

Rishi Sunak suggests he could SCRAP pensions 'triple lock'

[Rishi Sunak](#) today suggested that the 'triple lock' on pensions may have to be broken this year to avoid a £3billion hit to Covid-battered public finances.

The Chancellor said concerns about the Government policy are 'completely legitimate' amid concerns state pensions may rise by 8 per cent because of the pandemic.

He said that any decision will be fair for 'pensioners and for taxpayers' after the Office for Budget Responsibility (OBR) predicted the increase from April.

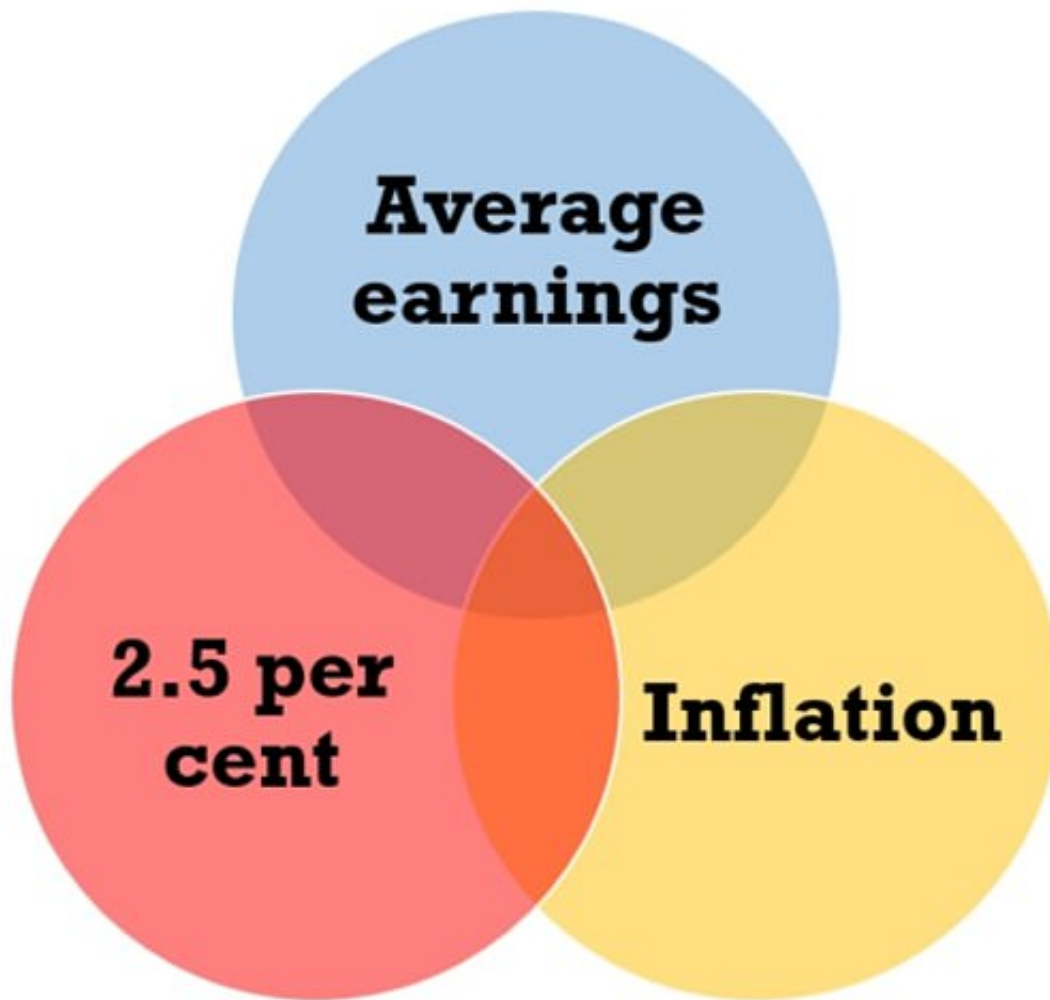
Mr Sunak declined to rule out an alteration to the Conservative manifesto pledge to maintain the triple lock on pensions, instead only noting that it is policy at the moment.

It guarantees that the state pension increases by the highest out of inflation, average earnings or 2.5 per cent.

But he told the BBC the lock could be 'redefined', perhaps hinting at a way it could be sidestepped without breaking the policy.



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The triple lock guarantees that the state pension increases by the highest out of inflation, average earnings or 2.5 per cent.

Sunak 'recognises people's concerns' over pension triple lock



'The triple lock is the Government's policy but I very much recognise people's concerns,' he told BBC Breakfast.

'I think they are completely legitimate and fair concerns to raise.

'We want to make sure the decisions we make and the systems we have are fair, both for pensioners and for taxpayers.'

Mr Sunak said the Government must 'wait for the actual numbers to be finalised', which he said are currently 'speculation', before looking at the policy 'properly at the appropriate time'.

But unusually strong recent rises in earnings as a result of the pandemic mean the payout is expected to sharply increase.

Average weekly wages rose by 8.4 per cent in the 12 months to April, according to figures from the Office for National Statistics.

This is as a result of artificially high earnings growth when comparing with a

year ago when wages were depressed while many workers were furloughed.

Many jobs lost have also been lower-paid roles.

The Chancellor's words were echoed by Prime Minister Boris Johnson, who told reporters: 'I think we have got to have fairness for pensioners and the taxpayers.'

Lord Willetts, president of the Resolution Foundation think tank, said: 'The Covid crisis has laid bare the design faults of the triple lock, with a severe jobs crisis last year inadvertently contributing to an unnecessary and unjustified 8 per cent rise in the state pension next year.'

'The Chancellor should take the opportunity this autumn to replace the triple lock with a smoothed earnings link. This would mean the state pension would rise in line with the living standards of working age people - a change that would be fair to all generations.'