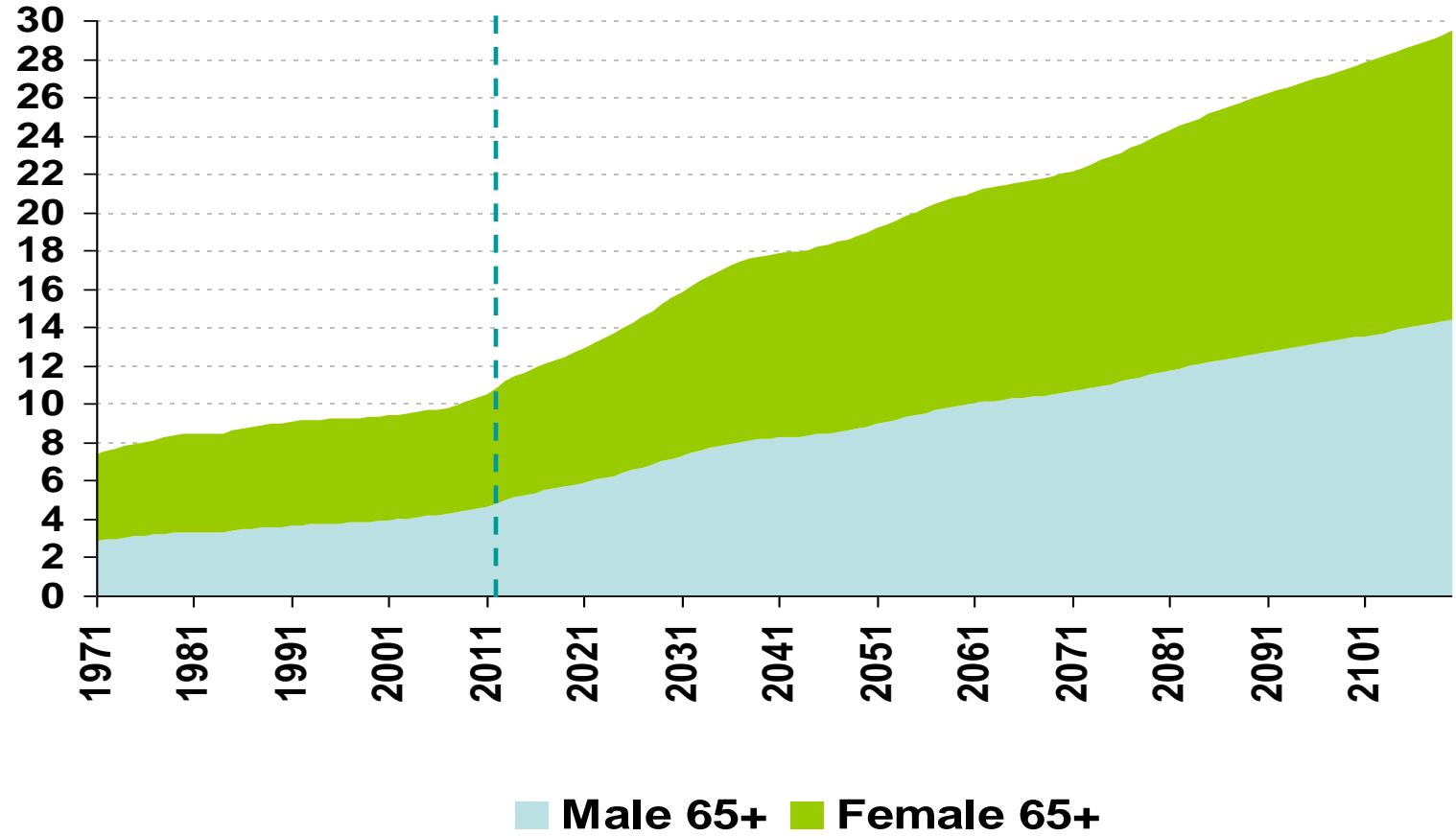


Justin Russell

Director - Ageing Society and State Pensions

# Over 65s in the population 1971 to 2110 (United Kingdom) – Millions



Source: ONS

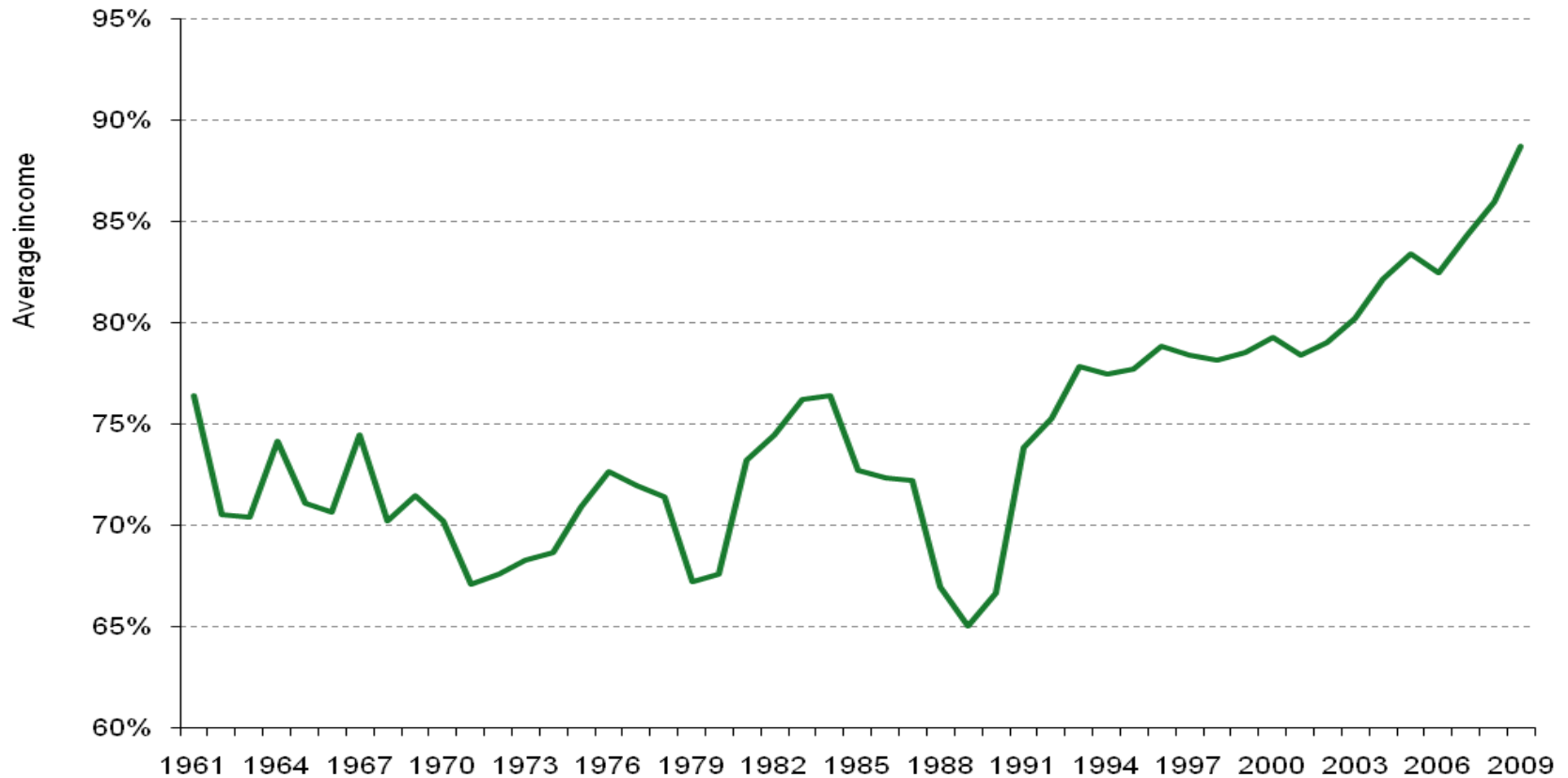


# The Pensions Commission:

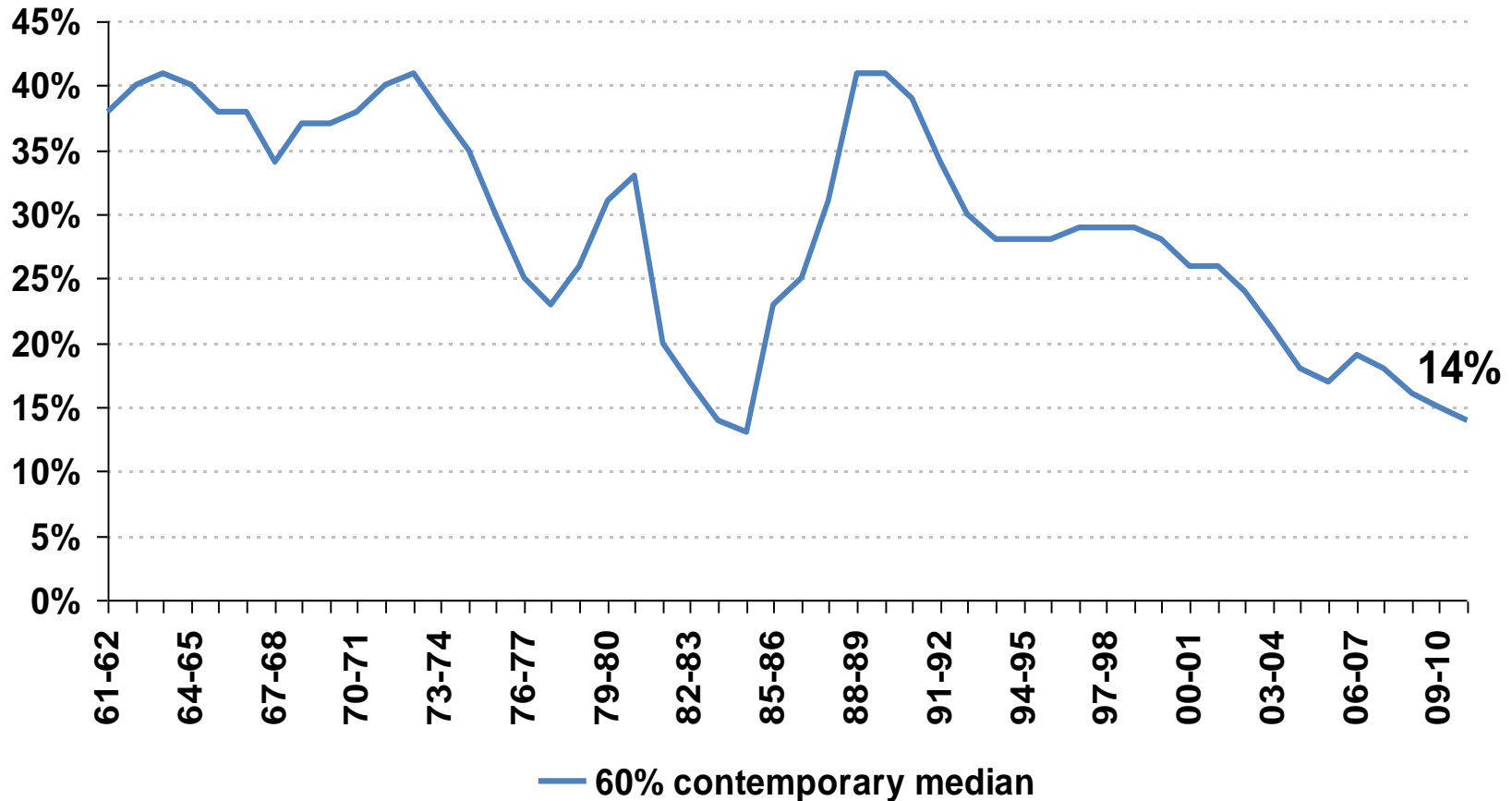
Government, and individuals, have a choice:

- Spend more (& more taxes)
- Save more
- Work longer
- Poorer pensioners

# Pensioner incomes have increased over the past twenty years



# Pensioner poverty – percentage with income below 60% median (AHC) over time



Source: IFS (pre 1994/95) and DWP HBAI series 2009/10 (1994/95 onwards)

# DWP's priorities.

Promoting saving to ensure a firm foundation for retirement

Maintaining standards of living in later life

# Maintaining standards of living in later life

# Increasing the State Pension.

- A 'triple guarantee' to increase the basic State Pension by the highest of earnings, prices or 2.5%
- An equivalent cash increase in Pension Credit standard minimum guarantee

## **basic State Pension**

From April 2009 - £95.25

From April 2013 - £110.15



# The Winter Fuel Payment.

Assurance to older people that they can keep warm during the colder winter months because they know they will receive help with their bills.

The Government has kept Winter Fuel Payments at:

- £200 for a household with someone at women's State Pension age; and
- £300 for a household with someone aged 80 and over.

In winter 2012/13, Winter Fuel Payments were made to over 9million households. Cost of £2.15billion.

# Cold Weather Payment/Warm Home Discount.

The Government permanently increased the **Cold Weather Payment** from £8.50 a week to £25 a week.

In winter 2012/13, there were 5.84 million Cold Weather Payments at an estimated cost of over £146million.

And

Over 1.1million of the poorest pensioners will receive a discount of £135 off their energy bill in winter 2013/14 through Warm Homes Discount Scheme.

# Compulsory retirement fully abolished.

- We have removed the ability of employers to set a default retirement age.
- Now that the Default Retirement Age has been abolished, most people can now retire when the time is right for them
- Over 1 million people are now working past the age of 65 – one of the fastest growing sections of the labour market

# Promoting saving to ensure a firm foundation for retirement

# Automatic Enrolment.

- Introduction of automatic enrolment into workplace pension schemes from October 2012.
- Over 1.65 million automatically enrolled so far across 2,250 employers.

# Single Tier Pension from 2016 .

- **Pensions Bill** in Parliament – introduces a flat rate, single tier state pension from April 2016 – replacing the Basic State Pension and additional State Pension for all new pensioners and reducing need for Pension Credit. Start rate £144(?) for 35 years contributions (In 2012/13 prices)
- Single tier will provide a simpler foundation for automatic enrolment and to encourage private saving.

# Increasing the State Pension Age

- Pensions Bill increases state pension age to 67 by 2028
- New mechanism for reviewing need for further changes to State Pension Age every 5 years

# Across Government.

A few examples..

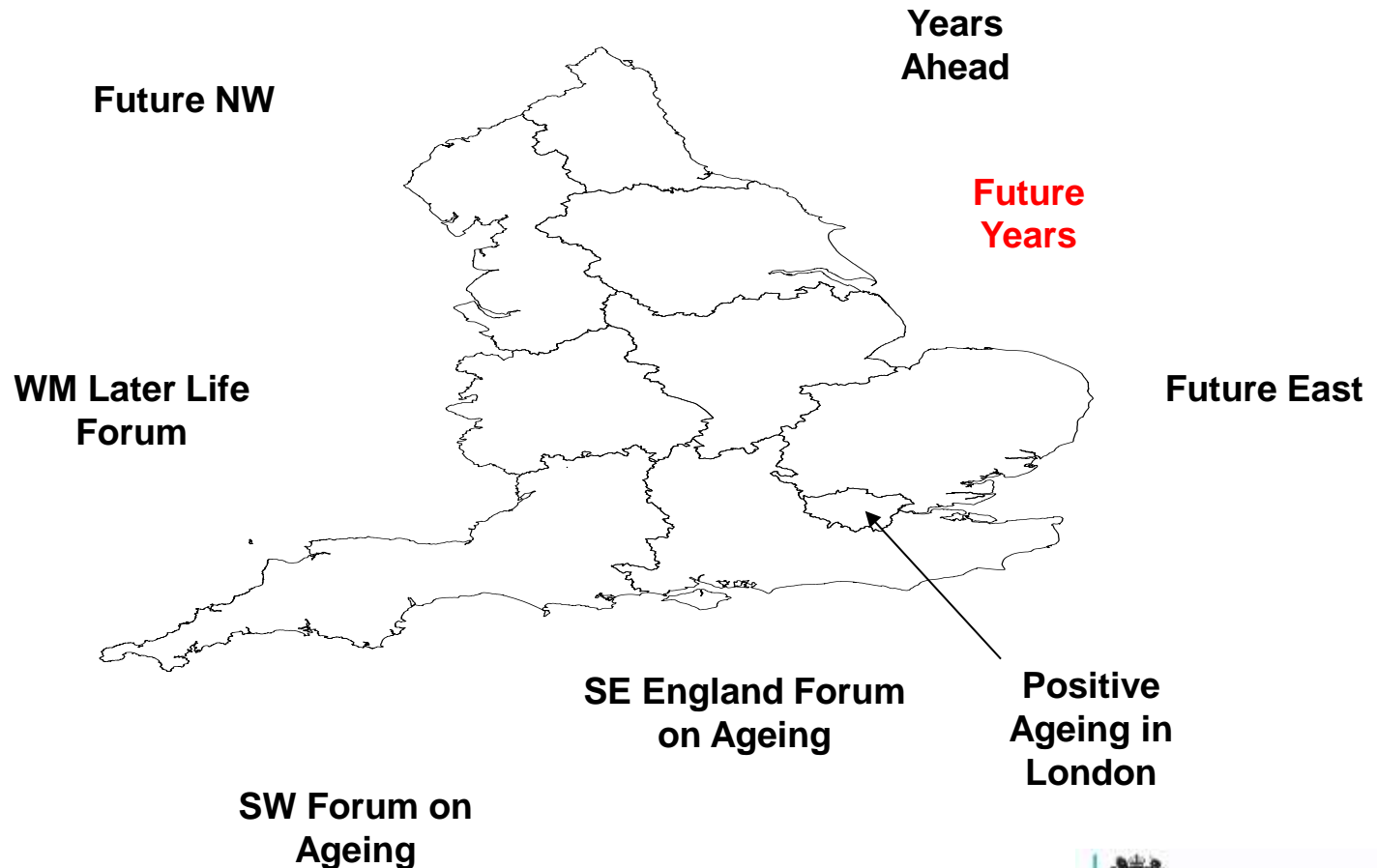
- The introduction of a cap on the costs that people will have to pay for social care and a universal deferred payment so that people will not have to sell their home in their lifetime to pay for residential care
- Backing for a new Big Lottery Fund supported Centre for Ageing Better to receive up to £50m of Lottery funding.
- Introducing the Care Bill to Parliament - changes to make the care system clearer and fairer, with a greater emphasis on choice and promoting well-being.



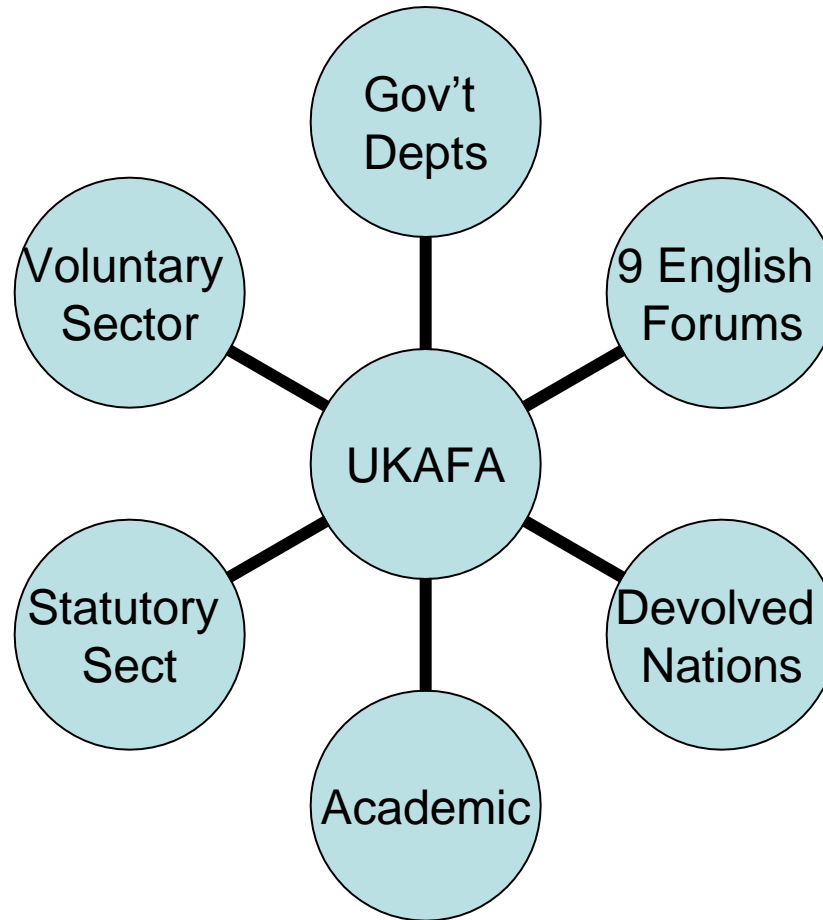
# Opportunities to get involved.

- Our ageing population will change our society in many ways. Expectations are changing. People are living healthier, more active lives and for longer than their parents or grandparents.
- Older people need to be at the heart of the debate, helping to shape a society that meets their needs, hopes and aspirations.

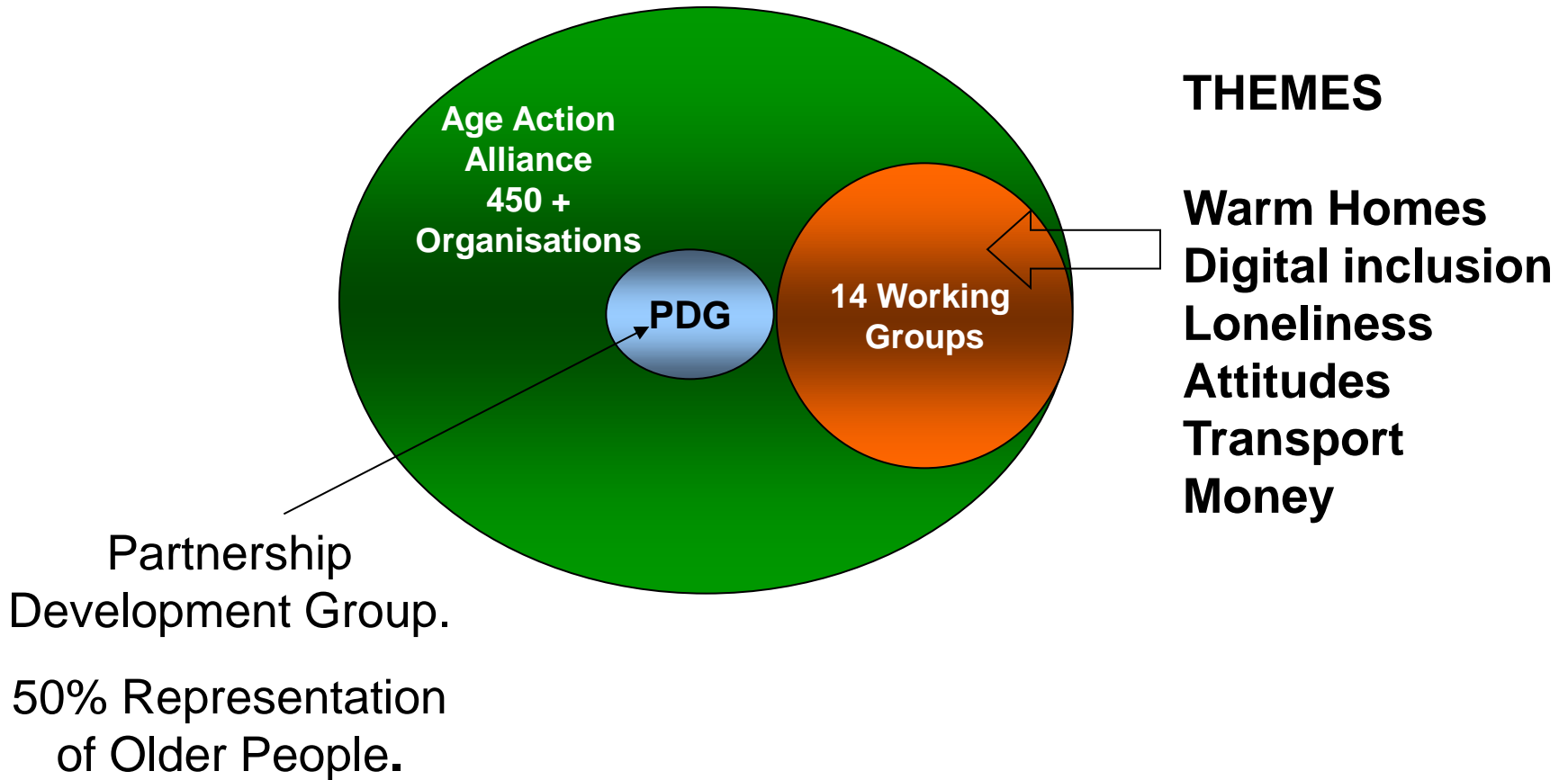
# Regional Engagement.



# UK Advisory Forum on Ageing. (UKAFA)



# Age Action Alliance



# Older People's Day

**FULL  
OF LIFE**

- **Last year it is estimated over a million people took part in over 6,000 events throughout the UK.**
- We expect to exceed that figure this year with even more people involved across the UK



Thank You.

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