



Department
for Work &
Pensions

GUY OPPERMAN MP
Minister for Pensions and Financial
Inclusion

Patricia Gibson MP
House of Commons
London
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Dear Patricia,

I wanted to write to you following your question at the debate last week on "Pension equality for women" where you asked "...I do not understand why this particular generation of women should pay the price, given that they expected to receive their pensions at 60...".

The decision to equalise State Pension age for men and women dates back to 1993 and addresses a longstanding inequality.

By the 1995 Pensions Act, life expectancy had already risen significantly since the 1950s – with a woman age 65 being expected to live for a further 19 years¹, four years more than a woman of the same age in 1951. Taking into account the fact that women also have a higher life expectancy than men, had we not equalised State Pension age, women reaching State Pension age now would have been expected to spend over 40% of their adult lives in retirement, over 9% higher than for men. This was clearly a very unfair situation between the genders, as well as being unaffordable for the taxpayer.

In 2005, the Pensions Commission recommended that in the future State Pension age should increase with life expectancy. This was because it had become clear that a State Pension age fixed at age 65 was not affordable or sustainable in light of further increases in life expectancy and the demographic shift towards an ageing society. Following this, the Pensions Act 2007 introduced an increase in State Pension age to ages 66, 67 and 68, starting from 2024, 2034 and 2044 respectively. The 2010-15 Coalition Government made the decision to bring in changes to the timetable – specifically to accelerate the timetable – for State Pension age rises through the Pensions Acts 2011 and 2014, following extensive debates in both Houses of Parliament.

Of these, the Pensions Act 2011 affected women born in the 1950s and remains one of the central objects of their campaign. But by 2011, life expectancy for women at age 65 was 22 years – over 6 years higher than it had been in 1951. This was also projected to continue to increase. In the light of these rapid increases in life

expectancy for all, including the generation affected, it was necessary for the Government to introduce the changes in the Pensions Act 2011 to protect public finances and maintain the sustainability of the State Pension over the long term.

The latest ONS projections continue to predict that life expectancy will continue to increase in future. The latest ONS statistics suggest that, by 2066, life expectancy for women at age 65 will be over 27 years. This is why we will continue to review State Pension age. In the longer term, the Government believes that 32% is the right proportion of average life expectancy for someone to spend in receipt of the state pension – so as life expectancy continues to rise, the State Pension age will also go up. The already legislated for rises to 66 and 67 represent changes that will bring us towards that proportion.

The Government has listened to the concerns of those affected and this is why we introduced a concession worth over £1 billion during the passage of the 2011 Act, meaning that no woman saw her State Pension age change by more than 18 months relative to the previous (1995 Act) timetable.

I must be clear that while State Pension age is increasing for women born in the 1950s, it is also increasing for men and women of every generation after them. The policy to equalise and then increase State Pension age for women born in the 1950s has now been in place for many years. Men of the same age have also been affected.

We understand that, whenever there are changes, certain people will be more severely affected than others, and the changes will be most stark for those closer to the line. But change always has to be implemented somewhere, and acting as we did was the responsible thing to do.

Additionally, allow me to address your point that '[these women] expected to receive their pensions at 60'. The Government has gone to significant lengths to communicate the nature of the State Pension age changes since 1995. This includes the distribution of a large number of leaflets, a campaign in 2004 to educate people about their State Pensions, and an advertorial specifically about the equalisation in State Pension age features in magazines and national newspaper supplements.

The Department also wrote to women born between 6th April 1950 and 5th April 1953, informing them of changes to their State Pension Age. And following the Pensions Act 2011, the Department wrote 5.77 million letters to the people directly affected, to inform them of changes to their State Pension Age.

Since before the 1995 Act, the Government has provided State Pension forecasts and encouraged people to request them – and in fact, over 19 million of these have been requested in the last 17 years.

I have attached an annex which provides a more detailed history of communication activities undertaken by DWP and its predecessors to make people aware of their State Pension age.

Finally, the Government has done a huge amount to improve pensions for all, especially women. The new State Pension is actually much more generous for many women, who would historically have been worse off under the old system. By 2030, over 3 million women stand to gain an average of £550 extra per year as a result of these changes. And women retiring today can still expect to receive their State Pension for 23.5 years –almost three years longer than men. In fact, even after equalising State Pension age, women are projected to spend over two years longer in receipt of State Pension than men due to their longer life expectancy.

The Government is committed to supporting the vulnerable and spends around £50 billion a year on benefits to support disabled people and people with health conditions. The welfare system continues to provide a safety-net for those experiencing hardship, including problems such as unemployment, disability, and coping with caring responsibilities.

To conclude, the Government had to act in the way it did, at the time that it did, in order to ensure equality between the genders and to protect public finances in the long term. I hope this helps to clarify our position.

Johns Sweeney, Guy Opperman

GUY OPPERMAN MP
MINISTER FOR PENSIONS AND FINANCIAL INCLUSION

Annex A

State Pension age communications

1. Between 1993 and the present the Department for Social Security (DSS) and latterly Department for Work and Pensions (DWP) has produced communications materials relating to increases in State Pension age (SPa) for both men and women.
2. Increases in SPa result from primary legislation, voted on by Parliament, and which in turn were both preceded by green/white papers and public consultation.

Chronology of communication activity regarding changes to State Pension age

Pensions Act 1995		
Communications Activity	1995 – 1996	<p>Information booklet Following the legislative changes in 1995 the Department produced an information booklet entitled 'EQP1A, State Pension Age – A summary of the changes'. This was made available through the Benefits Agency.</p>
Communications Activity	1995 – present	<p>State Pension statements Issued to anyone requesting a State Pension Statement from July 1995 onwards and included the latest State Pension age set in legislation at the time. Since April 2000, DWP has issued more than 19 million personalised State Pension statements to people who requested them (either online or by telephone or post; and based on both old and new State Pension rules).</p> <p>A significant proportion of these will have been sent prior to 2009, when direct mailing to those affected by the 1995 timetable on changes to their State Pension age began.</p>
Communications Activity	2001 – 2004	<p>Communications campaign 'pensions education' Between 2001 and 2004 the department ran a 'pensions education' communications campaign. This included press and direct marketing, and in particular included a direct mailing to women which included a printed card 'reckoner' titled 'changes to the State Pension age for women', allowing recipients to check their age based on their date of birth.</p>
Customer Awareness Data	2004	<p>Awareness among customers A DWP survey found that 73% of people aged 55 to 64 (at the time) were aware of the future increase in women's SPa. Figures by gender for this age group</p>

		are not provided in the report, but the report does say that there were no significant gender differences in awareness levels in this age group.
Communications Activity	2003 – 2006	<p>Automatic Pensions Forecasts (APFs)</p> <p>A covering letter and two booklets were sent in tranches to different segments of the population, totalling 16m recipients, between 2003 and 2006. The following groups were sent APFs:</p> <ul style="list-style-type: none"> o women aged 50-59; o men aged 50-64; o women aged 20-49; o men aged 20-49. <p>The booklets included in the APF were titled 'A quick guide to State Pensions' which included information on how State Pension age is changing for women and 'Plan your retirement now', which included details on options available on top of the State Pension, such as savings and personal pensions. 'Plan your retirement now' also referenced a range of additional information booklets.</p>
Communications Activity	2004 – 2007	<p>Pensions Service Booklets</p> <p>In the mid-late 2000s a range of Pension Service booklets included references to State Pension age changes, available through telephone request, and on the Pension Service's website. Archived versions of the Pension Service website from 2004 and 2007 include the following downloadable booklets which include references to State Pension age:</p> <ul style="list-style-type: none"> • 'Pensions: the basics, a guide from government', PGT1 (2006) • 'A Guide to Benefits: A Concise Guide to Benefits, Pensions and Tax Credits', MG1, (2004) • 'Pensioner's guide- England & Wales, making the most of government help and advice', PG1, (2004) • 'Retirement: A guide to benefits for people who are retiring or have retired', RM1, (2004) • 'A Guide to State Pensions', NP46, (2004) • 'Pensioners guide- Scotland', PG3, (2004) • 'A Guide to your Pensions Options', PM1, (2004) • 'State Pensions – Your Guide', PM2, (2006) • 'Personal Pensions – Your Guide', PM4, (2005) • Pensions for the self-employed – Your Guide', PM5, (2005) • 'Pensions for Women – Your Guide', PM6

		<p>(2004, 2005)</p> <ul style="list-style-type: none"> • 'State Pensions for Carers and Parents – Your Guide', PM9, (2004, 2005) • 'Stakeholder pensions – Your Guide', PM8, (2005) • 'Important Information for Married People and Civil Partners – Inheritance of SERPS Pension', SERPSL1, (2004, 2006) • 'Backdating membership of an Occupational Pension Scheme, What This Might Mean for You', BM01, (2006) • 'Your Pension statement explained', CPF5, (2006) • 'Your guide to State Pension Deferral', SPD1, (2006) • 'How to get extra weekly State Pension or lump-sum payment', SPD2, (2006) • 'Are you over 50? A Practical Guide to Advice, Support and Services Across Government', (2006) • 'Pension Credit, Pick it Up it's Yours', (2004) • 'Caring for someone? A basic guide to Carer's Allowance, Income Support, Pension Credit, Protecting your basic State Pension, Other help for Carers', SD4, (2004) • 'What to do after a death in England and Wales', D49, (2004)
Communications Activity	2004 – present	<p>State Pension age Calculator Available on the Pensions Service website from July 2004, then Direct.gov, and latterly in a revised format on GOV.UK, this tool has allowed individuals to check their State Pension age online (https://www.gov.uk/state-pension-age).</p>
Customer Awareness Data	2006	<p>A DWP survey found that 90% of women aged 45-54 were aware that the age that women can receive the State Pension would increase in the future. <i>DWP (2007). Attitudes to pensions: The 2006 survey. RR434.</i></p>
Communications Activity	April 2009 – March 2011	<p>Direct mail – Pensions Act 1995 All those affected by the 1995 Act changes alone (those born between 6 April 1950 and 5 April 1953) were sent letters informing them of the change to their State Pension age. Letters went to approximately 1.2 million women between 2009 and 2011.</p>
Pensions Act 2011		
Communications	January	Direct mail – Pensions Act 2011

Activity	2012 – November 2013	All those affected by the 2011 Act changes alone (those born between 6 April 1953 and 5 April 1960) were sent letters informing them of the change to their State Pension age. This involved mailing more than 5 million letters with accompanying leaflet to those affected, between January 2012 and November 2013.
Customer Awareness Data	2012	DWP Attitudes to Pensions” survey found that only 6% of women within ten years of reaching State Pension age thought that their State Pension would be paid at age 60. 44% thought it would be paid at age 65 or over. <i>DWP (2012). Attitudes to pensions: The 2012 survey. RR813.</i>
Communications Activity	2014 – present	State Pension campaign A multi-channel national campaign (including but not limited to radio, digital and national/regional press advertising) which raised awareness about the State Pension reforms, and latterly encouraged people to get a State Pension forecast.
Customer Awareness Data	2016	When asked in new State Pension tracking research, around four in five (82% in January 2016) of those within 10 years of State Pension age either felt very or fairly certain that they knew at what age they would become eligible to claim State Pension ² . When asked in April 2016, the mean age at which both men and women in the key first 10 years group expected to receive their State Pension was 66. <i>DWP (2016) new State Pension Tracking Research https://www.gov.uk/government/publications/pensions-portfolio-new-state-pension-communications-tracking-research-july-2014-to-april-2016</i>

