

UK state pension to rise by 3.1% in 2022

By [Lois Vallely](#) 20th October 2021 9:04 am

The UK state pension is set to increase by 3.1% in 2022/23, in line with September's Consumer Prices Index (CPI) inflation figure.

The Office for National Statistics (ONS) revealed today that CPI inflation measured 3.1% in September 2021. This is slightly lower than 3.2% in August.

The state pension payment is protected by a "double lock".

This means next April it would rise by whichever is higher out of September's rate of inflation or a minimum of 2.5%.

[The "triple lock" has been temporarily suspended by the government](#), because of high earnings growth following the pandemic.

[Chris Curry: Scrapping the triple lock could hurt the young](#)

If the earnings element of the triple-lock had been retained, the state pension could have increased by 8.3% next year.

AJ Bell analysts predicted the Treasury will save £4.5bn as a result.

AJ Bell head of retirement policy Tom Selby said: "The good news for retirees is the state pension is set to increase by 3.1% next year, boosting the incomes of those in receipt of the full flat-rate benefit by £5.55 a week.

"The basic state pension, meanwhile, is set to rise by £4.25 to £141.85 per week.

“However, the government’s decision to suspend the earnings element of the state pension triple-lock means retirees will miss out on a blockbuster 8.3% increase.

“This decision will ‘cost’ someone in receipt of the full flat-rate state pension £9.35 a week in retirement income – or £486.20 over the course of the year.

“Each 1 percentage point increase in the state pension costs the Exchequer an estimated £900 million, meaning the Treasury is likely to save around £4.5 billion as a result of the move.”

Canada Life technical director Andrew Tully said: “Despite government efforts to keep the lid on pension increases through the temporary double lock, the UKs runaway inflation data published today results in state pensions increasing by £5.55 a week for those on the new single tier system.

“But it’s a less generous uplift for those on the old pre-2016 system, at £4.25, although most will get some additional benefit through the additional state pension. While these are the headline figures many people will receive a smaller state pension.

“However, the boost to state pensions will be welcomed by many retirees who are looking to balance household budgets with the inflationary headwind of ever-increasing bills.

“Despite what many may consider to be a generous uplift in the state pension, the UK system remains one of the least generous in the western world.

“Any future attempt to reduce the value of the state pension by moving to a permanent double-lock would risk a serious retirement rebellion from millions of voters and any government would be foolish to ignore that.”