

Pensions triple lock guarantee is safe says Cabinet Minister

THE "triple lock" pension guarantee is safe despite rumours it could be weakened because of its soaring cost, a Cabinet minister has said. Business Secretary Kwasi Kwarteng signalled that the Chancellor would keep the manifesto promise that guarantees the state pension will increase in line with inflation, earnings or 2.5 percent - whichever is higher.

By [Sarah O'Grady, Daily Express Social Affairs Correspondent](#) PUBLISHED: 10:05, Tue, Jul 20, 2021 | UPDATED: 10:10, Tue, Jul 20, 2021



Business Secretary Kwasi Kwarteng (Image: Getty)

But wage growth was 7.3 percent in the three months to May and 8.6 per cent annually, due to those on furlough returning to full wages. Mr Kwarteng told LBC yesterday: "I think it is safe. I've always been of the view that we should stick to the words in the manifesto.

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"Of course, things have happened, like Covid. Like the fact that we spent £350 billion in one year to support the economy.

"I think any government, any group of politicians or civil servants will debate how we can raise the money.

"But as far as I am concerned, the triple lock is still here." A 7.3 percent rise

would push the basic state pension from £137.60 a week to £147.65.

Those who have recently become pensioners claiming the new flat-rate state pension will go from £179.60 a week to £192.70

The bill will be an additional £6.7billion in 2022/23 - £4.4billion more than if the pension rose in line with consumer price inflation or 2.5 percent.

The Office for Budget Responsibility recently said that pensioners could see payouts rise by as much as eight percent from April 2022 due to guarantee.

Chancellor Rishi Sunak has not ruled out changes to the policy, acknowledging that concerns are "completely legitimate" and that any decision will be fair for "pensioners and for taxpayers", a view echoed by Boris Johnson.

Steven Cameron, pensions director at financial services firm Aegon, said: "There will be questions around fairness if state pensioners receive eight percent, paid for by today's workers, which is far above the pay rises those workers will typically have received."

But Jan Shortt, general secretary of the National Pensioners Convention, said: "The triple lock is there because of a poor state pension and to combat poverty.

"However, the increase in state pension retirement age not only saves the government money on pensions, but it also rakes in more in taxes and National Insurance contributions.

"A decent state pension is affordable and the triple lock is not unfair to workers."