

Age UK's response to the Independent Review of State Pension Age – Call for Evidence

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About Age UK

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances. In the UK, the Charity helps millions of older people each year by providing advice and support. We also carry out research and campaign on the issues that matter most to older people.

About this response

The law requires regular reviews of State Pension Age (SPA) and the next Government report is due by May 2023. To inform its review the Government has asked Baroness Neville-Rolfe to produce an independent report making recommendations on the metrics to be used when setting SPA in future. Age UK is responding to her Call for Evidence.

Introduction

Age UK welcomes the opportunity to respond to this review. As a charity our role is to work on behalf of more disadvantaged groups, so the focus of this response is on the impact of rises in State Pension Age (SPA) for those who can expect to depend heavily on their State Pension in retirement. We regularly hear from older people about the importance of the State Pension and the impact that rising SPA is having, and to further inform our work we commissioned qualitative, exploratory interviews with 20 people aged 50-62 years who are in low paid work, jobseekers, carers or who are unable to work due to ill health. Some of the feedback we have received is referred to here and we expect to publish a report drawing on the interviews later this year.

Age UK accepts that as average life expectancy increases it is not unreasonable to consider raising the SPA. However, to avoid causing excessive and disproportionate harm to people with health conditions or disabilities, carers, or those who simply cannot work for longer for another reason, certain conditions must be met before rises can be considered. These include:

1. Increases in life expectancy for lower income groups,
2. A reduction in inequalities in healthy life expectancy between higher and lower income groups,
3. Improved access to appropriate employment support and training,
4. More help for carers to balance their caring responsibilities with work and their personal lives, and
5. Financial support to people who are close to SPA and realistically are unlikely to work again (e.g. carers and people with a disability), to smooth the transition to retirement.

Summary and Key points

It is important to consider fairness within generations alongside fairness between generations. Decisions about State Pension provision not only affect those who currently receive their pension, or are approaching SPA, but help determine the prospects of younger people, especially those with low and modest lifetime earnings, who will rely heavily on their State Pension in retirement. In addition, generations depend on each other and people who have reached SPA continue to contribute to the economic position of the country.

Previous steep rises in SPA introduced with little notice, have had a major impact on many women born in the 1950s - lessons from this need to be learned. People should receive individual notification of any rise in SPA at least 10 years in advance, alongside reassurance that once they are within 10 years of SPA there will be no further changes. While there is now increased awareness of SPA rises, some people have limited knowledge of their own position. There is a need for much better communication about what people can expect from State Pension provision to improve their understanding and encourage them to think about their future.

The UK spends a lower proportion of GDP on public pensions than many similar countries and in our view, in an ageing society, expenditure on State Pensions may need to rise over time. The current system linking State Pension entitlement to contributions (paid or credited) made over a lifetime gives many people a strong sense of ownership which helps maintain support for the system. The National Insurance Fund is currently in surplus although, if this position changed, it could be supplemented from general taxation.

Age UK supports the principle of people being able to expect to spend a fixed proportion of adult life in receipt of the State Pension. However, given the wide inequalities in life expectancies and healthy life expectancies, a single State Pension age means that disadvantaged groups, who are most dependent on their State Pension in retirement, will on average, have fewer years in receipt of their pension.

However, we do not believe it is feasible to have a system where SPA is linked to factors associated with longer or shorter life expectancies. Nor would we support a reduced level of State Pension paid at a younger age as this could leave people with unacceptable levels of income throughout retirement. Instead, we believe more needs to be done to keep people in work up to SPA where this is possible and provide better financial support for those who cannot work in the years leading up to SPA.

Many older workers, particularly those with additional barriers to work such as a disability or caring responsibility, struggle to keep working until their late 60s or beyond. Long-term unemployment remains a problem, with older jobseekers finding it harder to get back into work than their younger counterparts, while an estimated over half a million older workers have stopped actively participating in the labour market since the pandemic.ⁱ We believe that a key part of any changes to the SPA must be to improve outcomes for older workers. The Government must take responsibility for this, for instance by increasing investment in training, tackling ageism, improving flexible working options for lower income workers, and helping carers remain in employment.

In respect of SPA in the future, in Age UKs view, increases should not be brought forward unless it is clear that changes do not have a disproportionate effect on disadvantaged groups. Given the current level of inequalities, which appear to be increasing rather than reducing, we believe there is no justification for further rises in to SPA as those with lower life expectancies would, on average, lose a greater proportion of their time in receipt of a State Pension.

While in general, we believe there should continue to be a single SPA, consideration should be given to providing early access to the State Pension in certain limited specific situations where people are close to SPA (e.g. three years away) and have no realistic prospect of returning to work due to ill health or long term caring responsibilities. In addition, there is scope for changes to means-tested benefits to ease the transition to retirement for those unable to work, or unable to find work, who are within a few years of SPA by reducing Pension Credit age or through a more generous Universal Credit system. As these benefits are specifically targeted at lower income groups this would provide some recognition that disadvantaged groups face greater difficulties working until SPA and on average will have fewer years in receipt of their State Pension. In our view, changes should be introduced as soon as possible to support people facing difficulties now.

Intergenerational Fairness:

- ***As people are living longer, how do we ensure the costs of State Pension are shared fairly across generations?***
- ***What factors relating to intergenerational fairness should be considered when determining the State Pension age?***

Fairness across generations always needs to be considered alongside fairness within generations as inequalities within age groups or cohorts are often greater than those between them. This is particularly important when looking at future SPA rises and the level

of the State Pension because decisions made now affect not only those who have reached, or are close to, SPA but the retirement prospects of younger people.

The UK State Pension is paid at a relatively modest level. The full rate of new State Pension in 2021-22 was £179.60 week (£9,339 a year) but average payments received that year were lower at £8,274 a year for all pensioners and £8,757 for those receiving the new State Pension.ⁱⁱ However, the State Pension remains the largest single source of income for most pensioners. It is particularly important for those who have low and modest lifetime earnings or substantial periods of time unable to work due to factors such as ill health or caring responsibilities. Nearly three in five (58%) pensioners (single people or couples) receive at least half their income from State Pensions and benefits.ⁱⁱⁱ

Going forward, the State Pension will continue to remain very important in helping people avoid poverty in retirement and providing a platform on which to build up private savings. In our view, the starting point is that the State Pension needs to enable everyone to have an expectation of a reasonable period of retirement with an adequate income. We would not, for example, accept that it should be a trade-off between SPA and whether the triple lock should continue.

It is also important to consider interdependence between generations. While ‘dependency ratios’ are sometimes used to look at the number of pensioners compared to people of ‘working age’ this gives a limited picture. Not everyone under SPA is economically active, while virtually everyone over SPA contributes to the economic position of the country, for example, through paid work, direct and indirect taxes, supporting communities and vulnerable groups through voluntary work, reducing the pressures on health and social services by providing care, and enabling younger family members to work by looking after grandchildren. While raising SPA reduces expenditure on State Pensions it could also have a negative economic impact by reducing the numbers of people in their 60s able to contribute in other ways.

Notice period

• Is it reasonable to give people a fixed period of notice for State Pension age changes, and if so what period?

Given the importance of the State Pension to retirement income, people affected by changes must be informed well in advance. Many women born in the 1950s were unaware of the increases to their SPA introduced by the 1995 and 2011 Pensions Acts and, in some cases, they were close to 60 before they discovered they had to wait for up to six

years longer than expected for their pension. This gave them little time to change their retirement plans and, for some, this has had a devastating effect. The Parliamentary and Health Services Ombudsman has ruled that there was maladministration in the way the changes were communicated, and his investigation continues.

Lessons must be learned, and we support the recommendation from the previous State Pension age review that people must have at least ten years notice of change and change itself should be limited to once a decade. The minimum ten-year period of notice should start from when people are made aware that their SPA will change - not from when legislation is passed, or information is updated on the gov.uk website. The Government needs to use a range of forms of communication, including individual notification, to ensure that people understand the implication for their own pension. This should be backed up by research to ensure that this message has been received and understood by the vast majority of people affected. This information should then be reinforced in future communications in the period leading up to SPA.

Based on 2018/19 data, the Institute of Fiscal Studies reported that among those aged between 55 and the SPA, 59% correctly reported their SPA (to within 3 months), 22% overestimated their SPA, 7% underestimated their SPA, and 12% reported that they did not know.^{iv} So, while the majority of people knew more or less when they would receive their SPA, one in five expected to get it sooner than they were going to, or did not know their SPA.

The feedback we received from our interviews with people in their 50s and early 60s showed that while they had some awareness of rising SPA, very few knew exactly when they would receive their pension and what they would get. Their actual knowledge lacked depth and the real term effect of rising SPA on their income was an unknown. Many expected there would be further rises that would potentially affect them, even when they were relatively close to SPA, with a commonly held view that at some point in the future (within their children's lifetimes) the State Pension would disappear.

"I don't think we're going to get any state pension the way the world's going. And it's not like how it was before for our grandparents, things are becoming so bad right now. So if you've got five pounds, spare each month, if you can put it away, because there's going to be nothing. Especially for our kids, there's going to be nothing there for them."

The majority of people we interviewed were not currently working although most expressed a desire to work again.

“I want to work. I left my job to look after my Mum and she died as Covid hit, and there was no office work. I’m hoping I’ll get a job soon.”

However, regardless of whether people were in work or not, most had given little thought to retirement and were mainly focussed on getting by day-to-day. There was also a widely held view that given their circumstances, there was not much they could do to prepare for the future.

“I thought I’d be able to retire at 65, if not before. I work six hours a day at the moment and I’d like to be able to cut it down, but I don’t think I’ll be able to. I don’t know what I’ll do if I’m not well. My husband walked out on us and I have always had to get by on my own.”

While it is good that there is now a better understanding that SPA is rising, if people assume their SPA will be higher than it is, or that the Government will keep ‘moving the goalposts’ just as they are nearly there, this risks leading to poor outcomes. Those who know they will never be able to build up much in the way of private resources may decide it’s not worth trying to plan or save and feel all they can do is work for as long as they can and, if need be, rely on State benefits when they can no longer do so.

In conclusion, it is important that people know about any future potential rises that might affect them, but they also need clear assurances that once they are within 10 years of SPA, the position will not change. Furthermore, there needs to be much better communication about the State Pension and other support that could be available in retirement. In some cases, this may reassure people that there will be help available, while others may realise that even modest additional savings could help top up their State Pension and improve their future standard of living.

Changes in the Nature of Work:

- ***How have changes to the types of jobs people do affected working lives?***
- ***What are the anticipated future changes to the workplace? How could this impact on people’s working lives?***
- ***What factors do people consider when making decisions about when to retire?***

Many older workers struggle to keep working until their late 60s or beyond. This is particularly true for those who have a disability, caring responsibility or experience another barrier to work, for example working in a declining industry where jobs are scarce or having outdated qualifications.

To enable more people to work for longer, which we believe is an important pre-requisite for considering raising the SPA, it is clear that the Government needs to step in and deliver greater support for workers that meets the rigours of the contemporary labour market, and in many cases be more radical in its approach. This includes tackling ageism, flexible working, support for carers, access to training and careers advice, improving overall job quality, and good unemployment support.

Tackling ageism

In spite of the introduction of the Employment Equality (Age) Regulations 2006, and subsequently the Equality Act 2010, ageism is still rife in UK workplaces. Age UK continues to hear from individuals who believe they have been treated disadvantageously because of their age. To improve outcomes for workers approaching SPA, it is important that the Government works with agencies such as the Equality and Human Rights Commission to improve promotion of the law and enforcement where it is being broken.

Flexible working

The Right to Request Flexible Working has been available to all employees with 26 weeks service since 2014. It has been a positive change to workplaces and enabled many people to access flexibility in their jobs who otherwise may have struggled to do so.

However, the 26 week qualifying period still acts as a barrier for some, in particular people working in gig-economy type roles who move jobs more frequently and at the point of recruitment when people who may need flexibility to move back into work are denied the legal right to make a formal request. Age UK has long argued that all jobs should be 'flexible by default' and making the Right to Request a 'day one' right would go some way to achieving this. The Government should put together a timetable to confirm when it expects to achieve this.

Support for carers

The Government commitment to introduce five days unpaid carers' leave in 2022 was a step in the right direction. However, not only does it increasingly look like it will not be delivered this year, it does not go far. We believe that a minimum of 10 days paid carers' leave per year, with a further period of unpaid leave should be available to all employees as soon as possible. Government should also help carers by allowing payments to be made into private pensions while they are unable to work, which will help supplement their State Pension once they reach retirement.

Skills and planning ahead

In recent years there has been a significant decrease in public funding for training, which must be reversed if we are to enable more older workers to stay in employment. The

Government should look carefully at how funding for training older workers is allocated and make sure it is reaching those who are in need of re- or up-skilling. The Government should look at alternative proposals for funding training, such as Individual Learning Accounts, which may have a substantive role to play in future.

Age UK also supports the continued expansion of what has become known as ‘Mid Life MOTs’. Although the name could be improved, the nature of the intervention is potentially critical – helping people at approximately age 50 plan ahead for the future by offering careers, financial and health advice. The Government should examine how to expand provision and develop a physical service, which would complement the existing website and extend the reach to many more people.

Unemployment support

The Plan for Jobs expanded the support on offer for unemployed workers, which is welcome. With nearly £10 billion announced in the 2021 autumn budget for the extended regime, it is vital that this investment goes to help those older workers who most need it. Long-term unemployment is a more significant problem among the over 50s, with 45% of unemployed people in this age group out of work for 12 months or more, compared to the 16-64 all age average of 30%. The new schemes Restart and JETS are aimed at helping these groups, and alongside the investment in Work Coaches in Jobcentre, we hope they will improve job outcomes for the 50+ age group.

With an underspend estimated at £1 billion expected from Kickstart scheme,^v we believe this should be re-invested in improving support for people who face additional barriers due to age or disability.

While these schemes are not yet fully evaluated, it is important to learn from past failings from the Work Programme and the Work and Health Programme. These failed to adequately incentivise the private sector contractors who delivered the schemes to fully support their older clients, and as a result delivered significantly inferior outcomes for the 50+ age group.^{vi}

Improving tailored unemployment support is an essential reform needed ahead of any consideration to raise the SPA.

Delivery

It is also important to consider who is responsible for setting, delivering, and enforcing these measures. The previous Independent Review conducted by John Cridland placed a great deal of emphasis on employers supporting their older workforce. However, we are sceptical that this is a viable prospect when applied across the whole labour market –

there are 1.3 million employers in the UK, the vast majority of them being SMEs which often do not have an HR department to design and implement such policies and programmes. We believe it is necessary for the Government to take a more active role in setting minimum standards for employers and ensuring that modern working environments meet the needs of all older workers.

Employers do, however, have a role in helping their older staff remain in work and transition towards retirement. As part of the SPA Review, the Government should consider how to spread and embed good practice among employers, in terms of both HR policies, tackling age discrimination and tackling other issues like increasing employers' investment in training.

Sustainability and Affordability:

• What is the most sustainable and affordable way of managing the cost of State Pension in the longer term? What are the advantages and disadvantages of potential options?

In our view, in our ageing society, expenditure on State Pensions may need to increase over time. Otherwise, many on lower and modest incomes will not have the prospect of a reasonable period of retirement with a decent standard of living as they will not be able to build up sufficient levels of private retirement resources. However, we note that the UK spends a lower proportion of GDP on public pensions than many similar countries. OECD data shows that in 2017 public expenditure on 'pensions' (which includes other support as well as the State Pension) in the UK amounted to 5.6% of GDP, compared to an OECD average of 7.7%, while for 11 European countries including Germany and France it was more than 10%.^{vii}

However, as set out above, we think it is important not to frame the debate in intergenerational terms, for example considering the cost of State Pension provision as 'workers paying for pensioners'. The State Pension is an important part of current and future retirement provision, particularly for lower income groups.

Under our current system, the State Pension is paid out of the National Insurance Fund. Contributions are made into the Fund (net of the allocation to the NHS) and receipts are kept separate from all other revenue raised by national taxes and used to pay the State Pension and other contributory social security benefits. Although this is a pay-as-you-go system and Parliament can change the legislation, linking State Pension entitlement to contributions (paid or credited) made over a lifetime gives many people a strong sense of

ownership which helps maintain support for the system. The most recent National Insurance Fund accounts show a balance of £42.5 billion which is above the estimated minimum requirement indicating that current income from National Insurance is sufficient to meet liabilities.^{viii} If increased funding does become necessary, the Fund can be supplemented through a Treasury Grant which would spread any additional costs across all taxpayers.

In addition, we do not believe that a trade-off can be made between SPA and the value of the State Pension. We would not accept that a reduced State Pension available from a younger age is a workable solution, as this would mean that many pensioners with no or low levels of private savings would spend their later life living on a very low income. Both value and point-of-access are important and are not interchangeable.

Metrics for Setting State Pension Age

- ***Is it reasonable for people to expect to spend a fixed proportion of their adult life in receipt of State Pension?***
- ***Are there options for taking account of differences in circumstances when setting State Pension age in future? What are the advantages and disadvantages of these options, and how could they operate within the current pensions framework?***
- ***How can we best take into account the sensitivity of the life expectancy projections when considering an appropriate State Pension age for the future?***
- ***Are there other metrics which are relevant or more suitable to help determine State Pension age in future, and if so, what metrics?***
- ***What factors do other countries consider when determining State Pension age?***

We support the principle of people being able to expect to spend a fixed proportion of their adult life in receipt of a State Pension. However, while inevitably a system based on averages will result in winners and losers, there are wide disparities in life expectancies and healthy life expectancies between people living in more and less deprived areas, inequalities which have grown for women in recent years.^{ix} Ethnic inequalities in life expectancy have proven more difficult to demonstrate due to limitations in the data available but there is substantial reliable evidence of ethnic inequalities in health, an issue which becomes more pertinent as the UK's ethnic minority populations age.

As set out in the Call for Evidence paper, while cohort life expectancy is increasing, improvements are at a lower rate than previous projections. Further, cohort life expectancy is estimated using projections of future mortality patterns, which are particularly uncertain given we do not yet know the impact of the pandemic going forward on both overall life

expectancies and healthy or disability free life expectancies. In March 2022 an estimated 1.5 million people in the UK were living with long covid, of whom approaching half (45%) first had (or suspected they had) covid at least a year previously.^x

Improvements in period life expectancy, which is based on an assumption that current mortality patterns will continue, have shown substantial flattening off in the past decade in contrast to previous trends which lasted for at least 30 years.^{xi} And during the same period inequalities have been increasing, with people living in more deprived areas sometimes seeing decreases in their life expectancy. The ONS reports that 'Gaps in male life expectancy between local areas in the UK grew from 10.0 years in 2015 to 2017 to 11.6 years in 2018 to 2020; for females, it grew from 7.8 years to 9.6 years.'^{xii}

As well as years of life it is helpful to look at years in good health or free from disability. Here again there are differences depending on the area deprivation of where people live and no evidence to suggest these are reducing. Overall, healthy life expectancy at birth in the UK showed no significant change between 2015 to 2017 and 2018 to 2020 while disability-free life expectancy decreased significantly for both males and females.^{xiii} In the North East, the area with the lowest disability free life expectancy (56.9 years for men, 56.3 for women) the fall since 2015-17 was 28.8 months for men and 36 months for women. In London, the area with the highest disability free life expectancy, (64.4 years for men 63.3 for women), there was also a decrease over this period but only by 6 months for men and 7.2 months for women. And while these figures show the differences between broad geographical areas, within any particular region disparities are likely to be even greater.

Groups with lower average life expectancies are at risk of fewer years in receipt of a State Pension. For example, analysis by the Pensions Policy Institute in 2020, based on the latest available information at the time, found that men who were 60 in 2016, could expect to spend 26% of their adult life in receipt of a State Pension if they were in the bottom 10% of incomes, 30% if they had a median income and 33% if there were in the top 10% of incomes. For women the percentages of adult life they could expect to be in a receipt of a State Pension were 29% (bottom 10% of income), 32% (median income) and 35% (top 10%).^{xiv}

The differences in life expectancies depending on circumstances was highlighted in some of the interviews we carried out with people in their 50s and early 60s. Some refuted the claim that life expectancy was increasing for people like them given their own serious health conditions including cancer, and knowledge of people they had known who had died early. As one woman said "What comes to mind when you say retirement? To still be alive."

Overall, the information here demonstrates the inequalities that currently exist and shows no indication that these inequalities are reducing. It is therefore unsurprising that a universal SPA is often described as 'a blunt tool', albeit a necessary one.

Are there alternatives to having a single State Pension age?

Given current inequalities, it might seem attractive to have an SPA that is related to factors associated with longevity. However, we believe in practice it would not be possible for SPA to be linked, for example, to where people live, their occupation, social class, ethnicity, or financial circumstances. Take geographical location - there are differences within narrow geographical areas and how could a system take into account moves during someone's lifetime or time lived abroad? Similarly, in respect of occupation there is no easy way to identify which jobs should or should not be considered as higher risk. In any case, people may work in a number of different areas and not everyone is in paid work. Furthermore, at what stage in someone's life would the decision be made about an appropriate SPA and yet still ensure they have the certainty of at least 10 years notice of when their State Pension is due?

For the above reasons and others, we believe the system must continue to be, broadly speaking, based around a single SPA. There is some flexibility in the system as people can defer their pension and claim it at a later date. However, this is a choice that is only open to those who can afford to manage without their pension.

It would be possible to allow people to claim an actuarially reduced pension at an earlier date. However, in our view this would not work. Those most likely to take up the offer would be those with lower incomes and poorer health who could face many years ahead on a reduced income. It would also introduce complexities around the interaction with means-tested benefits. For example, some might argue that benefits should be reduced in a corresponding way, but this would leave people on unacceptably low incomes.

In respect of potential future increases, in Age UK's view, increases in SPA should not be brought forward unless firstly, it is clear that changes do not have a disproportionate effect on disadvantaged groups, and secondly, there is greater support available to people in the years before SPA.

Given inequalities seem to be growing, rather than reducing, we do not see how SPA rises can be brought forward without having a greater effect on lower income groups. This is because any rise in SPA would mean those with a lower average life expectancy will lose

a greater proportion of their time receiving a State Pension. Earlier we looked at support to help people work longer and we now consider the position for those for whom employment is not an option.

Support for people who cannot work in the years when they are approaching SPA

While we see better support for those approaching SPA as a pre-requisite for any rises in SPA, there is also a need for improved help for those struggling to work up to SPA now (see above for our views on unemployment support).

As explained above, we do not support the idea of allowing people to draw their pension before SPA with an actuarial reduction. However, it would be possible to allow early access to a full pension in limited clearly specified situations, or to boost income to an equivalent level via other means. This could apply to people who are close to SPA, for example three years away, and who have no realistic prospect of returning to work. The two main groups to consider are those who have long term health conditions or disabilities that mean they cannot reasonably be expected to work again, and long-term carers.

While it is possible that a caring role could stop before SPA, if someone in their early sixties has been out of the labour market and providing care for several years this is likely to have taken a physical and emotional toll and the prospect of finding work again will be limited. Among those in age groups 45 to 54 and 55 to 64, 13% provide informal care – the rates are 10% and 11% of men and 16% for women in these age bands. While some combine paid work with caring or would like to do so if they could find suitable employment, others are not able to due to the heavy responsibilities of caring or the lack of availability of flexible working. For example, around three out of ten (29%) of women carers aged 60-64 spend 35 hours or more providing care.^{xv} Our analysis of Understanding Society data suggests that 26% of coresident carers aged 50-65 say that caring prevents them from working at all, and a further 18% say they're unable to do as much work as they would like to.^{xvi}

In addition to looking at early access to the State Pension we see scope for changes to means-tested benefits to ease the transition from working age to pension age benefits for a wider group of lower income people approaching SPA. While the increase in women's State Pension age from 60 in 2010 to 66 in 2020 is now well known, less attention has been paid to the linked increase from 60 to 66 for pensioner means-tested benefits such as Pension Credit which has affected both women and men. As a consequence, people up to the age of 66 people who need to rely on means-tested support now have to claim Universal Credit.

While Pension Credit is not overgenerous, it is paid at a rate which is considerably higher than the basic level of Universal Credit. In addition, Universal Credit claimants have to show they are unable to work, for example through a work capability assessment, or fulfil work seeking requirements. While many people in their 60s want to work, and as covered above, there is more that can be done to support people, it can be unhelpful to put additional pressures on people in their 60s who are finding it hard to find a suitable job. Furthermore, Universal Credit is predominantly an online benefit. Digital inclusion is linked to age and income and some disadvantaged people in their 60s with no or limited digital skills can struggle to apply and manage an online claim. Changes to smooth the transition to retirement for those unable to work in the years before SPA could be made by setting Pension Credit age below State Pension age or through a more generous Universal Credit system – perhaps introducing a 60+ element and more relaxed requirements around seeking work.

In summary, while, as explained above, we do not feel it is possible to link SPA to some measure of inequality, additional support through a more generous system of financial support for people approaching SPA, could be a way of recognising that disadvantaged groups face greater difficulties working until SPA and on average will have fewer years in receipt of their State Pension. The age at which the additional support is introduced could be linked to some measure of inequality within life expectancy projections. If inequality reduces, then the age at which people could access ‘pre-retirement’ means-tested support could increase.

ⁱ Institute for Employment Studies, Labour Market Statistics, November 2021

ⁱⁱ <https://www.gov.uk/government/statistics/dwp-benefits-statistics-february-2022>

ⁱⁱⁱ <https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2020-to-2021>

^{iv} ELA https://11a183d6-a312-4f71-829a-79ff4e6fc618.filesusr.com/ugd/540eba_a521228fef944892b2942d6135be6734.pdf.

^v <https://www.employment-studies.co.uk/news/way-work-first-step-we-can-and-must-do-better>

^{vi} https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/active-communities/rb_nov16_work_and_health_programme.pdf

^{vii} <https://data.oecd.org/socialexp/pension-spending.htm>

^{viii} <https://www.gov.uk/government/publications/national-insurance-fund-accounts>

^{ix}

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/healthstatelifeexpectanciesbyindexofmultipledeprivationimd/2017to2019#:~:text=Those%20living%20in%20the%20most%20deprived%20areas%20could%20expect%20to,i>

and <https://www.instituteofhealthequity.org/resources-reports/marmot-review-10-years-on/the-marmot-review-10-years-on-full-report.pdf>

^x

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/prevalenceofongoingsymptomsfollowingcoronaviruscovid19infectionintheuk/3march2022>

xi

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2018to2020>

xii

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/lifeexpectancyforlocalareasoftheuk/between2001to2003and2018to2020>

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<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/healthstatelifeexpectanciesuk/2018to2020>

^{xiv} <https://www.pensionspolicyinstitute.org.uk/sponsor-research/research-reports/2020/2020-12-08-briefing-note-number-125-longevity-inequality/>

^{xv} <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2020-to-2021>

^{xvi} Age UK analysis of data from wave 11 of Understanding Society (collected 2019-2021)