

Written evidence from the Chair of WASPI [PCW0016]

1. Executive Summary

The WASPI women are the first generation of women since the 1940s to be hit by a delayed retirement age. We have learned that older workers need specific help and support during their working lives both to continue working and to build pension wealth while taking career breaks to care for dependant family members. The WASPI Campaign are in touch with over 200,000 WASPI women via our network of local groups, our facebook page, our membership scheme and our website. We have tried to make recommendations to benefit future older workers, along with recommending that WASPI women, who were not able to build pension wealth, are supported in their old age. We are more than happy to attend an oral evidence session if required.

- WASPI women are disadvantaged by working practices in place from the mid-1960s when they first entered the labour market. Although not as extreme, disadvantages continued for women born in the 1950s for their entire working lives.
- One of the major disadvantages for WASPI women is that many were unable to save into Occupational Pension schemes at the same rate as their male counterparts. This has caused a Pensions Gap wider than the Income Gap resulting in a greater reliance on State Pension for WASPI women.
- Women born in the 1950s were not made aware of the changes to the State Pension age until their late 50s. The DWP mailed women directly between April 2009 and March 2011 (women due to retire between 2010 and 2013) and between January 2012 and November 2013 for those who expected to retire from 2014). The average notice period was less than 2 years. Although described as “gradual” these changes were catastrophic to the recipients. Direct mailing received before this date (unsolicited Pensions Forecasts sent to 15 million people between 2003 and 2007) did not inform women that the State Pension age was changing.
- Although the DWP ran advertising campaigns, they knew from their own research, at regular intervals, that women were unaware of their own State Pension age. Surveys conducted in 2009 and 2012 showed that awareness of the changes to State Pension age was declining.
- Recent research is now highlighting the adverse impact on health attributable to the change in State Pension age.
- According to the Office of National Statistics there has been a reduction in the percentage of retired women in employment (from 2010 to 2016)
- The DWP have deployed “older worker champions” since at least 2017; they have also created apprenticeships for all ages (including those over 60). WASPI women who have tried to take advantage of these resources, have found them to be unavailable
- The UK devotes a smaller percentage of its GDP to State Pensions than most other advanced economies. In 2019 the UK ranked 28th of 35 countries in terms of the proportion of income derived from the State Pension.
- WASPI women fear that most of the DWP’s preparations for changes in the world of work will not be available for them.
- Instead of diverting resources to support younger workers, the DWP should compensate WASPI women for how the change to the State Pension age was administered. This could be conditional on their employment status.
- In times of high unemployment, the DWP should consider early access to State Pension for older workers, with no loss of income.
- Older workers should be given a “working life M.O.T” to ensure that they have the skills, agility, and opportunity to change careers when no longer able to meet the demands of their current employment.

- Older workers could be redeployed as “older work champions” advising younger workers what they need to do to both to maintain their skills and ensure that they are comfortable in retirement.
- There should be a Government sponsored “auto enrolment pension scheme” for all workers who must take career breaks to care for dependents.
- A comfortable retirement is earned through a lifetime’s work. Any changes should be applied from the day that they are made. In 1995 the Government should have said that anyone starting work from that day onwards would not reach State Pension age until their 66th birthday. Applying new conditions to people who had already worked for 25 years was grossly unfair. All changes to Vehicle Excise Duty are applied to the next new car purchased rather than to those already owned. We should treat people’s NI contributions in the same way.

2. Background

I am the Chair of the Women Against State Pension Inequality (WASPI) Campaign. We represent women born in the 1950s who expected to receive their State Pension at 60. Although the State Pension age was changed initially in 1995, and again in 2007 and 2011, communication about the changes from the Department of Work and Pensions was inadequate and direct communications only began in April 2009 following a DWP survey which suggested that more than “50% of women were unaware of their correct State Pension age”. The Government often cites a “gradual rise” in the State Pension Age over a 10-year period from 2010. For most women affected by these changes the rise in their State Pension age was catastrophic. I received notification in February 2012 that the State Pension I expected to receive in June 2014 would not be due until 6 March 2020, 5 years and 9 months later than expected. I was devastated. The DWP’s attempts to communicate the changes to the State Pension age for women are succinctly summarised in the [Approved Judgment](#) (paragraphs 99 to 113) between The Queen on the application of Delve and Glynn and The Secretary of State for Work and Pensions heard on 5th and 6th June 2019. According to paragraph 105 the Government sent out more than 5 million personalised letters to those affected by the 2007 and 2011 Acts between January 2012 and November 2013. No letters confirming the changes made in 1995 were ever sent to these women, so the first notice they received about the changes to their State Pension age were some 17 years after the legislation was passed. Women born prior to December 1953 were informed by letter between April 2009 and March 2011. The direct mailing exercise was “paused” as the Pensions Act 2011 was introduced. The Government could have given everyone at least 15 years notice of the changes to their State Pension age, but they chose not to.

Although women’s State Pension age was increased to equalise with men, it did not result in equality. Because women our age never achieved equal pay, they will never achieve equal pensions. 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.” Because of their limited pensions wealth, due to both wage disparity and lack of availability of occupational pensions, women born in the 1950s rely heavily on their State Pension.

3. Impact on already disadvantaged women of changes in the world of work

Women born in the 1950s never enjoyed equality with men. These women of working age in the late 1960s celebrated the Equal Pay Act 1970, but many never benefited from it. There was no funded childcare and little or no access to Occupational Pension Schemes especially for those working part time. The lifelong gender pay gap suffered by WASPI women leads to today's gender pension gap of 49%.

The Women's Budget Group [Spiral of Inequality](#) summarises the lifetime of inequality faced by women. The full [report](#) emphasises how caring responsibilities, mainly shouldered by women, have an adverse impact on earnings, career progression and economic status of women throughout their lives. This results in increased poverty as women get older. Women over 60 must continue to work because they are not eligible for State Pension until they reach 66. Predictions about the economic recession expected because of the social distancing measures could mean that the employment prospects for these women will not improve prior to them reaching State Pension age.

The Office for National Statistics published a [table](#) in October 2016 showing the employment rates of people over State Pension age. Employment rates for women steadily increased to 13% up until 2010 when the State Pension age for women began to change. By April 2016 the rate had dropped to 10%. For men working beyond retirement age the rate continued to increase from 10.5% in 2010 to 14.1% in 2016. Does this indicate that discrimination continues well into retirement age for women who must work?

Ipsos Mori undertook a [survey](#) of older people in England on behalf of the Centre for Ageing better. The survey took place 8 weeks after the start of lockdown in the UK. Initial findings suggest that almost half of people in their 50s and 60s (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. Older people fear the future will be even worse for them once things begin to settle down. Their views may be informed by the reduction in overall employment for the over 50s following the crash of 2008.

Women born in the 1950s saved all their working lives for their retirement, mainly through their National Insurance contributions, which was often their only option. These women are not arguing about the changes to the State Pension age, rather the way in which those changes were implemented. It takes a lifetime of work to save for a pension. Any changes to that expected pension, whether Private or State, should be communicated clearly and well in advance so that those affected know what to expect, and are given time to make alternative arrangements.

Several publications are now reporting the decline in women's health as a result of the changes to the State Pension age, the most recent from Kings College: [Later retirement, job strain, and health: Evidence from the new State Pension age in the United Kingdom](#) shows that "raising the State Pension age leads to an increase of up to 12 percentage points in the probability of depressive symptoms." The report concludes that "results show that the increase in the female State Pension age in the United Kingdom widened health disparities between 2009 and 2016. Specifically, women in lower socioeconomic groups affected by the reform suffered from declines in mental health, which are economically and clinically relevant"

Everything the Government has done in recent decades has been to make savings to the social security budget overall. At the end of every one of those savings is a personal tragedy. A woman who has done everything asked of her since she started working over 40 years ago, paid her NICs and taxes, saved for her pension in the only way available to her, only to be robbed at the last minute. My State Pension started 299 weeks later than I had planned. That amounts to a loss of

£51,263 expected retirement income to my household. Even with 10 years notice, that couldn't be replaced. Is it any wonder our health has been affected?

The impact is now likely to worsen, given the impact of coronavirus on employment prospects for our age group. A recent [report](#) from the Resolution Foundation highlights the fact that younger and older workers have experienced the brunt of the hit to jobs and pay. Additionally, in looking at their ability to weather the crisis by home working "the youngest employees and those aged 55 and older are the most limited in what they can do from home".

4. Is it too late for 1950s born women to benefit from the DWPs preparations for the changes in the world of work?

The Work and Pensions committee are calling for views on very pertinent challenges faced by the DWP as a result of this "Fourth Industrial Revolution". One of these requests concerns the adequacy of DWP work coaches.

Responding to a [debate](#) on the State Pension Age for Women on 5 July 2017 the Parliamentary Under-Secretary of State for Work and Pensions, Guy Opperman told the House that the DWP had "created and now extended a network of older claimant champions in all 34 Jobcentre plus districts". Several WASPI women have since asked at their local Jobcentres about these champions. People working in the jobcentres had never heard of them. Often there is no work coach available in their local job centre. Mr Opperman went on to state that "we have also extended apprenticeship opportunities, one of the best routes into skilled employment, for people of all ages and gender." To date, not a single WASPI woman has found an apprenticeship scheme for people aged over 60. On visiting jobcentres, WASPI women find that all employment support available is geared towards younger claimants. (for ease of reference Mr Opperman began to speak at 3.46)

Work Coaches would need to improve significantly to address the myriad of issues faced by women over 60 in today's employment market. Older workers who are no longer fit or able for their chosen careers, for example as a roofer, or delivery driver, could be retrained to provide this valuable service. Given that many WASPI women were already over 60 by the time these "older work champions" were introduced, they came far too late to help us.

The world of work continues to change, all workers need to be re-equipped to respond both in terms of coaching and re-skilling. It could be that the coronavirus pandemic will change the world of work even faster. Home working has proved itself to be a reasonable alternative for certain types of work, but not for older workers, as they are rarely employed in work that can be performed from home.

Half of the cohort of women born in the 1950s are now in receipt of State Pension. Many of those are struggling to manage and are unable to work because of lack of skills and poor health. According to the House of Commons briefing paper [Pensions: International Comparisons](#) published in May 2019 the "UK devotes a smaller percentage of its GDP to state pensions and pensioner benefits than most other advanced economies". The UK ranks 28th of 35 countries in terms of the proportion of income derived from the State Pension. This report recognises that occupational pensions and personal savings make up 2/3rds of income of UK pensioners. Many 1950s women were not permitted to join occupational pension schemes, auto enrolment has only just started, and any savings they had have been used to replace the income lost due to the changes to the State Pension Age.

Alongside the Basic Income threshold provided to poor women through the Pension Credit scheme, the DWP should reimburse 1950s born women for the catastrophic loss of expected

retirement income. What will Universal Basic Income look like for women nearing State Pension age? Will the threshold for Universal Credit be increased to match that of Pension Credit? Will it be based on average earnings? Will those already in receipt of their State Pension be included? Will it be brought in quickly enough for 1950s born women to benefit from it?

5. More appropriate solutions for women born in the 1950s and older workers.

Some campaigns are demanding full restitution, however WASPI have always asked the Government for **fair transitional arrangements** for all women affected by the changes to the State Pension laws. **We recommend that WASPI women are reimbursed at the rate of 50% of today's weekly pension rate for every week past their 60th Birthday.** In my case that would amount to £25,632 (299 x (£171.45/2)). Overall, this would probably cost the DWP in the region of £60 billion. Almost half of that could come from the surplus held in the [National Insurance Fund accounts](#), which show a surplus of £29.9 billion for the year ending April 2019.

There won't be enough jobs for everyone in the short term. The Government could make a condition that this compensation payment would be made only to the unemployed or those who are willing to become unemployed in order to qualify.

In times of high unemployment people could be encouraged to retire early. This would enable both jobs and DWP resources to be focused on the younger labour market, ensuring that future State Pension recipients are better supported for their retirement than WASPI women were.

We hear daily from WASPI women who are no longer able to work because their jobs have disappeared as a result of the pandemic, or they can no longer continue in the job because of its physical nature, or they are seen as "too old" by prospective employers. A delivery driver in the Peak District felt unable to continue delivering goods. She was no longer able to cope with driving for 7 hours a day and was struggling with the weight of some of the items she had to deliver. Fortunately for her a job came up in the warehouse, and she was able to continue working. She is now Furloughed and has no idea when (or even if) she will be able to return to work. She is painfully aware that younger people have already been recalled to work before her. If she is laid off, she will be able to claim Universal Credit, which is a benefit designed to get people back to work. This is not appropriate for a 64-year-old who is unlikely to be reemployed prior to reaching State Pension age. WASPI women ask us daily why the Government won't allow them to claim State Pension early. It will save on other benefits, and resources provided by job centres to get older people back to work (e.g. training etc.). **We recommend that unemployed 60+-year-olds with poor job prospects are allowed to retire early with no reduction to their State Pension income.**

WASPI women rarely earn the full basic State Pension, because of gaps in their NI payments due to career breaks for childcare for example. Before 1978 parents received Family Allowance. Only those in receipt of Child Benefit which replaced Family Allowance had their NI contributions paid. WASPI women who chose to look after their children lost out on years of NI payments. WASPI women rely more on State Pension because they rarely had the opportunity to save into workplace pensions. I worked full time for over 40 years, but only have 17 years contributions in an occupational pension scheme. Women still shoulder the majority of unpaid care work in the family. Should there be some sort of "auto enrolment pension scheme" for non-wage earners?

The “employers” top up could be funded by the Government. This would result in unpaid carers building up a private pension, which would mean less reliance on the State Pension in the longer term. It would help to equalise pension wealth between men and women. **We recommend that the Government fund and manage an “Auto Enrolment” type Pension Scheme to ensure that carers build Pension Wealth even though they are unable to take up paid work because of their caring responsibilities.**

Every worker should be given a “working life MOT” periodically, especially if they are in physically demanding jobs. Can a roofer continue carrying lead up roof ladders well into his 60s? Can a woman with arthritis carry on driving for 7 or 8 hours a day, sleeping in the cab of her lorry if she is an HGV driver? People need to be prepared for career changes as their lives and/or technology changes well before the event. WASPI women already in their sixties are unable to respond quickly to changes in their health or technology shifts a few years before their retirement. They need to prepare to move into different roles while they are still able to learn, and the investment in their learning is a viable option. No employer is prepared to take on a 60+ year old apprentice. It isn’t worth their investment however a 40-year-old could give back 20 years or more once fully trained. **We recommend that a “working life M.O.T.” is offered to all employees at 10-year intervals so that options for more suitable future employment can be considered and prepared for well in advance of a career change being a necessity.**

Saving for retirement takes a lifetime of work. I’ve already mentioned the idea of a private pension for those unpaid carers taking a career break. Any changes to State Pension legislation should be treated as changes to Private pensions. So, in 1995 when the Government changed the scheme for women they should have “frozen” the NI contributions already paid. I had worked for 25 years by 1995. I could have had 25/39ths of my State Pension paid to me at 60. And the next 12/30ths paid to me at whatever age my State Pension was due following the 2007 Act. And the final 9/35ths paid to me on my 66th birthday as a result of the 2011 Act. Better still, any changes to State Pension legislation should be applied to those starting work once the Act had been passed. So, those starting work in 1995 should have been told that their State Pension would be claimable on their 65th birthday. Those starting work in 2011 should have been told that their State Pension would be claimable from their 66th birthday etc. When the Government changes taxation rules on cars, they do not apply it to cars already owned. It is applied from the next car that you purchase. All taxation changes should follow that same principle. New workers would then have 35 or 30 years to save for their retirement, where WASPI women had only 2 years to make up an up to 6-year deficit in their expected retirement income. **We recommend that all future changes to State Pension laws apply to new workers commencing their employment from the date the law is passed.**

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