

# State pension triple lock could be scrapped for good - 'This is worrying'

FEARS are growing about whether the state pension triple lock will return after its one year suspension, and a pension and savings expert has weighed in on the possibility.

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The suspension of the triple lock last month was criticised by many, yet the amended proposal made by the [House of Lords](#) last week was rejected by parliament. The mechanism used to calculate the annual state pension rise has been temporarily replaced by the double lock, and many fear this indicates the beginning of the end for the triple lock.

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The triple lock ensured a rise in state pension aligned with the highest between inflation, wage increases or 2.5 percent.

However, due to the unprecedented employment situation and the furlough scheme during the pandemic, there would have been an eight percent increase in state pension payments due to the earnings element.

Considered to be an artificial increase due to the pandemic, this element of the triple lock has temporarily been suspended, and it means pensioners will receive a rise of 3.1 percent, falling short of the predicted four percent rise in inflation over the next year.

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The temporary suspension of the triple lock could see a more permanent removal in the future (Image: GETTY)

While many are upset about the suspension, some fear it showcases the power the government has to simply scrap triple lock altogether.

Becky O'Connor, head of pensions and savings at Interactive Investor, last week commented: "The Government refused to budge on its decision to scrap the earnings element of the state pension triple lock, despite a proposed amendment from the House of Lords that could have solved the problem of this year's higher earnings figure causing an artificially high increase in April next year."

She noted that it was "disappointing" to see that a better alternative would not be agreed upon to protect pensioners from ever-rising inflation.

She continued: "There is a real risk that some pensioners will struggle to stay warm and well fed this winter.

"But the longer-term threat is that the door is now open for the state pension triple lock to be scrapped for good.

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“This is worrying.”

As government has sole control over whether the triple lock will return at all after its suspension, Ms O'Connor noted that it is incredibly worrying for those retiring far off in the future.

“For future generations of workers, who might one day depend on the state pension for the bulk of their retirement income, the chipping away of the triple lock is concerning.”

The House of Lords amendments to the bill was seen as the last hope for pensioners hoping to keep costs at bay during the next year.

The Lords amendments saw an alternative to the record high eight percent increase whilst still keeping triple lock in place.



The confirmed state pension rise for next year is still 0.9 percent below expected inflation (Image: GETTY)

However, a fiery debate in the House of Commons saw voters splitting hairs with a result of 300 to 229 to scrap the triple lock. **READ MORE**

Ros Altmann, who led the revolt in the Lords, was reported by the Daily Mail as saying: “Three hundred MPs voted with the Government to put more pensioners into poverty. Don’t they understand how low our state pension is and how many elderly people rely on this for most or all their income?”

“Telling people in their 90s who can’t afford their heating it’s just for one year doesn’t help.”

Pensions Minister Guy Opperman has defended the suspension by saying that using the Lords’ suggested alternative was “not possible”.



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“Office for National Statistics experts investigated whether it was possible to produce a single robust figure for underlying earnings growth that stripped out impacts from the pandemic,” he commented.

“They concluded this was not possible.”

At present, the 3.1 percent rise will see the full basic state pension increasing by £4.25 per week to a total of £141.85 per week.

The full new state pension will be increasing by £5.55 to £185.15 per week.