

Women hit hardest by temporary break to state pension triple lock

Effect of scrapping pensions uplift on fairer sex 'must be considered'

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38pc of women depend on state pension alone

Women would be hit hardest by a temporary break in the pension triple lock, as they depend on state retirement income more than men.

State pensions are forecast to rise by as much as 8pc next year due to a quirk in how annual increases are calculated. The [triple lock](#) guarantees state

pension incomes will go up by the same rate as inflation, wage growth or 2.5pc – whichever one is highest.

But unusually high rises in earnings data skewed by the crisis and workers dipping in and out of furlough have caused a one-off “out-of-line” spike in wage growth.

[Chancellor Rishi Sunak has hinted](#) he is willing to heed calls and temporarily scrap the guaranteed annual increase to dodge the bumper uprating, which is expected to cost taxpayers £3bn. He said it was important to strike a fair balance for both pensioners and taxpayers.

However, cancelling the rise could leave women struggling, experts have warned.

Amanda Latham of consultants Barnett Waddingham, said the pension system was “inherently biased towards men” and that women were “twice as likely as men to be walking into retirement with insufficient funds”.

“Women are disadvantaged if they have children or other family caring responsibilities, with the impact of career breaks a driving factor behind them having less pension savings. And with more women working in lower skilled or zero-hour contract roles, too many are falling outside [workplace pensions],” she said.

“With the Government under increasing pressure to suspend the triple lock, it’s essential that they do not lose sight of who the state pension supports. The state pension will be the only source of income in retirement for a large proportion in the UK – and for many, it is simply not enough to cover the costs of a comfortable retirement.

“If the Chancellor is to consider scrapping the triple lock, he must carefully

consider the possible disadvantages to different socio-economic groups," she added.

Almost two fifths of women over the age of 55 do not have private pension savings and rely solely on the state pension to fund their retirement. This level drops to 17pc among men of the same age group, according to polling from the firm.

Pension saving among millennial men and women is roughly equal, thanks to rules which require most firms to automatically enrol workers in to retirement savings plans, known as auto enrolment.

However, a gap between the sexes emerges in later life, as women typically take more time out of work or leave altogether to bring up children, contributing to lower earnings and savings levels. Around half of women aged between 45 and 54 have a workplace pension, compared to around two thirds of men, the research found.

It is a difficult issue for the Government, [which is currently under investigation](#) for underpaying an estimated £3bn in state pension income to around 200,000 women due to historical clerical errors at the Department for Work and Pensions. The true number of women affected may be even higher as the Government has said its own best guess was "highly uncertain".

It has pledged to correct the underpayments, which date back to the early nineties.

It is due to make a decision on to what level the state pension will be increased to in its annual review, which typically takes place around November.

HM Treasury sources have suggested that there is still "material uncertainty"

over official forecasts and whether there will still be a spike in earnings data at the time the triple lock decision needs to be made, meaning a temporary break to avoid the large 8pc rise may not be needed at all.

A Government spokesman said: “The Government carefully considers the equalities impacts of all its policy decisions, and our primary focus is to ensure fairness for both pensioners and taxpayers.”