

The Women Against State Pension Inequality (WASP) Campaign – Written Evidence (LBC0236)

1. Executive Summary

- Women born in the 1950s expected to retire at 60 and were given little or no notice of an up to 6-year increase in their State Pension age.
- Women in their 60s find few opportunities for regular work. Many work in the gig economy on fixed term contracts, zero-hours contracts and seasonal work. These jobs have all but disappeared during the Covid-19 pandemic.
- Poor women have become poorer during the pandemic, and many fear that they will not regain employment before they retire.
- Research into the impact of raising the State Pension age confirms a correlation, perhaps even a causal link, with increased poverty and worsening health amongst older women
- Many older workers, both men and women, are not included in the Government schemes to alleviate the effects of the Covid-19 pandemic.
- Calls for Action to help alleviate the impact of the COVID-19 pandemic have been ignored by Government
- Many older workers fear that they will not regain employment before they reach State Pension age. As well as condemning them to a life of poverty when they have worked for 30 years or more, they are left feeling hopeless.
- This Government appear to focus inter-generational fairness on helping the young. There are no schemes that I am aware of to help the older unemployed. Universal Credit is a benefit designed to get people back to work. When there is little or no hope of regaining employment, people claiming Universal Credit are condemned to a life of poverty and hopelessness.

We will be happy to attend an oral evidence session if the committee would like more detail on any of the issues raised in this document.

2. Introduction

I am a woman born in the 1950s who was affected by the changes to the State Pension Laws enacted in 1995, 2007 and 2011. I joined the WASPI Campaign in May 2015, joined the Board of Directors in February 2016 and took on the role of Chair later that year. Our aim is to achieve fairness for all women affected by the changes to their State Pension age. We have no argument with equality, we welcome it even though we still don't benefit from it. Our argument has always been about the poor implementation of the changes which were no less than catastrophic for our cohort.

We know from a [Freedom of Information](#) request made in September 2015 that there was no communication with women affected by the 1995 Pensions Act until April 2009. This communication effort continued until March 2011 when all

those born up until 5 April 1953 were sent letters informing them of their new State Pension age. Communications were then paused until the 2011 Act was passed. Those of us born between 6 April 1953 and 5 April 1960 were then sent letters confirming our new State Pension age under the 2011 Act, although we had no notification of the changes prior to that. I received a letter in April 2012 telling me that my State Pension would now be paid in March 2020. I expected to receive my State Pension in June 2014 on my 60th birthday. A delay of 5 years and 9 months with less than 2 years notice. Not enough time to make up a retirement income gap of some £50,000!

Fortunately, I worked full time constantly from 1969 until 2008, when I left work to look after my then ailing mother, and subsequently her brother (my uncle). I had planned for retirement and had some savings. Enough to tide me over until my 60th birthday. Unfortunately, I was unable to re-enter the workforce once my caring responsibilities ceased. Many women were not as fortunate as I, as you will read in this document.

3. Women's stories

We have a wealth of information from women now in their 60s about "the systemic inequalities in society" mentioned in your call for evidence. Women contact us daily with their stories of hardship which to date have been ignored by those elected to represent us. The Government has resolutely ignored us throughout our campaign, and in their responses to the Covid-19 emergency. Our [emergency call to action](#) fell on deaf ears. The Government didn't even respond. While preaching "Intergenerational fairness" they fail to include older people in their plans. Its as though they have forgotten that we contributed National Insurance (NICs) and Taxes for well over 40 years. We supported the older generation when we were young, and now feel that support is no longer forthcoming for us.

A selection of real stories from real women suffering during this pandemic:

- Several women who are furloughed have told us that they have not been recalled to work while their younger and male colleagues have. One woman has now been recalled in September to cover for Annual Leave. Women are really concerned that jobs which were secure prior to the pandemic will now be lost, with no hope of finding new employment.
- A woman who is now in receipt of State Pension, and qualifies for Pensions Credit became unemployed when made redundant from her part time cleaning job in the hospitality industry. She could not make ends meet and had to sell her late mother's jewellery to survive. Although she is better off now, she can not afford to buy her mother's jewellery back.
- A woman who moved to Kent, cashed in her private pension to create suitable space for a Holiday Let providing a future income stream told us "...when Covid struck. My income ceased immediately. I've lost over £14,000 from lockdown. I didn't receive the £10,000 grant. I'm not classed as self-employed so didn't receive that grant. I've applied for a discretionary grant but haven't heard the outcome of that. I have a small

council pension that I drew early which provides me with £3,555 per annum, because of that (and for the first time in my life) I claimed universal credit in and received £95.00 in May and will again in June.”

This woman is living on £90 per week (£4,695 pa) and has no savings to fall back on.

- An NHS hospital trust worker in her early 60s had to do a health assessment as she was considered by the NHS to be more vulnerable to the Coronavirus. She has been declared unfit for work but is too young to apply for her State Pension.
- Working 60+ year-olds in London may use their 60+ transport card, but not for their journey to work if in peak hours. This adversely affects those on minimum wage, part time jobs e.g. cleaning for 1 or 2 hours per day.
- A 61-year old woman who sadly lost her 65-year old husband (who was receiving State Pension) is now only entitled to a widow's grant of £100 per month for a short time. She fears for her future employment prospects and fears she won't qualify for any out of work benefits.
- A 64-year old woman told us “I have Bronchiectasis. However, I had been working as a self-employed cleaner, although only part time. My partner cannot find a job so the money I earned was helping us survive until I got my State Pension. My other income is a small private pension. When the pandemic hit my work stopped. I am self-employed but because my earnings are not the biggest part of my income, I am entitled to nothing from the Government, nor am I entitled to any other help. I am classed as extremely vulnerable and supposed to be shielding but I must go back to work or struggle on indefinitely.”
- A 62-year old woman with heart failure who has been furloughed tells us “There is no doubt that if I had State Pension, I would have retired at 60. I can't see a situation where I will feel safe enough to return to work, but I know I will have to”
- A 57-year old woman with various health complications told us she has been “...Furloughed since March, 80% of pay (£701) 20% of pay burger king NOTHING. Thankfully able to cover bills with this. I have no savings because of divorce, downsized, next step sofa surfing or homeless!!! If furloughing is stopped.”

These are a handful of the hundreds of stories shared with by ever more desperate women. Their situation, which we have always known to be true, is now being confirmed by more formal research. Many women just tell us how desperate they are, that they don't know how they are going to manage, that they are finding it difficult to cope.

A study by researchers at Kings College London, first published in June 2018, entitled [Later Pension, Poorer Health](#). This paper examines the health impact of UK pension reforms that increased the women's State Pension age for up to six years since 2010. The paper shows that a larger increase in the State Pension age leads to larger negative health effects, resulting in a widening gap in health between women from different occupations.

A second “continuation” study [Later retirement, job-strain and health](#) examines the impact of raising the State Pension age on women’s health. Exploring a UK pension reform that increased women’s State Pension age for up to six years since 2010, the study shows that rising the State Pension age leads to an increase of up to 12 percentage points in the probability of depressive symptoms, alongside an increase in self-reported medically diagnosed depression among women in a lower occupational grade. Results suggest that these effects are driven by prolonged exposure to high-strain jobs characterised by high demands and low control.

4. Disadvantages faced by women generally, and especially women aged over 50

The Women’s Budget Group [Spirals of Inequality](#) report shows how unpaid care is at the heart of gender inequalities. Women carry out 60% more unpaid work than men, starting as early as age 25, showing that child-care is still predominately the responsibility of women. This leaves less time for paid work, women are more likely to work part-time, 41% of women work part time compared to 13% of men. Women are also more likely to be engaged in precarious forms of work; 3.6% of all women in employment and 2.4% of all men in employment were on zero-hours contracts at the end of 2019; Women aged 45-54 are more than twice as likely as men to have given up work to care and over four times more likely to have reduced working hours due to caring responsibilities. Women on average earn significantly less than men. Women make up 69% of workers on low pay. The hourly gender pay gap, in 2019, was 8.9% among full-time employees and 17.3% for all employees. On average, women earn 43% less than men from paid work. Women are under-represented in senior leadership positions, which attract the best salaries. Women make up just 21% of senior civil servants, 25% of senior judiciary members and 21% of national newspaper editors. Only 29% of FTSE100 directors are women and only 34% of MPs are women.

The pay gap inevitably leads to a “pensions gap”. Research by the Pensions Policy Institute in July 2019 [estimated](#) the pensions gap between men and women at approximately 49%. The report states “In their early 60s the median private pension wealth of women is one third of men’s private pension wealth. By retirement, women would have approximately accrued £51,000, whilst men would have about £157,000 of pension wealth. This is a result of all of the contributing factors discussed in this report.” Many women have no choice but to continue working. WASPI women generally suffer discrimination in the workplace, especially during the selection process. Women with noticeable health issues / limited physical abilities do not do well in interviews. This all means that women rely much more on the State Pension, as they have been unable to build up enough alternative pension.

Women (and men) in their late-50s or early-60s are not attractive to employers. Their experience counts against them in job applications along with their age which affects their ability for some roles. I am a fairly fit 66-year-old, but I have a heart condition (which is under control) and arthritis which has already led to a hip replacement. In July 2020 The Lancet published [research](#) from the

Longitudinal Study of Ageing (Population-based estimates of healthy working life expectancy in England at age 50 years). Their report estimates that the average healthy working life expectancy for women at age 50 is only 8.25 years (for men it is slightly longer at 9.42 years). We still have 16 years to work at this stage of our lives, but many of us find our health fails us. Average life expectancy at age 50 is 31.76 years for men and 33.49 years for women. A life expectancy of 83.49 years means that women can expect an average of 17.49 years in retirement, but how healthy will their retirement be?

July 2017 saw the publication of the Department of Work and Pension's [State Pension age review](#) (pursuant to the 2014 Pensions Act.) In her Foreword the Secretary of State for Work & Pensions states that by 2077 "a 65-year-old could expect to live for 21 years, or 32% of their adult life, assuming their adulthood starts at 20". This appears to be a life expectancy of 86, considerably longer than the more recent study published in the Lancet.

The State Pension age review states that "future changes to State Pension age will ensure that people can expect to spend on average "one third" of their adult life in receipt of the State Pension to "reflect the experience of recent generations". According to the Lancet research women can expect to spend 27.5% of their adult life in retirement (Years of retirement of 17.5 as a % of Adult life expectancy of 63.49 years), and men only 25.5%. So those of us born in 1954 who have only just reached State Pension age are already expected to spend much less time in receipt of State Pension than the Government's recently published review recommends. This analysis shows that women (and men) aged over-50 today are disadvantaged (compared to previous generations) when they eventually reach State Pension age.

5. Poverty amongst older workers exacerbated by Covid-19

Several studies have now confirmed the empirical evidence provided to us by WASPI women over the years.

RestLess, the UK's fastest-growing digital community for the over-50s, [reported](#) in October 2019. that "Those in their 50s are twice as likely to be made redundant than those in their 40s". Using data from the Office for National Statistics (ONS) Rest Less found that redundancy rates in the UK amongst those in their 50s were more than twice that of those in their 40s. Between April and June this year, 31,000 people in their 50s were made redundant (a redundancy rate of 5.4 per 1,000 employees) compared with 15,000 people in their 40s (who had a redundancy rate of 2.5 per 1,000 employees). Those in their 60s were second to those in their 50s as the age group most likely to be made redundant, with a redundancy rate of 5.2 per thousand employees.

In a later [report](#) published in July 2020, RestLess warns that "Rishi Sunak's Youth Kickstart Scheme Could Leave At Least 660,000 Over 50s Dependent on Universal Credit for a Decade". Using ONS data RestLess found that Universal Credit claims from the over 50s increased by more than 355,000 between March and May 2020, taking the total number of Universal Credit claims amongst this group to nearly 660,000. This compares with an increase of nearly 288,000

claims amongst the under 25s during the same time-period. (Please note Universal Credit claims are a particularly poignant measure as it highlights the financially precarious position of this group with less than £16,000 in savings after three decades in the workplace. Based on data to April 2020 – at the beginning of lockdown – inactivity levels amongst 50-64 year olds increased by more than 48,000 in a month and are now at their highest level ever (3.3 million) – providing early indications that many in this age group have been and are likely to continue to be pushed into early retirement as a result of Covid.

A quick glance through the highlights of the [Labour Market Overview: August 2020](#) published by the ONS shows that estimates for April to June 2020 show 32.92 million people aged 16 years and over in employment, 113,000 more than a year earlier but 220,000 fewer than the previous quarter.

For April to June 2020. Looking more closely at the decreases in employment over the quarter by age, those aged 16 to 24 years decreased by 100,000 to 3.72 million, **while those aged 65 years and over decreased by a record 161,000 to 1.26 million.** This was partially offset by those aged 25 to 64 years, who increased by 41,000 on the quarter to 27.94 million.

A [report](#) by the Institute for Fiscal Studies (IFS) published in April 2020 shows that “women were about one third more likely to work in a sector that is now shut down than men. Although the study shows that those aged under 25 are the most likely to work in sectors shut down by the pandemic, those aged over 55 come a close second. The share of household earnings lost by the over-55s is much greater as many under-25s (61%) live with parents and contribute less to the household.

Ipsos-Mori undertook a [survey](#) of older people in England on behalf of the Centre for Aging Better. The survey looked at the impact of the Coronavirus outbreak on those aged 50 – 70 years of age under the priority headings of having: fulfilling work; safe and accessible homes; healthy ageing and connected communities.

Initial findings suggest that almost half of people between the ages of 50 and 60 years old (46%) believe their financial circumstances will worsen over the next year. Furthermore, only 39% of those who are currently furloughed or of working age but not in employment, are confident that they will be employed in the future.

What we can glean from these surveys and the experiences of members of our cohort is that work is becoming even more precarious for older women, those in their 50s and 60s. Employment opportunities are diminishing for the over-65s, yet Government resources are targeting younger workers only.

6. What do we most hope changes for the better?

We would like recognition from the Government that the implementation of the State Pension age changes for women fell short of their intentions. Their efforts to publicise the changes through various media didn't reach enough of those affected. The DWP's own surveys show that knowledge of the changes to State Pensions age diminished over the years. Information received directly from the Department of Work and Pensions (DWP) omitted any reference to the State Pension age changing. Had I seen an advert saying that State Pension age was

changing, I would have thought it didn't apply to me when I received a letter in 2005 from the DWP that didn't allude to it at all. Almost 15 million workers received those letters in 2005. We would like the Government to meet us half-way, to compensate us at a rate of 50% of today's State Pension for every week past our 60th birthday up until our new State Pension age. This might make up for having to use our savings to plug the retirement income gap created by having no time to make alternative arrangements.

We would like the Government to seriously consider early access to Pensions Credit for those who have no hope of gaining employment between their 60th birthday and their State Pension age.

In the longer term we would like to see a flexible retirement age, based on ability to continue in employment. If we think of a 58-year-old roofer with arthritic knees. Or a 63-year-old long distance lorry driver with cataracts. Or an executive with narcolepsy. If there aren't sufficient training or re-skilling opportunities for workers who can no longer continue in employment because of their health, they should be allowed to retire with dignity. Many will have already contributed the required 35 years NICs, but those who fall short should not be penalised. They should be able to retire on a full State Pension.

Some of these measures should reduce over time as the Government's complementary strategies begin to pay off, for example improved Health and improvements in support for older workers and workers having to maintain their health for a significantly longer career.

30 August 2020