's first State Pension age review', DWP press release, 1 March 2016
4 State Pension age review: terms of reference, 1 March 2016
5 HC Library *RP 95/47 The Pensions Bill: Social Security Aspects*, 19 April 1995
6 HC Deb 30 November 1993, c 929
7 HL Deb, 24 January 1995, c 977. For further detail, see Library Research Paper RP 95/47 The Pensions Bill: Social Security Aspects

Schedule 4 has been amended by subsequent Pensions Acts which have made changes to the SPA timetable. The current timetable can be seen in Schedule 4 as amended.

Accelerating the increase to 66 – *Pensions Act 2011*

Following the 2010 General Election, the Coalition Government announced that it would bring forward the increase to 66 in the light of increases in life expectancy since the 2007 Act. The then Pensions Minister, Steve Webb said:

> In the face of increased life expectancy, making no change to the timetable for the increase in State Pension age to 66 risks the sustainability of the state pensions system. As longevity improvements are shared between the generations, it is only fair that costs are too.[8]

In the House of Lords, Work and Pensions Minister, Lord Freud said that the argument came down to "simple financial discipline" and rising longevity:

> We have been left with a record structural deficit and we need a sustainable system. Spending on state pensions in ten years' time will be nearly £26 billion higher if we leave the timetable unchanged. That reflects a mounting financial pressure on the working population. [...]. The fundamental argument runs along these lines: those people who have enjoyed this dramatic increase in longevity should help to fund their pensions.[9]

The Government initially said it would bring the increase to 66 forward to April 2020. To enable this, it would accelerate the increase in women's SPA from April 2016 (when it would be 63) to reach 65 by November 2018 rather than April 2020. The increase would be phased in at a rate of three months' increase in the SPA every four months. This compared to an increase of one month every two months under the 1995 and 2007 Acts (so that each year took two years to phase-in).[10]

Concession when the legislation was in Parliament

When the legislation was before Parliament, concerns were expressed at the extent of the increase affecting some women and the limited notice they were getting.[11]

Age UK, for example. expressed concern that the revised timetable could leave many with "insufficient time to prepare for retirement" and would cause particular hardship for certain groups: those with lower average life expectancy; those who depended more on their state pension in retirement; and those who are more likely to suffer from health problems or disability, limiting their ability to work up to and beyond 65.[12]

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8 DWP, A sustainable State Pension: when the State Pension age will increase to 66, CM 7956, November 2010, Foreword

9 HL Deb 15 February 2011 c589

10 *Pensions Bill 2011. Annex A – Impact Assessment – State Pension age,* para 1.23

11 PBC Deb, 5 July 2010 morning c5

12 Age UK, Pensions Bill Second Reading Briefing, 6 May 2011; See also, Age UK Press Release, 29 March 2011,'Millions force to wait longer for pensions under new bill'

In the Second Reading debate in the Commons, the then Work and Pensions Secretary Iain Duncan Smith said the Government would consider transitional arrangements:

> I recognise the need to implement the change fairly and manage the transition smoothly. I hear the specific concern about a relatively small number of women, and I have said that I will consider it. I say to my colleagues that I am willing to work to get the transition right, and we will. Some have called for us to delay the date of equalisation of the pension age, but I wish to be clear again that this matter is the challenge of our generation, and we must face it. That is why we are committed to the state pension age being equalised in 2018 and rising to 66 in 2020. That policy is enshrined in the Bill.[13]

A number of Opposition amendments were moved at Committee stage with the aim of ameliorating the impact on those affected. These included:

- Retaining the 1995 Act timetable for the increase to 65, and then increasing the equalised SPA to 66 by April 2022;[14]
- Changing the timetable so that "no woman born between 6 October 1953 and 5 April 1955 would have longer than one year to reach SPA from the present position;"[15] and
- Maintaining the 1995 Act timetable for Pension Credit, to provide a "buffer of help with the transition for those least able to cope financially with the move."[16]

On 7 July 2011, the then Pensions Minister Steve Webb reiterated the Government's commitment to looking at transitional issues while sticking to "the principle of fast equalisation and the move to 66."[17] Rachel Reeves expressed concern that she was still "none the wiser about how the Government plan to go about smoothing the transition, and easing the impact of the Bill on those most affected by it."[18]

In advance of the Bill's Report Stage on 18 October 2011, the Government amended the legislation cap the maximum increase at 18 months, relative to the timetable in the 1995 Act. Women's SPA would still reach 65 in November 2018 but the increase to 66 would happen by October 2020 rather than April. This improved the position (compared to the legislation as originally drafted) for women born between 6 January 1954 and 5 September 1954. They would otherwise have seen their SPA increase by more than 18 months and, as much as two years in some cases.[19]

Steve Webb described the amendments as a "huge achievement" given the "difficult fiscal position." The then Shadow Pensions Minister, Gregg McClymont welcomed the amendments but said the legislation

13 HC Deb, 20 June 2011, c50
14 PBC Deb, 5 July 2010 (morning), c4-5. Amendments 16 and 17 [Rachel Reeves]
15 Ibid, c69 [Teresa Pearce]
16 PBC Deb 7 July 2011 c142-5
17 Ibid, c159
18 Ibid, c161
19 DWP factsheet, October 2011

continued to place "the longevity burden disproportionately heavily on women in their later 50s"[20]

In an interview with the Institute for Government in June 2015, Steve Webb explained the background to the amendment:

> We made a choice, and the implications of what we were doing suddenly, about two or three months later, it became clear that they were very different from what we thought [...] And so that's a decision that we got wrong, and in the end I had to go to Number 10, sit around opposite the Chancellor and the Prime Minister trying to get billions of pounds back. So this was a measure to save 30 billion quid over how many years, and we wanted 10% of that back to soften the blow, and we got £1 billion back in the end, and a billion quid is a serious amount of money.[21]

The *Pension Act 2011* received Royal Assent on 3 November 2011. The *Pensions Act (Northern Ireland) 2012* (s1) provides for the same timetable to apply in Northern Ireland.

For more on the debates, see: RP 11/52 Pensions Bill (June 2011) (section 2.4); RP 11/68 Pensions Bill: Committee Stage Report (October 2011) (section 3.1); and SN-06092 Pensions Bill 2011 – final stages (November 2011).

International comparisons

EEC Directive 79/7 requires "the progressive implementation of the principle of equal treatment for men and women in matters of social security." It allows for differences in the statutory pension age, although this must be periodically reviewed and the Commission informed of the reasons for maintaining existing provisions.[22] A 2007 European Commission report said that although pension age equalisation was an "objective to be strived for", appropriate transitory measures seemed inevitable:

> In the area of occupational schemes, in many countries traditional difference in pensionable age is put under pressure by ECJ. In principle, differences are not allowed unless there is a close link with statutory schemes. Under statutory schemes, the difference in age is allowed under Article 7(a) of Directive 79/7.
>
> The overall picture in the statutory schemes in the Member States and the EEA countries is as follows:
>
> > - In some states there is no difference made in this respect (Cyprus; France; Iceland; Ireland; Liechtenstein (since 2001); NL; Norway; Portugal; Sweden; Luxemburg; Spain);
> >
> > - In other states there is a process of equalizing the pensionable age, sometimes with long transitional arrangements (Austria, Belgium; UK (transitional measures until 2020); Estonia; Germany; Latvia; Malta; Slovakia; Hungary);

[20] HC Deb, 18 October 2011, c823 and 780
[21] Institute for Government interview with Steve Webb, 9 June 2015
[22] *79/7/EEC – on the progressive implementation of equal treatment of men and women in matters of social security* Articles 7 and 8; HL Deb, 30 March 2011, c1279

> - In the remaining states the difference in pensionable age is maintained (Bulgaria, Czech Republic (if a woman has brought up children), Italy (difference is in fact reintroduced), Lithuania, Poland, Romania, Slovenia, Greece).
>
> Interestingly, it is in particular the former 'communist' countries that maintain this difference. As an expert put it: the difference is regarded in these countries as just since it compensates for unequal working conditions for men and women.
>
> Considered against this background, if the pensionable age of men and women is going to be equalized under EU-law at the end of the day, an objective to be strived for, due account should be taken of the realities in, in particular the new Member States. Appropriate transitory measures seem inevitable.[23]

Making comparisons between pension systems is difficult because of their wide variety. However, a 2011 report by the European Commission showed that different approaches have been taken to equalisation:

> **Austria** - Women's statutory retirement age will be gradually adjusted to that of men over the period up to 2033. This increase has been partly compensated for by increase of the assessment basis for periods spent on child care.
>
> **Belgium** - The retirement age for employed and self-employed for women was progressively raised to reach 65 years as from 1st January 2009; for old-age pensions (PAYG), the career duration required is equivalent to 45 years for men and women.
>
> **Czech Republic** - The retirement age is gradually increasing from 2010 on by 2 months (men) and 4 months (women) to reach 65 years for men and women. Retirement age of women can be lowered (to 62 or 64) depending on the numbers of children (for persons born after the year 1968).
>
> **Denmark** - In 2006 the Danish welfare reform again raised the retirement age for statutory pensions, from 65 to 67 between 2024 and 2027. From 2025 the age limits for entering pensions will be indexed to the mean life expectancy of 60-year-olds, meaning that the average length of time spent in retirement and on a public pension will be around 19 years. If life expectancy does not change the pension age will remain at 67 for old age pensions and 62 for early retirement.
>
> **Estonia** - The retirement age will be equalised by 2016 at 63 years of age and from 2017 by 3 months each year up to 65 years as from 2020.
>
> **France** - Retirement age will increase to 61 years as from 2020.
>
> **Germany** - Gradual increase in the minimum age for a standard pension to 67 years between 2012 and 2029, starting with those born in 1947; the minimum ages for other pensions are to increase accordingly. As from 1 January 2000 old-age pension for women can be claimed - with reductions of 0.3% for each year before 65 - only by women born before 1952 who have reached age of 60, completed the 15-year qualifying period and paid compulsory contributions for more than ten years after the age of

[23] Report on Directive 79/7EEC and Directive 86/378 EEC as amended by Directive 96/97/EC. Report by the Commission's Network of legal experts in the fields of employment, social affairs and equality between men and women, March 2007, p7

40. The pension can be claimed early, as from age 60. It is no longer available for people born after 1951.[24]

The EU Social Protection Committee says most member states have mechanisms for a gradual increase in the pension age as a part of an on-going trend to improve sustainability and adequacy through later retirement and longer working lives.[25] This is shown in the table below:

Pensionable ages in current EU Member States

	Men					Women				
	2009	2013	2020	After 2020		2009	2013	2020	After 2020	
Belgium	65	65	65	67	*In 2030*	65	65	65	67	*In 2030*
Bulgaria	63	63y8m	64y3m	65		60	60	61y6m	65	
Czech Republic	62	62y6m	63y10m	67+	*In 2044*	57-62	58-62	61-64	67+	*In 2044*
Denmark	65	65	66	67+	*In 2022*	65	65	66	67+	*In 2022*
Germany	65	65y2m	65y9m	67	*In 2029*	65	65y2m	65y9m	65y10m-67	*In 2029*
Estonia	63	63	63	65	*In 2026*	61	61	63	65	*In 2026*
Ireland	65	66	66	68	*In 2028*	65	66	66	67	*In 2028*
Greece	65	67	67	67+		60	62	67	67+	
Spain	65	65-65y1m	65-65y10m	65-67	*In 2027*	65	65-65y1m	65-65y10m	65-67	*In 2027*
France	60-65	61y2m	62-67			60-65	61y2m	62-67		
Croatia	65	65	65	65	*In 2030*	60	60y9m	62y6m	67	*In 2038*
Italy	65y4m	66y3m	67	67+		60y4m	63y9m	67	67+	
Cyrpus	65	65	65			65	65	65		
Latvia	62	62	63y9m	65	*In 2025*	62	62	63y9m	65	*In 2025*
Lithuania	62y6m	62y10m	64	65	*In 2026*	60	60y8m	63	65	*In 2026*
Luxembourg	65	65	65	65		65	65	65	65	
Hungary	62	62	64y6m	65	*In 2022*	62	62	64y6m	65	*In 2022*
Malta	61	62	63	65	*In 2026*	60	62	63	65	*In 2026*
Netherlands	65	65y1m	66y8m	67+	*In 2021*	65	65y1m	66y8m	67+	*In 2021*
Austria	65	65	65	65	*In 2033*	60	60	60	65	*In 2033*
Poland	65	65y1m	66y10m-67	67	*In 2040*	60	60y1m	61y10m-62	67	*In 2040*
Portugal	65	65	66			65	65	66	63	
Romania	63y4m	64y8m	65	65	*In 2030*	58y4m	59y8m	61		*In 2030*
Slovenia	63	65	65			61	63y6m	65		
Solvakia	62	62	62			55-59	58-62	62		
Finland	63-68	63-68	63-68	63-68		63-68	63-68	63-68	63-68	
Sweden	61-67	61-67	61-67			61-67	61-67	61-67		
UK	65	65	66	67	*In 2028*	60	61-62	66	67+	*In 2028*

The interim report of the Cridland Review commented that the vast majority of OECD countries have equalised or are set to equalise their pension ages. Thirteen countries currently have different retirement ages according to gender but only Chile, Switzerland, and Israel have no legislation to achieve equalisation.[26]

See also OECD, *Pensions at a Glance 2015*, chapter 5 – sections on current retirement ages and future retirement ages.

24 European Commission, The socio-economic impact of pension systems on the respective situations of women and men and the effects of recent trends in pension reforms, November 2011

25 Review of recent social policy reform - Report of the Social Protection Committee (2015), 7 January 2016, p35; See also OECD, *Pensions at a Glance 2015*, ch 5

26 Independent Review of the State Pension age: Interim Report, October 2016, p 25

2. How many women are affected?

Women affected by the Pension Acts 1995 and 2011 fall into the following groups:

- Women born **between 6 April 1950 and 5 April 1953** have an SPA under the 1995 Act of **between 60 and 63**. They reach SPA by March 2016;
- Women born **between 6 April 1953 and 5 December 1953** have an SPA under the 2011 Act of **between 63 years and 3 months and 65**. They reach SPA by November 2018;
- Men and women born **between 6 December 1953 and 5 April 1960** have an SPA set by the 2011 Act of **between 65 years and 3 months and 66**. They reach SPA by 2020, or their 66th birthday, whichever is later.[27]

Changes in the *Pensions Act 2011* affected around 5 million people in Great Britain (2.6 million women and 2.3 million men) born between 1953 (6 April for women, 6 December for men) and 5 April 1960 who will have to wait longer before they reach SPA. Of this number:

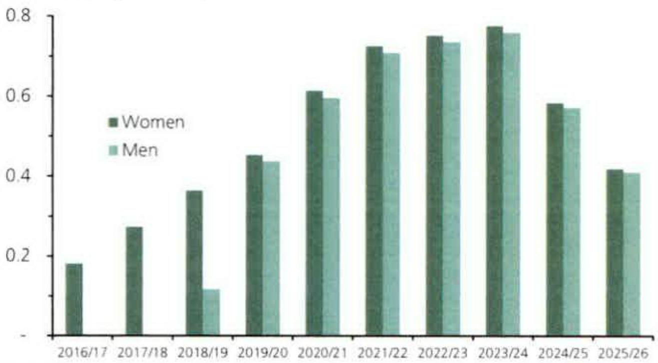
- An estimated 4.5 million people in Great Britain will have their SPA increased by less than a year;
- An estimated 500,000 women born between 6 October 1953 and 5 April 1955 will have their SPA increased by more than a year;
- Around 300,000 women born between 6 December 1953 and 5 October 1954 will have their SPA increased by 18 months.[28]

Constituency level estimates

Constituency level estimates for the number of women affected by the *Pensions Act 2011*, produced by the House of Commons Library, are available to download as an attachment to this document.

The chart below shows the estimated number of women and men affected by the Pension Act 2011 in the UK by year, 2016 to 2026:

Estimated number of women and men affected by the Pensions Act 2011 in the UK *(Millions)*



Source House of Commons Library estimates, based on ONS mid-year Population estimates for UK, England and Wales, Scotland and Northern Ireland 2015

[27] *Pensions Act 1995*, Schedule 4 (as amended) ; HC Deb 18 Oct 2011 c780 and 823

[28] DWP, Pensions Bill Impact Assessment, November 2011, table 5 and Gender Impact, para 1.3 and 2.2; HC Deb, 2 December 2010, c 953

Impact on pension incomes

Summarising the gender impact of the 2011 Act increase, the Government said that the acceleration in SPA equalisation would "reduce the advantage currently enjoyed by women over men as a result of a lower pension age and higher life expectancy". The impact on lifetime pension income was more complex:

> All other things being equal, in general men would lose a slightly higher proportion of their lifetime pension income than women as a result of increasing the State Pension age, because of lower average life expectancy. However, because of higher average earnings, men may be in a better position than women to offset part of this loss through higher additional contributions to a private (Defined Contribution) pension scheme.[29]

It is men and women born in 1954 on low incomes (who would have been entitled to Pension Credit, the qualifying age for which would also rise) whose lifetime pension incomes are most affected.[30]

Regards the countries of Great Britain, DWP commented that although life expectancy at SPA was lower in Scotland and Wales than in England, men and women in these countries had experienced the same increase in life expectancy in absolute terms over the last decade. Projections of life expectancy implied that the change was not expected to result in a "widening of life expectancy at State Pension ages between constituent countries of Great Britain."[31]

Working longer

In 2013, the Institute for Fiscal Studies found that women's employment rates at 60 had increased by 7.3% points with the SPA increased to 61. The employment rates of their male partners had also increased by 4.2% points. It said this was likely to be explained by the increase in the SPA being a shock or having a signalling effect.[32] On 6 November 2015, the Government said that the employment rate of women directly affected by SPA equalisation had by 6.8% up to 40.7%.[33]

In November 2016, Age UK produced a report looking at the impact of rising State Pension age from the perspective of some of the individuals who will be heavily reliant on their State Pension in retirement, based on interviews with individuals in routine jobs or whose ability to work had been affected by their caring responsibilities, health or unemployment/underemployment. It included the following case study

> Sarah, 53, cares for her mother who has Alzheimer's and works part-time in an administrative role. Her mother is likely to need increasing care in the next few years. Sarah is not sure what she'll be able to do about this.

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29 DWP, *Pensions Bill 2011. Impacts – Annex A – State Pension age*, para 2.24-6

30 Ibid, para 2.8-9

31 Ibid, p15

32 IFS, Incentives, shocks or signals: labour supply effects of increasing the female state pension age in the UK, March 2013

33 DWP press release, Older women see a dramatic rise in employment rate of past 30 years, 6 November 2015

> She expects the State Pension to be her main source of retirement income and says she will not be able to retire until she receives it. She worries that the rise in the State Pension Age will 'cut the options down'.[34]

Age UK said:

> Some of the people we spoke to in routine jobs told us these were physically demanding and, as they were already concerned about their health, they worried about how they were going to be able to work to an increased State Pension age. The quality of someone's job also seems to be a key factor in enabling longer working lives.
>
> As well as concerns about their ability to work longer, people worried about the loss of years of retirement, when they had been looking forward to having some time to do the things they enjoyed.
>
> Carers provide a vital role in our society supporting older and disabled people, providing billions of pounds worth of care a year and enhancing the lives of those they care for. However, being a carer may not only affect someone's ability to work and earn, it can also have a major impact on their future retirement prospects.[35]

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[34] Age UK, 'Higher state pension age will deprive many of a decent retirement, warns Age UK,' November 2016

[35] Age UK, Working later waiting longer, November 2016

3. Did women affected have advance warning?

In general, ten years' notice of an SPA increase is considered to be appropriate.[36] This is the length of notice that the periodic SPA reviews established by the *Pensions Act 2014* will seek to give.[37]

In 2005, the Pensions Commission had suggested that "a policy of significant notice of any increase (e.g. at least 15 years) should be possible".[38] This was the amount of notice given by the 1995 Act, which did not take effect until 2010 and did not affect anyone aged 44 or over at the time of the announcement.[39]

In contrast, some of those whose SPA was increased by the 2011 Act received only around five years' notice. Those with the largest increases (18 months) got less than eight years.[40] At the time, organisations such as Age UK argued that the revised timetable could leave many with "insufficient time to prepare for retirement."[41] Concern was also expressed by Opposition parties.[42] The then Pensions Minister, Steve Webb, said he accepted that the period of notice being given to some women was "the key issue."[43]

Government actions

The 1995 Act did not place any particular requirements on the Department regarding the communication of the changes to those affected. However, in July 1995 the department issued leaflet EQP1a, *Equality in State Pension Age: A Summary of Changes*, to advise the general public on the changes.[44]

In 2001-02, the Government said its approach was to inform women through leaflets and a publicity campaign. For example:

> Mr. Willetts: To ask the Secretary of State for Social Security what action he is taking to ensure that women born after 1955 are informed of the forthcoming increase in retirement age. [146348]
>
> Mr. Rooker: The *Pensions Act 1995* affects all women born after 5 April 1950. Between 2010-20 women's state pension age will rise gradually from 60 to 65. Publicity for this change started under the previous administration.

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36 Cm 8131, p11
37 Cm 8528, chapter 6
38 Pensions Commission 2nd Report, December 2005, p14
39 HC Deb 30 November 1993, c 929
40 From February 2011 when the Bill was introduced or November 2011 (Royal Assent) to April 2016 when the increase in the SPA starts to accelerate and b) From February 2011 to January 2019 when women born in August 1954 would have reached SPA under the 1995 Act
41 Age UK, Pensions Bill Second Reading Briefing, 6 May 2011
42 HC Deb, 20 June 2011, c61 [Liam Byrne]; HC Deb 11 May 2011 c437 [Eilidh Whiteford]
43 HC Deb 11 May 2011 c437WH
44 HL Deb 3 December 2015 c1248; However, see WASPI evidence to the Work and Pensions Select Committee in 2015, para 6

> We have taken action to inform women of the changes through leaflets and in the letters from the Department forecasting State Pension entitlement and displays in local BA offices. We have publicised the changes through advertising features in women's and general interest magazines. A national newspaper and magazine advert on the issue is due to feature in March as part of the wider pensions education marketing campaign. Also there is an interactive table on the Internet at www.pensionguide.gov.uk where a woman can type in her date of birth and learn the date she reaches State Pension age. The Department will periodically review the effectiveness of the approach.[45]

And...

> The Parliamentary Under-Secretary of State, Department for Work and Pensions (Baroness Hollis of Heigham): *I* refer the noble Baroness to the Answer I gave her on 31 January 2002 (WA 57). Changes to the state pension age for women are publicised as part of the current marketing campaign on pensions education for people of working age. This is a multi-million pound campaign which encourages people to plan for retirement and consider the full range of pension options and issues.
>
> The campaign includes a press advert specifically about the change to state pension age for women and we have undertaken direct marketing activity, which includes press inserts and direct mailings targeted specifically at women. These materials all highlight the fact that the state pension age for women is changing.
>
> This activity has taken place since research undertaken in March 2000 which showed that 30 per cent of women aged 18-55 were aware that changes to the state pension age had been made. Since then, as outlined above, there has been considerable further activity to publicise these changes and we have distributed more than 2 million pensions information guides. The effectiveness of the pensions education campaign is measured on an ongoing basis.[46]

State Pension statements sent out on request from 2001 included women's new SPA, as determined by the 1995 Pensions Act.[47]

DWP started to write to women affected from 2009 onwards:

- Between April 2009 and March 2011, it wrote to women born between 6 April 1950 and 5 April 1953, informing them of their SPA under the *Pensions Act 1995*.

- Following the 2011 changes, it wrote to all individuals directly affected to inform them of the change to their state pension age. Sending mail to those individuals, who are due to reach SPA between 2016 and 2026, was completed between January 2012 and November 2013.[48]

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[45] HC Deb, 29 Jan 2001, c 89W

[46] HL Deb 6 November 2002, c640; See also, HC Deb, 29 Jan 2003, c942W

[47] Government response to UK Parliament petition – Make fair transitional state pension arrangement for 1950s women

[48] HC Deb 2 November 2015, c698; PQ 3828, 29 June 2015

The Government summarised what it had done in its response to the WASPI petition.[49]

There is a more detailed account of the communication of the changes – including press coverage – in the Work and Pensions Select Committee's March 2016 report on *Communicating State Pension age increases*. The Committee concluded that:

> 29. We will never know how many women did not know, or could not be reasonably expected to know, that their state pension age was increasing. What is apparent with hindsight is that previous governments could have done a lot better in communicating the changes. Well into this decade far too many affected women were unaware of the equalisation of state pension age at 65 legislated for in 1995. While the last and current Governments have done more to communicate state pension age changes than their predecessors, this has been too little too late for many women, especially given increases in the state pension age have been accelerated at relatively short notice. Many thousands of women justifiably feel aggrieved.[50]

It thought more should have been done to communicate the planned increases "especially between 1995 and 2009." For the future, it said it was "critical that people affected by any future changes in the state pension age are fully and properly informed."[51]

John Cridland's October 2016 report on future State Pension age increases noted the importance of an effective communication strategy:

> We recognise that an effective strategy will be important in communicating any changes to State Pension age in the future, to enable people to take full advantage of the given notice period. DWP's current pensions communications strategy uses general awareness campaigns to encourage people to make use of the personalised information resources available, such as *Check your State Pension*, the online tool which provides an assessment of someone's state pension and their State Pension age. Our understanding is that DWP recognises that this is not just an issue for Government, and actively seeks to involve stakeholders, to reach the maximum number of people and target communications effectively. For this reason the Department is also supporting the development of the Pensions Dashboard.[52]

How aware were women affected?

A key claim of the current campaign - Women Against State Pension Inequality (WASPI) – is that women born in the 1950s did not receive appropriate notification of an increase in their SPA:

> Significant changes to the age we receive our state pension have been imposed upon us with a lack of appropriate notification, with little or no notice and much faster than we were promised – some of us have been hit by more than one increase. As a result,

[49] UK Parliament petition – Make fair transitional state pension arrangement for 1950s women

[50] Work and Pensions Select Committee, Communication of state pension age changes, HC 899, March 2016

[51] Work and Pensions Committee, Communication of State Pension age changes, HC 899, March 2016, Summary

[52] Independent Review of the State Pension age – Interim Report, October 2016, p90-1

> hundreds of thousands of us are suffering financial hardship, with not enough time to re-plan for our retirement. Women are telling us that they can't believe their retirement age has increased by 4, 5 or 6 years and they didn't even know about it!![53]

Research undertaken in the 2000s indicated low levels of awareness about as a cause for concern. For example, a DWP Research Report in 2004 found that some 73 per cent of respondents aged 45 to 54 were aware that the government was increasing women's SPA. However, only 43% of those affected were able to identify their own SPA as being 65 years or between 60 and 65 years. This low figure was identified as a cause for concern, showing that information about the increase in the SPA was "not reaching the group of individuals who arguably have the greatest need to be informed." Levels of awareness were even lower among women who were economically inactive or in routine and manual occupations:

> Of the working women who will be affected by the increase, 46 per cent were able to correctly identify their SPA as being 65 years or between 60 and 65 years. In contrast, only 36 per cent of economically inactive women who will be affected were able to correctly identify their SPA.
>
> Women affected by the increase in routine and manual occupations were much less certain about their own SPA than those in other occupations (only 38 per cent correctly identified their SPA as being 65 years or between 60 and 65 years in contrast to nearly half (48 per cent) of women in other types of occupation).[54]

In 2008, the Pensions Advisory Service reported low levels of knowledge about the state pension and made recommendations on communication:

> The general lack of knowledge and understanding about the state pension scheme, how it works and the factors which control a person's entitlement must be addressed by the Government. The need for information and understanding with regard to the state pension scheme is just as real and critical for participants in the state pension scheme as for those in any other pension scheme. Indeed, it could be argued that the need is greater given the complexity of the state scheme.
>
> For this reason, we cannot see why similar standards on communication of information to that which the Government impose on occupational schemes, should not also apply to the state scheme. We recommend that:
>
> - everyone should be provided with a booklet describing how the state pension scheme works as soon as they first start to pay NI contributions. This booklet would also provide information about retirement dates, retirement options and what happens in various contingencies such as death and divorce.
> - the booklet should provide details of how they can get specific information from the Pensions Service (via a single number) and how they can get independent generic

[53] Women Against State Pension Inequality – Justice for Women born in the 1950s
[54] Public awareness of State Pension age equalisations, DWP Research Report No 221, 2004.

> information and guidance from the Pensions Advisory Service.[55]

In 2011 National Centre for Social Research found that:

> In 2008, fewer than half (43%) of the women who, at that point, would not be eligible for their state pension until they were 65 were aware of the planned change. For women affected by the "phasing in" period (where their state pension age falls somewhere between 60 and 65 years due to the introduction of the changes over time) knowledge levels were even lower with less than a quarter (24%) knowing their state pension age to within 3 months.[56]

In March 2010, Steve Webb (then Liberal Democrat pensions spokesperson) suggested women might start to contact their MPs as the 1995 Act increases started to kick in:

> I strongly suspect that our mailbags will start to fill up very soon with letters from women who did not know that the age was going up from 60. […] It can take an awfully long time for people to know about such changes. Given that only those aged 45 or younger would be affected, not many of them were thinking very hard about their pensions in 1995, and that is one of the problems. We need a long lead-in to such changes. I want to consider issues of both process and substance. The issue about the process is how we make the decision. A number of principles need to be adopted here. In a sense the 1995 Act was right to give 15 years' warning. It does not surprise people, it gives them the chance to plan ahead and enables them to think about their own personal and private pension arrangements and to mesh the two together in a calm, ordered and measured way.[57]

Increased awareness appears to have been triggered by the debates around the 2011 Act. In March 2011, Age UK said:

> Recent focus group research for the charity revealed a high level of anger about the plans. Despite a clear understanding of the need for an increased State Pension Age due to increasing life expectancy, the participants were universally shocked by the speed of the hike in State Pension Age. More worryingly many mistakenly believed they were still going to retire at 60.[58]

At Public Bill Committee Stage, Labour MP Teresa Pearce said that this, and the "sheer volume of the correspondence" she had received from constituents, had revealed to her the "unexpected truth that many people are completely unaware of the changes:

> Although the proposals are new and are only filtering through, some women polled did not even understand the previous changes about already having to wait until after 60, which is very worrying. I have received letter after letter about people's surprise and shock, and people have written that if they had known, they would have done this or that differently.[59]

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[55] TPAS, Women and Pensions Helpline Report 2008, p10

[56] Women's state pension age changes – evidence from the English Longitudinal Study of Ageing, NatCen, 21 June 2011

[57] HC Deb 9 March 2010 c34WH

[58] Age UK, Millions forced to wait longer for pensions under new Bill, March 2011

[59] PBC Deb 7 July 2011 c134

Moving an amendment to require the Secretary of State to report on communications to those affected by the 2011 Act, she said argued that the Government should contact people directly.[60] In response, the then Pensions Minister Steve Webb said there was information on websites and in state pension forecasts but that she had raised an "important point about what we do for people who do not ask." Ms Pearce's amendment was defeated by 10 votes to 7.[61]

In debate in October 2013, Steve Webb said he recognised that not everyone affected by the 1995 Act had been aware of it:

> The *Pensions Act 1995* began the process of equalising the pension ages of men and women at 65 over the decade from 2010 to 2020. The increase in pension age beyond 60 for these women was therefore legislated for in 1995. It was not a short-notice change, although I accept that some women did not know about it, and not everybody heard about it at the time. Although it was all over the papers at the time, these women were a long way from pension age and probably turned the page when they saw the word "pension", so I accept that some women did not know about this [...] The Government have indeed changed some pension ages for women who reach pension age after 6 April 2016, and every woman for whom we have increased the state pension age will get the single-tier pension.[62]

In evidence to the Work and Pensions Committee in 2015, he said:

> The first thing I would say is it is abundantly clear that there are a set of women—such as your constituents—who did not know. There is no question about that. Nobody is arguing about that. In fact, I know that, because when we wrote to them to tell them about the changes we made in the 2011 Act, which increased pension ages by up to 18 months, for some of them it was the first time they had heard about the 1995 Act, which increased their pension age by four and a half years or something like that. We got the flak for six years of pension rise. We had actually done, maximum, the last 18 months. I was determined in 2011, when we did the 2011 Act, to write directly first to those closest, the earliest, write personally and explain where they stood.[63]

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[60] Ibid

[61] Ibid c140-1

[62] HC Deb 8 October 2013 c54WH

[63] Oral evidence to Work and Pensions Committee, 25 October 2015, Q5

4. How much will this save?

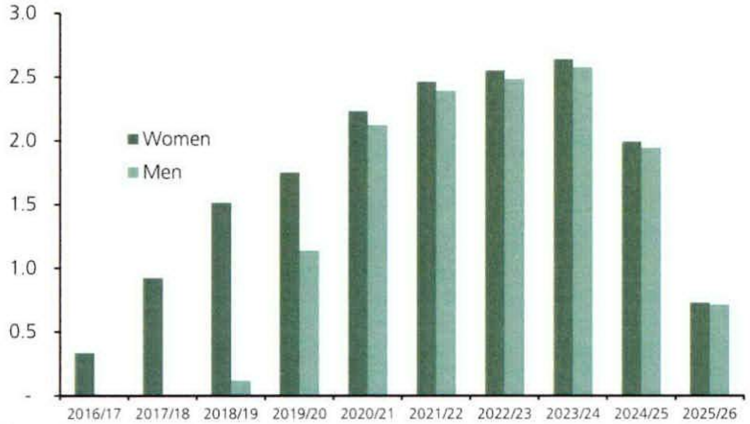
The Government expected the acceleration in the SPA under the *Pensions Act 2011* to deliver:

> [...] net benefits-related savings to DWP of £30.6 billion in real terms, with a further £8.3 billion gained in increased income tax receipts and NICs from people working for longer (see Tables 3 and 4).[64]

The chart below estimates savings to DWP by the gender of claimants and year.

Estimated savings to the DWP from the Pensions Act 2011

£ Billions, nominal terms



Notes These are net totals, comprised of reductions to spending on the State Pension and increases in spending on working age benefits. House of Commons Library estimates based on table 3, page 8 of the Pension Act 2011 impact Assessment. These calculations assume savings are evenly divided across all individuals affected.

Men are not affected by SPA changes in 2016/17 and 2017/18 (see the state pension age schedules chart in section 1); hence, savings are derived from women only in these years.

The largest saving in any given year from the *Pensions Act 2011* is in 2023/24, when an annual savings of around £5.3 billion is expected.

Effect on DWP spending of *Pensions Act 2011*

£ Billion, 2011/12 prices

Note: negative figures indicate saving to the Exchequer

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Net DWP savings	-0.3	-0.9	-1.9	-2.9	-4.0	-4.8	-5.0	-5.3	-4.2	-1.4	**-30.6**
Of which											
Pensions	-0.3	-1.0	-2.0	-3.2	-4.5	-5.3	-5.6	-5.9	-4.6	-1.6	-34.0
Working age benefits	0.0	0.1	0.2	0.3	0.4	0.5	0.5	0.6	0.5	0.2	3.4

Source *Pensions Act 2011* impact assessment, table 3 page 8

The costs of unravelling the 1995 and 2011 Acts are discussed below.

[64] DWP, *Pensions Act 2011. Impacts – Annex A: State Pension age* (November 2011) para 26 and tables 3 and 4. This estimate takes account of the concession made by the Government when the legislation was in its final stages (page 4).

5. What is the WASPI campaign?

The *Women Against State Pension Inequality* (WASPI) campaign, launched in 2015, aims to "achieve fair transitional state pension arrangements for women born in the 1950s (born on or after 6th April 1951)." It says:

> The 1995 Conservative Government's Pension Act included plans to increase women's SPA (State Pension Age) to 65, the same as men's. WASPI agrees with equalisation, but does not agree with the unfair way the changes were implemented – with little/no personal notice (1995/2011 Pension Acts), faster than promised (2011 Pension Act), and no time to make alternative plans. Retirement plans have been shattered with devastating consequences.[65]

In its written evidence to the Work and Pensions Select Committee in November 2015, WASPI called on the Government to:

> Review the way changes to the State Pension Age were implemented under the 1995 and 2011 Pensions Acts for women born in the 1950's (on or after 6 April 1951) in the light of new evidence and the "unintended consequences" being reported now, with a view to making fair transitional state pension arrangements. This review should also address the concerns of women born 6 April 1951 to 5 April 1953, who are excluded from the New State Pension.[66]

In oral evidence, WASPI's representatives called for women affected to be provided with an income:

> Lin Philips: We need these women to have an income. Because of the early retirement that a lot of women had to take around 2008-09 and redundancies, the workplace is not really ready for women of our age to get back into it. Even though there is no money, we cannot leave women without an income. We are not of a generation that had private pensions, so that is our main income.
>
> Heidi Allen: It is some solution around income then?
>
> Lin Phillips: Yes, not pensioner benefits and not means-tested. We are all sensible women, and, yes we might have savings, but they are going to be eroded. Six years is a long time to wait. [...]
>
> Anne Keen: Basically, what we are asking – and we feel this is a very fair ask – is for the Government to put all women in the 50s, born on or after 6 April 1951 and affected by the state pension age in exactly the same position they would have been in had they been born on or before 5 April 1950. As Lin has touched upon, we have worked since we were 15 and we have built up over 40 years' worth of National Insurance contributions now. All of our working lives we expected to receive our pension when we were 60. Nobody told us any different.[67]

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65 http://waspi.co.uk/

66 Written evidence submitted from Women Against State Pension Inequality – WASPI (USP0084), November 2015

67 Oral evidence to Work and Pensions Committee, 16 December 2015

In her evidence to the Committee on 18 January 2016, Pensions Minister Baroness Altmann said that what she understood WASPI to be calling for – effectively undoing the 1995 Act timetable – had "never been on the table":

> [...] I was reading over the evidence given by the campaign to the Committee and I was quite astonished, because what they are calling for—which I have never supported and I do not support—is to undo the 1995 Pensions Act. It would cost around £30 billion to undo the 2011 changes; it would cost multiples of that to undo the 1995 Act. One of them was saying, "Basically what we are asking, and we feel this is a very fair ask, is for the Government to put us back in the position we would have been if we had not been born in the 1950s", in other words, for all of them to get their state pension from age 60. I cannot support that. I understand why they are asking for it, but that is never something that has been on the table. State pension age has not been 60; it has been rising from age 60 since 2010. We are five years on.[68]

The Government later estimated that unravelling the 1995 Act reforms – so that women born in the 1950s had a State Pension age of 60 - would cost "£77 billion up to 2020-21 and the costs would continue to accrue after that period."[69]

WASPI says it is not seeking repeal of the 1995 and 2011 Acts but that it is looking for women affected to have an income that is not means-tested.[70] In a tweet on 30 June 2016, it said it would like to get views from women affected on the option of some form of non-means tested bridging pension available from age 60. For example:

- Create a **'bridging pension'**, available to affected women aged 60 until SPA (and backdated for those already over 60 and yet to reach their new SPA). This 'bridging pension' might, for example, be paid at 70% of what a claimant might otherwise have been eligible for.
- This percentage could be set at an alternative level to create a **'reduced (bridging) pension'** paid until SPA, after which full pension would be paid.
- Pay all women aged 60 or over but yet to reach their SPA a **non-means-tested income at Jobseekers Allowance (JSA) rates** until SPA is reached. That is, pay women £73 a week from age 60 until SPA is reached. This would be backdated, non-means-tested and free from the conditions JSA claimants would usually be subject to (as it is a pension payment).[71]

The WASPI campaign website states its aim (to achieve fair transitional State Pension arrangements for women born in the 1950s):

> This translates into a 'bridging' pension to provide an income until State Pension Age – not means-tested and with compensation for losses for those women who have already reached their SPA.

68 Oral evidence to the Work and Pensions Select Committee 18 January 2016 Q159
69 HC Deb 24 February 2016 c329
70 Oral evidence to Work and Pensions Committee, 16 December 2015, Q60 [Lin Philipshttps://twitter.com/suzallii/status/761646568541913088]
71 WASPI tweet 30 June 2016

> There are no specific age groups within the period mentioned above that are favoured above others
>
> **We do not ask for the pension age to revert back to age 60**[72]

WASPI has raised funds for a legal campaign. It is encouraging women affected to make a formal complaint to the DWP about a case of maladministration. It has issued a Guide to DWP Complaints produced by Bindmans.[73]

Other campaigns and forums for debating the issues include:

- WASPI Voice – set up by two of the original founders of WASPI - describes itself as a place to discuss solutions for fair transitional arrangements to help you "reach an informed view of what a realistic solution might look like"; and

- 63 is the new 60 – which proposes that women born between 6 April 1953 and 5 April 1960 should be eligible for their full State Pension from age 63.

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72 http://www.waspi.co.uk/ (viewed 24 February 2017)
73 http://www.waspi.co.uk/action (viewed 24 February 2017)

6. What 'fair transitional arrangements' could be made now?

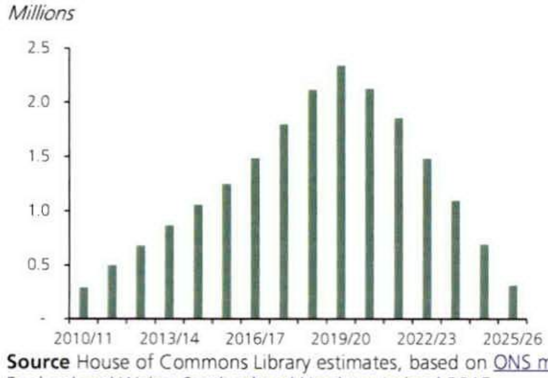
Alternative SPA timetables were debated when the 2011 Act was before Parliament (see section 1 above). However, since that time the WASPI campaign has argued strongly that the changes were unfairly implemented – with little or no personal notice.[74] At this stage, one complicating factor is that the increases are now well underway, with the accelerated timetable under the 2011 Act starting to take effect from April 2016, when women's SPA had already reached 63. Any further changes would be likely to require primary legislation and would take time to implement.

6.1 Could a bridging pension be introduced?

WASPI states that the aim of its campaign (to achieve fair transitional arrangements) translates into: "a 'bridging' pension to cover the gap from age 60 until State Pension Age - not means-tested and with compensation for losses for those women who have already reached their SPA."[75]

We can estimate the potential cost of a non means-tested bridging pension based on data on the number of women affected by changes in women's State Pension Age per year. The chart below, based on House of Commons Library analysis, estimates the total number of women affected by the Pensions Acts 1995 and 2011 by year.[76] It shows that around 2.3 million women born in the 1950s will be affected by SPA changes in 2019/20.

Estimated number of women born in the 1950s and affected by the Pensions Acts 1995 and 2011 (UK)



Source House of Commons Library estimates, based on ONS mid-year Population estimates for UK, England and Wales, Scotland and Northern Ireland 2015

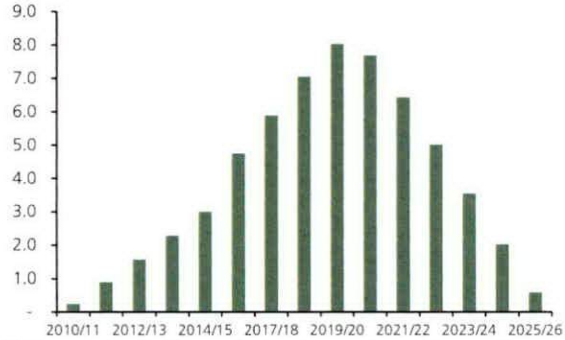
[74] Waspi.co.uk [viewed 28 October 2016]
[75] Ibid
[76] House of Commons Library analysis based on ONS mid-year single-year-of-age population estimates

One proposal suggested by WASPI is to pay all women born in the 1950s (and thus affected by the *Pensions Acts 2011* and/or 1995) a non-means tested 'bridging pension' of £73.10 pw (the current rate for JSA). Over 1 million women born in the 1950s have already reached their State Pension Age since 2010, so in many cases it would be necessary to 'backdate' these payments.

Doing so might cost around £63 billion between 2010/11 and 2025/26, according to Library estimates shown in the chart below:[77]

Estimated cost to the Exchequer of paying all women affected by the Pensions Acts 1995 and 2011 £73.10 a week (UK)

£ Billions, nominal terms



Source House of Commons Library estimates, based on ONS mid-year Population estimates for UK, England and Wales, Scotland and Northern Ireland 2015

DWP has estimated that introducing a means-tested transitional arrangement of £120 per week for men and women affected by the *Pensions Act 2011* would have a cumulative cost of some £0.8 billion over that period 2017/18 to 2019/20.[78]

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[77] This estimate is the product of the number of women affected by the Pensions Acts 2011 and/or 1995, the number of weeks by which each woman's SPA has been changed and the proposed value of a weekly 'bridging pension' payment (here, £73.10). ONS mid-year population estimates 2015 included around 3.5 million women born between April 1950 and April 1959. To pay all women affected one week's worth of 'bridging pension' would therefore cost around £256 million.

[78] DWP, response to FOI request 378/2016, 14 March 2016 - accompanying Tables – Table A, note 23 and table B, note 2 and 3

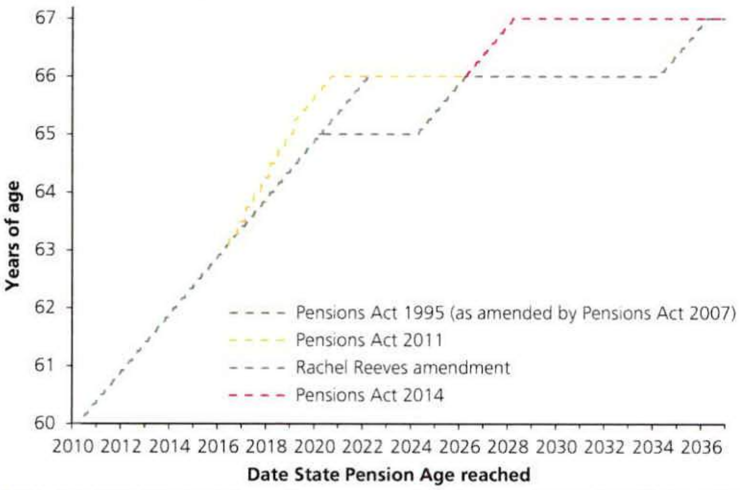
6.2 Could the impact of the 2011 Act be reduced?

Opposition parties and campaign groups have proposed alternative, amended State Pension Age schedules for women in order to limit the impact of SPA changes on the worst affected. The Government costed a number of these alternative timetables at the time the 2011 Act was before Parliament.[79]

Retain the 1995 Act timetable to 2020, then increase to 66 by 2022

When the Pensions Bill 2011 was before Parliament, then Shadow Pensions Minister Rachel Reeves proposed to maintain 995 Act until 2020 before increasing men and women's SPA from 65 to 66 between March 2020 and March 2022.[80] The chart below shows Ms Reeves's proposed amendment in grey.

Amended SPA schedule proposed for women by Rachel Reeves MP
Amendment shown by grey dashed line



Note: this chart shows women's SPA as legislated for by the *Pension Act 2011* in yellow. The *Pension Bill 2011* originally proposed a different schedule which reached 66 in March 2020; the subsequent Act included an amendment to slow this increase and reach 66 in November 2020.

Steve Webb, the then Pensions Minister, said this would cost £10.2 billion in public expenditure and another £2.5 billion in income tax and National Insurance (NI) foregone, compared to the Government's plans.[81] Around 1.1 million women across the UK would benefit from this amendment.[82]

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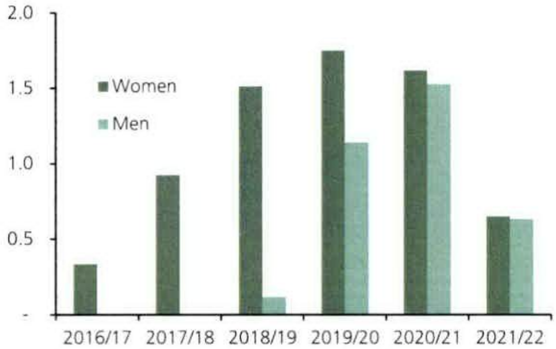
79 FOI request 378/2016, Table A (March 2016). See also 378/2016
80 PBC Deb, 5 July 2010 (morning), c4-5. Amendments 16 and 17
81 Ibid, c54
82 House of Commons Library estimate

Estimated cost of proposal
£ Billions, nominal terms



Notes Calculations assume costs are evenly spread across all individuals.

The chart above - using House of Commons Library calculations based on Government estimates - breaks down this estimated £10.2 billion cost by year by gender. In a single year, the maximum cost incurred by the Exchequer due to extra public expenditure is £3.1 billion in 2020/21.

Retain the1995 Act timetable until at least 2020/21

On 21 September, the SNP Westminster Parliamentary Group published modelling by Landman Economics of the impact of different options for compensating women affected by the 2011 Act.[83] One option was a return to the timetable in the 1995 Act (whereby women's SPA would rise from 63 in March 2016 to 65 in April 2020).[84] The report estimated that reverting back to the 1995 Act for women only would cost £7.9 billion between 2016/17 and 2020/21. It commented that this was not a trivial cost but neither was it "prohibitively expensive on a per-year basis" (see the table below).[85]

Cost of "option 2" in the Landman Economics report
£ Billions, April 2016 prices

	2016-17	2017-18	2018-19	2019-20	2020-21	**Total 2016-17 to 2020-21**
Cost	0.2	0.9	1.8	2.2	2.8	**7.9**

Notes Costings include correction for employment impact of decreasing women's SPA.

As it stands, this would mean, women's SPA reverted to the Pensions Act 1995 schedule until April 2021. (That is women's SPA would follow the green line below until April 2021). The report went on to note that "it would then be possible to increase women's SPA to 66 at some later point in the 2020s." However, any further delay in the equalisation of men and women's state pension ages and in increasing women's SPA to 66 would entail further costs to the Exchequer. The Government estimated that the acceleration SPA in the *Pensions Act 2011* saved around £30 billion from both women *and* men from 2016-17 to 2025/26 (the yellow line below).

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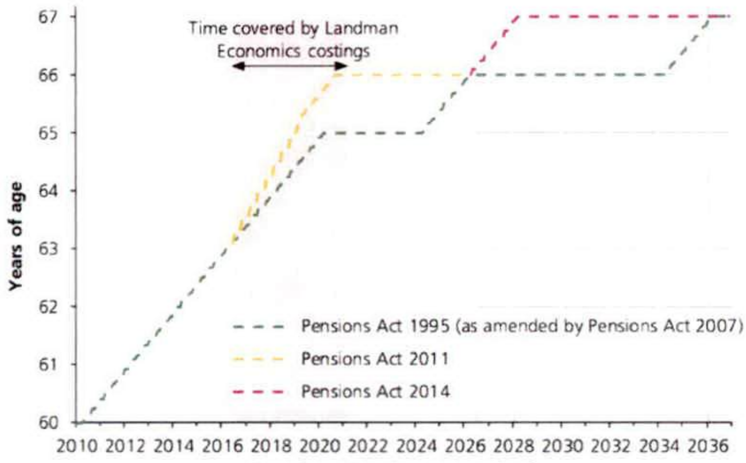
[83] Howard Reed, Landman Economics; SNP Westminster Parliamentary Group: Modelling the impact of changes to pension arrangements for women born in the 1950s who will lose out from the Pensions Act 2011 (June 2016)

[84] Ibid, Executive Summary and page 4.

[85] Ibid, p26

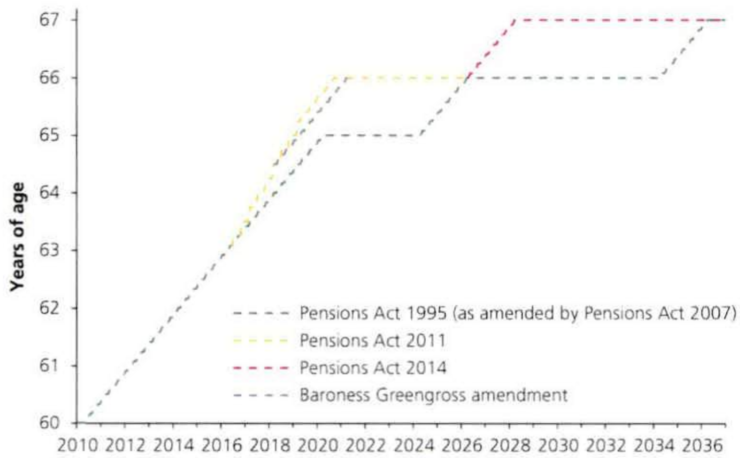
Option 2 in the Landman Economics report



Limiting the maximum increase to one year

Crossbench Peer Baroness Greengross, for example, proposed a timetable under which women's SPA would reach 66 in March 2021, limiting the maximum increase under the Act at one year. The timetable for men would remain as proposed by the Government.[86] Responding to the debate, Work and Pensions Minister Lord Freud commented that the amendment would cost some £2 billion. This was a lower amount than previously proposed amendments because the increase to 66 by April 2020 in the SPA for men would go ahead as the government had proposed when presenting the legislation to Parliament). However, it would run contrary to the progressive equalisation of pension ages on the statute book by prolonging the period of unequal pension ages.[87]

Amended SPA schedule proposed for women by Baroness Greengross
Amendment shown by grey dashed line

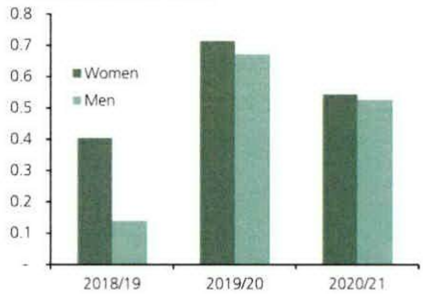


Note: this chart shows women's SPA as legislated for by the Pension Act 2011 in yellow. The Pension Bill 2011 originally proposed a different schedule which reached 66 in March 2020; the subsequent Act included an amendment to slow this increase and reach 66 in November 2020.

86 HL Deb 30 March 2011 c1273
87 Ibid c1279; See also Government FOI response 378-2016

Subsequent to the Government's amendment to the legislation (which slowed the increase from 65 to 66, so that it will reach 66 in October 2020 rather than April) adopting Baroness Greengross' amendment in full for both men and women would cost around £3 billion. Around 550,000 women in the UK would benefit from this amendment.[88]

Estimated cost of proposal
£ Billions, nominal terms



Notes Calculations assume costs are evenly spread across all individuals.

In a single year, the maximum cost incurred by the Exchequer due to extra public expenditure is around £1.4 billion in 2019.

Reduce the speed of 2011 Act increases

At Committee stage, Labour MP Teresa Pearce moved amendments with the aim of increasing women's SPA from April 2016, more quickly that the existing 1995 Act timetable but more slowly that under the 2011 Act. Under her amendments, it would have started to rise more quickly from April 2016, reaching 65 in April 2019 (rather than November 2018 under the 2011 Act), then increasing to 66 by April 2021 (rather than April 2020 under the Government's proposals). The then Pensions Minister responded that the amendment would cost around £5 billion.[89] *NB.* This was before the Government's decision to change the timetable so that the SPA reaches 66 in October 2020.

Retain the 1995 Act timetable for Pension Credit

Briefly, the qualifying age for Pension Credit is linked to the State Pension age for women.[90] When the 2011 Act was before Parliament, Rachel Reeves also moved an amendment that would:

> [...] maintain the qualifying age for pension credit at the previous timetable for women's state pension age, thus providing a buffer of help with the transition for those least able to cope financially with the move[91]

The Pensions objected that having a different qualifying age for Pension Credit would introduce more complexity to the system:

> [...] they propose that the qualifying age for pension credit would follow the track of the women's state pension age from 2016

88 House of Commons Library estimates
89 PBC Deb, 5 July 2011 c67
90 *State Pension Credit Act 2002*, s1
91 PBC Deb 7 July 2011 c142-5

> onwards set out in the 2007 Act, diverging from women's state pension age, which itself will be divergent from men's state pension age. We would be running three different eligibility ages in tandem. That would create anomalies.[92]

The Government estimated that this would cost around £1.9 billion by 2025/26.[93] This costing assumes that the qualifying age stays at 65 through 2024/25 and 2025/26.[94] If, instead, we assume that the qualifying age rises to 66 between 2024 and 2026 (as legislated for in the *Pensions Act 2007),* the cost would presumably be less.The cost would fall to around £800 million if the age of eligibility was increased to 66 by 2022.[95]

However, more recently, the Government said that these figures were probably underestimates – given the likely on work incentives and entitlement to other benefits.[96]

In its report for the SNP, Landman Economics looked at the option of reducing the Pension Credit qualifying age for a transitional period – keeping it at 65 for the period November 2018 to April 2021. It estimated that this would cost £1.1 billion over the period 2016-17 to 2020-21. It found that:

> This Option also has very progressive distributional impacts (because Pension Credit is means-tested and so only available to lower-income pensioners) and results in modest reductions in relative and absolute pensioner poverty. The main drawbacks of the policy are that (a) it doesn't help women affected by the 2011 Pensions Act whose income is too high to qualify for Pension Credit, and (b) some low income female pensioners who are in a couple would be unable to qualify for Pension Credit under the rules for Universal Credit (which we assume will be fully rolled out by the end of 2018) because both adults in a couple need to be of pensionable age to qualify for Universal Credit.[97]

In its report on Communication of State Pension age changes, the Work and Pensions Committee commented that an extension of means-tested support was opposed by the WASPI campaign:

> [...] as they perceive it as penalising women with small amounts of private savings or employment income who may not therefore qualify for means-tested support.[98]

It concluded that:

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92 PBC Deb 7 July 2011 c156

93 Ibid, c156. See House of Commons deposited paper, DEP2011-1182 for a breakdown of the costs

94 Source DWP

95 House of Commons deposited paper, DEP2011-1182

96 See DWP, response to FOI request 378/2016, 14 March 2016 - accompanying Tables – Table B, note 1

97 Landman Economics; SNP Westminster Parliamentary Group: Modelling the impact of changes to pension arrangements for women born in the 1950s who will lose out from the Pensions Act 2011 (June 2016), p27

98 Work and Pensions Committee, Communication of state pension age changes, HC 899, March 2011, para 37-9

> Extending the timetable for increases in the state pension age or widening eligibility for pension credit would be prohibitively expensive and could have significant unintended consequences.[99]

The Minister also objected that the proposal would also introduce more complexity to the system:

> [...] they propose that the qualifying age for pension credit would follow the track of the women's state pension age from 2016 onwards set out in the 2007 Act, diverging from women's state pension age, which itself will be divergent from men's state pension age. We would be running three different eligibility ages in tandem. That would create anomalies.[100]

More recently, the Government estimated that changing the Pension Credit qualifying age for men and women to the 1995 Act timetable from 2017/18 to 2019/20 would have a cumulative cost of £1 billion over that period (continuing beyond this if the qualifying age for Pension Credit continued to be lower). It added that the overall cost would be higher because Pension Credit passports to Housing Benefit and there would be a possibly increased incentive to give up work before State Pension age. The costs did not include the small off-setting savings in reduced expenditure on working age benefits.[101]

In November 2016, Shadow Work and Pensions Secretary Debbie Abrahams called on the Government to reconsider reducing the Pension Credit qualifying age for the affected group:

> Labour's proposal is to return eligibility for Pensions Credit to the state pension age timetable of the 1995 Pensions Act, but with the qualifying age continuing to increase to 66 by 2022.[102]

It estimated that the policy would cost £860 million over this parliamentary term.[103]

6.3 Could women have the option of early access to State Pension at a lower rate?

In a report published on 15 March 2016, the Work and Pensions Select Committee said it had decided to explore further the option of allowing some women the option of drawing their State Pension early:

> Some of those options, for example re-calculating all women's pensions for those born in the 1950s as if they had been born before 1950, would be prohibitively expensive and could have damaging wider consequences.
>
> We were, however, interested in an idea that was proposed of permitting early retirement, from a specified age and for a defined cohort of women, on an actuarially neutral basis. This arrangement, which features in some defined benefit occupational pension schemes, would permit women in that

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99 Ibid

100 Ibid, c156. See House of Commons Library deposited paper, DEP2011-1182 for a breakdown of the costs

101 See DWP, response to FOI request 378/2016, 14 March 2016 - accompanying Tables – Table B, note 1

102 Labour announce £155 per week for WASPI women, Labour Party press release, 21 November 2016

103 Ibid

> specified age group to choose to take a state pension sooner than scheduled in return for lower weekly payments for the duration of their retirements. The actuarial reduction factor used should ensure that, on average, over the lifetimes of the pensioners concerned, there would be no additional pension costs to the exchequer.
>
> There are several questions which would need to be addressed before such an idea could be progressed. The details and limits of eligibility, and the rationale for this relative to those earlier or later, would need to be determined, including the position of men at 65. It would bring forward some public spending, as an unknown number of women would take their state pension early. This would increase public sector net borrowing in the short term in return for a longer term reduction. The total fiscal impact would not be known until all the relevant pensions ceased to be paid.
>
> This factor, added to the unknown take-up rate, would add to budgeting uncertainty. The scheme would also need to be properly administered, which has cost implications. Any changes would need to be assessed for their wider impact on tax and benefits. It may be that any increased costs to the public purse could be incorporated in the factors used to reduce weekly pensions to make the policy more likely to be fiscally neutral in the long term.[104]

The then Work and Pensions Secretary Stephen Crabb said women affected had told him "that is not what they want."[105]

Landman Economics looked at the impact this might have – assuming a reduction of 5.8% in the weekly amount of State Pension for each year claimed early. Assuming full take-up of this option, which it said was unlikely in practice, it estimated that this would cost approximately £4 billion by 2020-21.[106]

In response to a question about what assessment the Department had made of the merits of this option, Pensions Minister Richard Harrington said:

> Many alternative options to the existing arrangements have been put forward. All of these options, including the actuarially reduced pension, suffer from substantial practical problems and would create extra cost to the taxpayer.
>
> Even if actuarially neutral, such an option would result in losses of income tax and National Insurance payments. To give some idea of the scale of this, for individuals affected by the Pensions Act 2011, additional income tax and NI receipts from the change to State Pension age were estimated to be up to £8.3 billion.
>
> Furthermore, the new State Pension's key features are simplicity—giving people the clarity and confidence to save—and a value set above the minimum income guarantee standard. An actuarially

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104 Work and Pensions Committee, Communication of State Pension age changes, HC 899, March 2016, Summary; 'Early drawing of state pension: Committee launches inquiry,' 18 March 2016

105 Evidence to the Work and Pensions Select Committee 11 May 2026 Q36

106 Landman Economics; SNP Westminster Parliamentary Group: Modelling the impact of changes to pension arrangements for women born in the 1950s who will lose out from the Pensions Act 2011 (June 2016), p17

reduced pension would undermine both these key features. It would complicate outcomes and, if people's actuarially reduced state pension were below the minimum guarantee, might increase the need for means-tested support amongst pensioners.

There are also legal risks associated with offering affected women an actuarially reduced pension. The requirement to take account of equality between men and women in framing new legislation means any new transitional provisions aimed just at those women affected by recent rises to the State Pension age run the risk of legal challenge.

This matter has been comprehensively debated in Parliament and the Government has been very clear that there will be no further changes to the current arrangements or any financial redress in lieu of pensions.[107]

[107] PQ 63564 20 February 2017

7. What is the Government's view?

In response to the WASPI petition, the Government said it would not be revisiting the SPA arrangements for women affected by the 1995 or 2011 Acts:

> 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 to 66 when legislating for the change (impact assessment available at Gov.uk). The decision to amend the timetable originally set out in the bill, to cap the maximum increase at 18 months rather than 2 years, was informed by this analysis.
>
> All women affected by faster equalisation will reach State Pension age after the introduction of the new State Pension. The new State Pension will be more generous for many women who have historically done poorly under the current, two-tier system - largely as a result of lower average earnings and part-time working. Around 650,000 women reaching State Pension age in the first ten years will receive an average of £8 per week (in 2014/15 earnings terms) more due to the new State Pension valuation of their National Insurance record.
>
> Regular consideration of State Pension age is necessary to ensure the pensions system remains sustainable as life expectancy grows. The 2014 Act provides for a 6-yearly review, to take into account up-to-date life expectancy data and the findings of an independently-led review. The first review will conclude by May 2017 and will consider, amongst a number of other factors, the impact of State Pension age change on women.
>
> 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. Parliament extensively debated the issue and listened to all arguments both for and against the acceleration of the timetable to remove this inequality. The decision was approved by *Parliament in 2011* and there is no new evidence to consider.[108]

This has remained its position in response to debates in Parliaments.[109] On 9 May 2016, the then Work and Pensions Secretary Stephen Crabb confirmed that the Government had no plans to bring forward further changes:

> We debated [the changes in the 2011 Act] at enormous length and a clear decision was made by Parliament. As part of that, a concession of more than £1.1 billion was introduced to limit the impact of the rising state pension age on those women who would be most affected. Let us be clear: there is no party in this Chamber that has a clear and coherent proposal for unwinding the changes that have been made since 1995 to equalise the state

108 UK Parliament petition – Make fair transitional state pension arrangement for 1950s women

109 HC Deb 2 December 2015 c145WH [Shailesh Vara]; HC Deb 1 February 2016 c300WH [Shailesh Vara]; HC Deb 24 February 2016 c373-4 [Justin Tomlinson]

> pension ages. I therefore have no plans to bring forward further concessions or changes. [110]

On 1 August 2016, Work and Pensions Minister Lord Freud said:

> The decision to equalise the State Pension age for men and women dates back to 1995 and addresses a longstanding inequality. Since April 2010, women's State Pension age has been gradually increasing for those born after 6 April 1950. Following sharp increases in life expectancy projections, and therefore the increase in the number of people living longer in retirement, this timetable was accelerated by the *Pensions Act 2011*.
>
> The Government listened to concerns expressed by those affected by the *Pension Act 2011* changes, and took action to limit the maximum change to State Pension age to 18 months, a concession worth over £1billion.
>
> All those affected by the faster equalisation timetable will reach State Pension age following the introduction of the new State Pension, which is more generous for many women who have historically done poorly under the current system.
>
> The average woman reaching State Pension age in the first forty years of the new State Pension is estimated to receive 10 per cent more State Pension over her lifetime than the average man.
>
> Women retiring today can still expect to receive the State Pension for 26 years on average – several years longer than men. And this generation of women will spend a higher proportion of their lives in retirement than any before. [111]

In October 2016, Pensions Minister Richard Harrington said the Government would "make no further changes to the pension age or pay financial redress in lieu of a pension." [112]

In response to the SNP Opposition day debate on 30 November, Work and Pensions Secretary Damian Green moved a motion that the House:

> welcomes the planned average rise of £550 a year for 3 million women, including those born in the 1950s, who receive the new state pension; further welcomes the increase of over £1,100 per year of the basic state pension since 2010 as the result of the triple lock, which will also benefit such women; and recognises that the state pension must reflect the welcome rise in life expectancy in order to remain sustainable for generations to come. [113]

He said that what the Government's approach was to support labour market participation for this group:

> Supporting older claimants to remain in the labour market, and tackling the barriers to their doing so, is a key priority for the Government. To support that aim, we have abolished the default retirement age, so most people can now retire when the time is right for them, and we have extended the right to request flexible working for all. Flexible working is particularly important for this group of people, who may well have caring responsibilities.[…] What we are trying to do is what I am talking about, which is

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110 HC Deb 9 May 2016 c367; See also PQ 38361 6 June 2016
111 HL1291 1 August 2016
112 PQ 49721 27 October 2016
113 HC Deb 30 November 2016 c1595

> remove barriers to work, so that it is easier for these people to work.[114]

For those for whom work was not possible, there were disability and carers' benefits. In the New Year, the Government would propose a new strategy for older workers – the fuller working lives strategy.[115]

[114] Ibid c1599
[115] Ibid c1602

8. Debates in Parliament

The WASPI campaign has been debated in the House on a number of occasions.

Barbara Keeley initiated one in Westminster Hall in December 2015.[116]

On 7 January 2016, the House voted by 158 votes to 0 in support of an SNP motion:

> That this House, while welcoming the equalisation of the state pension age, is concerned that the acceleration of that equalisation directly discriminates against women born on or after 6 April 1951, leaving women with only a few years to make alternative arrangements, adversely affecting their retirement plans and causing undue hardship; regrets that the Government has failed to address a lifetime of low pay and inequality faced by many women; and calls on the Government to immediately introduce transitional arrangements for those women negatively affected by that equalisation.[117]

SNP spokesperson Ian Blackford has called on the Government to look at smoothing the increase from age 63:

> We have heard about the failure of communication, which it could be argued means that the start of the 15-year process should be the beginning of the changes in 2010. That means there will effectively be a retirement age of 63 for women as of April this year. The Government could, for example, look at smoothing the increase in pensionable age for women to 2025. The Government should do the right thing and immediately introduce mitigation.[118]

On 24 February 2016 the House voted by 289 votes to 265 to reject an Opposition motion:

> That this House notes that the e-petition 110776, Make fair transitional state pension arrangements for 1950s women, has attracted more than 150,000 signatures; and calls on the Government to bring forward proposals for transitional arrangements for women adversely affected by the acceleration of the increase in the state pension age.[119]

The then Shadow Work and Pensions Secretary Owen Smith said the Government had a number of options:

> I will give him six suggestions. The Government could delay the pension age increase until 2020 so that the pension age reached 66 by 2021. That option is favoured by the Pensions Minister in the House of Lords. The Government could cap the maximum state pension age increase from the 2011 Act at 12 months, which the predecessor of the Pensions Minister advocated. The Government could keep the qualifying age for pension credit on the previous timetable, which would help out some of the poorest women in that category, as Labour suggested in 2011. The

[116] HC Deb 2 December 2015 c123WH
[117] HC Deb 24 February 2016 c337; HC Deb 7 January 2016 c454; HC Deb 2 December 2015 c145WH
[118] HC Deb 24 February 2016 c337-43; HC Deb 7 January 2016 c505
[119] HC Deb 24 February 2016 c 374

> Government could allow those affected to take a reduced state pension at an earlier age during the transition, as Alan Higham has suggested. The Government could extend the timetable for increasing the overall state pension age by 18 months so that it reaches 66 by April 2022, as John Ralfe has suggested. Finally, the Government could simply pay a lower state pension for a longer period throughout the pensionable age of the women affected. All those things would involve costs, but they are all ways in which the Government could act. What we need from the Government is not more carping but the will to get on and do something.[120]

Votes passed by the House following backbench business debates are not binding on the Government.[121]

An All Party Parliamentary Group on State Pension Inequality for Women was set up in May 2016 to "hold the government to account and find the best outcome we can for the women affected by these major changes to the State Pension age."[122]

Opening a debate in a Westminster Hall on the acceleration of the state pension age for women born in the 1950s on 15 November 2016, Ian Blackford called on the Government to "deliver some good news for the WASPI women" in the Autumn Statement. He called on the Government to roll-back the 2011 Act:

> We suggested a return to the timeline of the 1995 Act, which would slow down the increase to a pensionable age of 65 by 18 months, and defer the increase to a pensionable age for women of 66 years into the next decade. The cost of deferring over an additional 18 month period would be £7.9 billion.[123]

He argued that the funds for this could be found in the National Insurance (NI) Fund:

> I am grateful to the Government, or more specifically the Government Actuary's Department, for stating that there is a projected fund surplus of £26.3 billion at the end of 2016-17, rising to £30.7 billion in 2017-18.[124]

Shadow Pensions Minister Alex Cunningham called on the Government to reinvest some of the savings it had made from the increases in the SPA to "help the vulnerable women who have been ruined because of a decision that they had no say in and certainly did not vote for."[125]

Pensions Minister Richard Harrington said:

> I have been quite clear in public and in the House that the Government will make no further changes to the pension age of those affected by the 1995 Act and the 2011 Act, nor pay them financial redress in lieu of pension. I know that Members present

120 HC Deb 24 February 2016 c324; see also HC Deb 7 January 2016 c508 [Nick Thomas Symonds]
121 HC Deb 6 March 2014 c1051 [Andrew Lansley]
122 Barbara to chair new Parliamentary Group working against State Pension Inequality, 12 May 2016
123 HC Deb 15 November 2016 c26WH
124 Ibid c27WH
125 Ibid c43WH

> do not agree with that, but I feel it is right to state our position clearly without leaving any doubt. That view has not changed.[126]

He questioned the SNP's estimated costs:

> Its independent report suggests rolling back the 2011 Act and returning to the timetable in the Pensions Acts of 1995 and 2007, but that is simply too expensive for the Government to consider. The report puts the cost at £7.9 billion, but my Department's direct comparison for the same period is £14 billion. We can discuss it however many times, but our modelling is comprehensive and no one is trying to take advantage of anybody else. I really believe that the SNP report has underestimated the impact by somewhere in the region of 50%. It has done so by ignoring most of the costs and applying costs only to the five-year window from 2016-17. Costs beyond that horizon have simply been ignored.
>
> The *Pensions Act 2011* not only increased the female state pension age to 65 sooner, but brought forward the increase to 66 for both men and women. The increase to 66 generates significant savings of more than £25 billion, yet such an important element of the Act is omitted from the paper, along with the associated costings.[127]

Ian Blackford closed the debate saying that the Government had "failed to accept responsibility for the WASPI women." He would ask the members of the Backbench Business Committee to push for a vote.[128]

In Work and Pensions questions on 21 November 2016, Alex Cunningham asked the Minister to respond to a Labour proposal to return eligibility for Pension Credit to the State Pension age timetable of the *Pensions Act 1995,* with the qualifying age continuing to increase to 66 by 2022.[129] He said:

> In the Westminster Hall debate on the issue, we heard about many people who have been left destitute and are living in poverty as they care for elderly relatives who may be unwell, but not ill enough to qualify for employment and support allowance, and about many others who are in dire straits. The Government have no intention of doing anything to help them and they have rejected Labour's first-step proposal of extending pension credit to both women and men who are being denied their state pension for years to come. I ask the Minister to think again. Assuming that his hands are tied by the Chancellor and the Prime Minister, will he set up a dedicated proactive helpline for those affected so that they can access the social security benefits that the Minister says are sufficient to meet their needs?[130]

Pensions Minister Richard Harrington explained the Government's position:

> [...] the transitional arrangements have taken place and that Government policy is very clear. I would not want him to think or believe that there will be any change on this.[131]

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126 Ibid c45WH
127 Ibid c47WH
128 Ibid c48WH
129 Labour announced £155 pw for WASPI women, 21 November 2016
130 HC Deb 21 November 2016 c590
131 HC Deb 15 November 2016 c48WH

On 30 November 2016, the House debated a motion in the name of Angus Robertson:

> That this House is concerned that the Government is not taking action to alleviate the injustice facing women affected by the acceleration of the increase in the state pension age, despite the House previously voting in favour of such action; welcomes the Landman Economics report into the impact of the changes to pension arrangements for women born in the 1950s, which identifies an affordable solution which would slow down that increase in order to give adequate time for women affected by the acceleration to make alternative arrangements; and calls on the Government to work with the Women Against State Pension Inequality and Women Against State Pension Inequality Voice campaigns further to explore transitional protection for those affected.[132]

Opening the debate, SNP Pensions spokesperson Ian Blackford argued that the Government could use the surplus in the National Insurance fund to pay for transitional arrangements:

> [...] but the fact remains that the national insurance fund will be sitting with a surplus of close to £30 billion by the end of this decade [...] The national insurance fund has to retain two months' cash flow, but that can still be done by putting in place what we are asking the House to do today, which is—as in the Landman report—to push back the increase in women's pensionable age and to make sure that the women worst affected get recompense and fairness.[133]

Responding, Work and Pensions Secretary Damian Green proposed an amendment to the motion which would:

> [...] leave out from "House" to the end of the Question and add:
>
> "welcomes the planned average rise of £550 a year for 3 million women, including those born in the 1950s, who receive the new state pension; further welcomes the increase of over £1,100 per year of the basic state pension since 2010 as the result of the triple lock, which will also benefit such women; and recognises that the state pension must reflect the welcome rise in life expectancy in order to remain sustainable for generations to come."[134]

He said:

> The SNP's preferred option would roll back the 2011 Act entirely, returning to the timetable in the 1995 Act. He said that that option would cost £8 billion, but I disagree. Our analysis suggests that the cost has to go beyond 2020-21 and must include the effects on national insurance payments and tax collection, which his economic model entirely ignores, and that it would cost over £30 billion.
>
> Even if we accept the hon. Gentleman's figures, his other suggestion is that the costs could be met from the surplus in the national insurance fund that he conveniently discovered. In fact, there is no surplus in the fund because it is all used to pay contributory benefits. If we take from the national insurance fund £8 billion, £30 billion or whatever number one cares to mention,

132 HC Deb 30 November 2016 c1585
133 Ibid c1587
134 Ibid 1595

> we take it from people who receive benefits. The surplus of £16 billion that he identified is two months' expenditure—an advisory level recommended by the Government Actuary as a prudent working balance. The money has been put there by a Treasury grant to maintain the fund at the recommended long-term balance. The Government Actuary does not forecast a long-term surplus, so this convenient pot of money for the SNP does not actually exist.[135]

He said that what the Government was trying to do for this group was to support labour market participation and, where this was not possible access to social security benefits. In the New Year, the Government would propose a new strategy for older workers – the fuller working lives strategy.[136]

Shadow Pensions Minister Alex Cunningham called for a slower timetable increases in the Pension Credit qualifying age:

> Under our proposals, we are calling on the Government to extend pension credit to those who would have been eligible under the 1995 timetable, so that women affected by the chaotic mismanagement of equalisation will be offered some support until they retire. That will make hundreds of thousands WASPI women eligible for up to £156 a week. We will not stop there. We are developing further proposals to support as many of the WASPI women as possible. Importantly, they will be financially credible and will be based on sound evidence and supported by the WASPI women themselves.[137]

Although the Labour Party would support the SNP motion, he called on that party to acknowledge the real cost of its proposals - up to 2025-26.[138]

The SNP motion was defeated by 293 votes to 234. The Government motion was agreed to.[139]

In a Westminster Hall debate on 9 February 2017, Chi Onwurah asked the Minister a number of questions about the impact on working class women:

> I will give the Minister the opportunity to demonstrate her understanding of reality by asking her: first, does she acknowledge the existence of working-class women? Secondly, does she acknowledge that although many more of us may be working now, working-class women, who often face the challenges of poverty predominantly in manual trades, have specific experiences? Thirdly, does she acknowledge that working-class women were more likely to start working earlier, and to work in jobs that take a higher toll on the body? Fourthly, does she acknowledge that working-class women are more likely to die younger and to suffer more ill health in retirement? Fifthly, does she acknowledge that they are more likely to be more dependent on the state pension, not having benefited from subsidised work pensions? Does she agree that those five factors make it much more likely that they will not benefit from their retirement to the

[135] Ibid c1598
[136] Ibid c1602
[137] Ibid c1623
[138] Ibid c1624
[139] Ibid

> extent that more privileged groups do, and that the state pension changes are therefore more unjust? Will she commit to considering transitional arrangements for WASPI women? Will she commit to working with the Treasury to announce a solution to the dire predicament in which so many women have been left in the forthcoming Budget?[140]

Work and Pensions Minister Caroline Noakes reiterated the Government's position on the issue, explaining that it would make no further concessions:

> We know that whenever things change, there have to be dividing lines, and I understand that the changes are most stark for those closest to the line. That is no different in this case. We understand that and the Government listened to the concerns expressed at the time. Therefore, a concession worth more than £1 billion was introduced, despite the fiscal situation, to lessen the impact of the changes on those worst affected. The concession reduced the delay that anyone would experience in claiming their state pension and benefited almost a quarter of a million women.
>
> However, going further than that simply cannot be justified, given that the underlying imperative must be to focus public resources on those most in need. I have listened to Opposition Members, and I have heard and understood their concerns. However, let me be clear—we are making no further concessions on this issue. As well as being unaffordable, reversing the *Pensions Act 1995* would create an anomaly, whereby women would be expected to work for less time than they work now, and it would be discriminatory to men. It is not practical to implement.[141]

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[140] HC Deb 9 February 2016 c225WH
[141] Ibid c243WH

BRIEFING PAPER

Number CBP-07405, 24 February 2017