

Written evidence submitted by Women Against State Pension Inequality (SCF0080)

1. Executive Summary

The WASPI Campaign represents Women born in the 1960s (WASPI women) who were affected by the equalisation of the State Pension age (SPa), and by the subsequent increase of the SPa to 66 for both men and women. The implementation of these changes was inadequate, mainly due to confusing advertising campaigns and lack of timely communication with those affected. The DWP eventually wrote to individual telling them of their new SPa some 15 – 17 years after legislation was first passed, and only 1 or 2 years before they expected to retire (at 60), giving no time to make up a significant shortfall in expected retirement income. Studies are now emerging which detail the adverse impact this has had on WASPI women's health and well-being. More evidence about "pension poverty" is emerging, showing that women have not been able to save for their retirement because of limited access to occupational pensions, paying reduced National Insurance contributions (NICs), and bearing the responsibility for unpaid care work in their families. Further evidence is emerging that historic increases in life expectancy has now stalled, and healthy life expectancy for women aged 50 is much less than the 16 years they are expected to continue working before they reach SPa.

The WASPI Campaign recommend that:

- All workers have access to a "working life MOT" process to prepare them for working longer. These should start at age 40 to monitor the health of workers, and prove them with the skills, abilities and agility required to switch career in order to continue working albeit in less demanding roles.
- The ONS now publish 'satellite household accounts' that value, in monetary terms, unpaid work. The most recent estimate, in 2014, put the total value of unpaid work at £1.01 trillion, or the equivalent to 56% of GDP. This is a direct saving to the Social Care bill at the expense of these unpaid workers, who are predominantly women. Those providing care should be paid at the "living wage" rate. They should also be encouraged to save into an occupational pension fund with the Social Care budget taking responsibility for the employer's contribution. This would ensure that the Pensions Gap would reduce over time, and lift carers out of poverty in retirement.
- A comfortable retirement is earned through a lifetime's work. The Independent Review of the State Pension Age: Smoothing the Transition (published in March 2017) state that "People need at least 10 years notice of change and change itself should be limited to once a decade". For WASPI women the change was 6 years in one decade. The WASPI Campaign continue to ask that the WASPI women are compensated at a rate of 50% of the State Pension they would have received from their 60th birthday. These women had no opportunity to replace the income lost to them because of the increase in SPa.

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), handed down on 3rd October 2019, following the Judicial Review: The Queen on the application of Delves 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, giving those affected 1 to 2 years notice of an up to 6-year change in their State Pension age. 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 didn't.

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.

The WASPI generation feel totally let down by the way the Government implemented successive changes to SPa. We understand that changes were required but fail to understand why all the changes were loaded onto one generation of women over a relatively short period with inadequate notice. The stress caused by this catastrophic change to our circumstances has led to both physical and mental health issues.

3. The impact of lockdown on older generations

Ipsos Mori undertook a [survey](#) of older people in England on behalf of the Centre for Ageing Better, “COVID-19: The impact of lockdown on older generations”, published in June 2020. 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.

From a Health perspective, the data shows that just over one fifth (23%) of people in this age group have seen their physical health deteriorate during the lockdown period. A further two fifths (40%) state that their mental health has worsened.

The new figures also show that the unemployed and those who anticipate their finances worsening over the next year are more likely than others to have seen their health deteriorate over the lockdown period.

This decline in health may have been exacerbated by the fact that over half (53%) of those aged 50-60 years have had a medical or dental appointment delayed or cancelled.

Alongside calling for tailored job-seekers support for the over-50s, the Centre for Ageing better is also asking for a commitment from the government to improving the nation's health.

WASPI has already issued a [Call for Action](#) to all MPs on 18th April asking that:

- **Allow WASPI women who would be otherwise eligible early access to Pension Credit**
- **Allow WASPI women unlikely to regain employment when the lockdown ceases early access to State Pension**

WASPI ask that the Health and Social Care Committee support this call

4. The position of older workers pre pandemic

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.

This has since been recognised. The Independent Review of the State Pension Age: Smoothing the Transition [Final Report March 2017](#) (by John Cridland) stated that "People need at least 10 years notice of change and change itself should be limited to once a decade". For WASPI women the change was 6 years in one decade. It is now becoming known that a change of this magnitude was detrimental to our health and well-being. WASPI women felt they had done all that was asked of them to provide themselves with manageable retirement income; this was taken from them. They have since felt powerless and undervalued and are becoming less healthy as a result.

WASPI ask for compensation for all women affected by the change to SPa at a rate of 50% of the State Pension they would have received from their 60th birthday until their new SPA.

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](#), first published in May 2020, 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"

In November 2019 The Health Foundation published [Mortality and life expectancy trends in the UK: Stalling Progress](#). The report finds that

- “Actual improvements in life expectancy in the UK since 2011 have been particularly low among comparable countries. This is especially concerning given the UK already had a lower life expectancy than many similar countries prior to the slowdown, in particular for women (Figure 1, page 6)”
- “The LSE research found that there has been little, if any, improvement in mortality among women in the period 2011–2016, while men have continued to improve at a slow rate (Figure 11 page 24). This has been in the context of male life expectancy that is comparable with European peers, but a female life expectancy that is among the lowest, meaning that UK women are falling further behind from an already low starting position over this period.”
- “As shown in Figure 10, the male–female gap in life expectancy has been narrowing since around 1970, due to male life expectancy increasing faster than female. Since 2011, and the population-wide slowdown in the UK, this has been reflected in very slow improvements for men and no improvement for women. Certain subgroups have fared particularly badly, and gaining a better understanding of what is happening requires detailed exploration by age, sex and socioeconomic group.”
- “(Figure 12, page 25) shows that mortality improvements are reducing for all age groups, including 50 to 69-year-olds, with women faring worse than men.
- Page 27 “Wide socioeconomic inequalities exist in the UK in both life expectancy and healthy life expectancy (the number of years that someone can expect to live in good health). In England, life expectancy for women in the lowest decile for deprivation is 7.5 years lower than for those in the least deprived decile (78.7 years vs 86.2). The gap is even greater for healthy life expectancy, at 18.4 years (52.0 vs 70.4), meaning that women in the most deprived decile can expect not only to live shorter lives, but to live a greater proportion of their life in poor health.”

The report concludes that Government must look into the “causes of the causes” of worsening mortality. These common drivers – known as the ‘wider determinants’ of health – are the social, economic, commercial and environmental conditions in which people live. The literature review identified a notable absence of consideration of the wider determinants of health in previous attempts to understand the current mortality trends. However, these circumstances shape people’s exposure to risk factors.

These include “Social and Political” factors. The slowdown in mortality improvements and widening inequalities in mortality coincided with implementation of wide-ranging austerity policies. A number of commentators cited cuts to health and social care funding as drivers, including falling NHS performance, and cuts in spending on health and social care. ‘Austerity’ is a broad term that also includes numerous components including standards of living and changes in benefit systems, which have received less attention in terms of impact on mortality. Other studies do suggest wider impacts of austerity, including negative effects on homelessness, mental health and self-reported general health, but without a link to mortality.

In July 2020 The Lancet published a [report](#): “Population-based estimates of healthy working life expectancy in England at age 50-years: analysis of data from the English Longitudinal study of Ageing”. They found that healthy working life expectancy at age 50 was on average 9.432 years (10.94 years for men and 8.25 years for women).

Life expectancy was 31.76 (30.05 years for men and 33.49 years for women). The number of years expected to be spent unhealthy and in work from age 50 was 1.84 years in England overall.

Population subgroups with the longest healthy working life expectancy were the self-employed (11.76 years) or those with non-manual occupations (10.32 years), those with a tertiary education (11.27 years), those living in Southern England (10.73 years in the South East and 10.51 years in the South West), and those living in the least deprived areas (10.53 years).

WASPI women have been telling us for years that they are unable to continue working in certain occupations because of their health. This report confirms what we have known empirically to be the case. Women in their late-50s / early-60s are no longer physically able to continue working, so end up in the gig economy on zero-hour contracts, seasonal work, fixed term work, and short term contracts.

WASPI ask that all workers participate in a “working life MOT” process to lengthen their healthy working life, and to prepare them adequately for any career changes necessitated by not being capable of continuing in the same occupation into their late-60s.

WASPI women feel that the changes to their State Pension age was the first major “austerity” measure taken by Government. A [Daily Express article](#) published in Jun 2017 asks if the “massive savings” accrued was the real reason behind the SPa changes. It uncovers footage from an international conference of Finance Chiefs in 2013 where Mr Osborne boasted about the amount of money saved. He said: *“Tackling entitlement costs and the cost of an ageing society is a real challenge for Western democratic societies and in the UK we’ve brought forward the increase in pension age to 66 in this decade; we’ve brought forward the increase to 67 in the next decade and actually because of some reform taken some years ago the female pension age is increasing to 65 as we speak.*

“These changes, when you’re a finance minister, the savings dwarf almost everything else you do”.

“They are absolutely enormous savings and they enable you to go on providing a decent retirement income. So you’re not necessarily reducing the entitlement of people who are retired you’re just increasing the age when that entitlement kicks in”

The frustration and anger caused by those words affected the health and well-being of all WASPI women. We feel our entitlement was significantly reduced, as those savings were taken directly from our expected retirement income, and there has been absolutely nothing we could do about it.

WASPI reiterate their ask for compensation for all women born in the 1950s affected by the changes to State Pension laws are compensated. We suggest 50% of the State Pension rate for every week between their 60th birthday and their new SPa.

5. The economic situation of the WASPI generation

WASPI women started working in the late-1960s / early-1970s. The world of work was very different then. There was no free child-care. Often women had to pause their careers while they cared for their children. Those who had children before 1978 collected “Family Allowance” which did not qualify for National Insurance (NI) credits towards their State Pension. Until April 1977 married women were encouraged to pay reduced NI contributions (the married women’s stamp”. Although it was abolished for new contributions those who had already elected to pay the smaller contribution can continue to do so. In 2002 Paul Lewis reported that around 100,000 married women still pay the reduced rate and more than a million women under 60 have paid them at some time.

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.

The report finds that:

- Women aged 26 to 35 undertake the most unpaid work (34.6 hours on average per week compared with 17.4 hours for men in the same age group), suggesting that inequalities in unpaid work open up around the birth of the first child.
- The proportion of unpaid care for adults undertaken by women increased between 2000 and 2015. The gender disparity is most marked among those aged under 50, suggesting that the responsibility of caring for ageing parents falls primarily on women. Among those aged 50 and over, care is more likely to be for a partner and so more evenly shared, although 62.6% is undertaken by women.
- Unpaid work is vital to the functioning of society and the economy, and feminist economists have long argued for it to be recognised on par with paid work in systems of national accounting. Partly as a result of such campaigns, the ONS now publishes 'satellite household accounts' that value, in monetary terms, unpaid work. The most recent estimate, in 2014, put the total value of unpaid work at £1.01 trillion, or the equivalent to 56% of GDP

WASPI recommend that women (and men) who provide unpaid care work should be rewarded through the social care budget. Carer's allowance (£67.25 per week) is not sufficient. Unpaid carers should be financially compensated at the living wage rate.

6. Conclusions

WASPI accept that the State Pension age will need to change from time to time. We cannot accept that loading up to 8 years delay in a 10-year period on one generation of women was reasonable. We recognise that the Government is trying to do better for future pensioners. We ask that they recognise that women born in the 1950s, who were subjected to a completely different set of working circumstances than those enjoyed today, cannot cope with such a catastrophic change to their working lives.

We also ask that positive strategies are put in place to prepare all for a longer working life. A roofer is unlikely to be able to continue in that profession until his late-60s; a lorry driver with cataracts will need support until her eyes are corrected; those suffering from arthritis are unlikely to be able to continue working full time in a warehouse operation.

Those providing unpaid care should have that contribution recognised and be encouraged to save into a private pension to supplement their State Pension, thus reducing the burden on current taxpayers.

I would be happy to explain anything in this submission at an oral evidence session if required.

Written by Angela Madden

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