



Single-tier State Pension – women born between April 1951 and 1953

Standard Note: SN 6620
Last updated: 14 March 2014
Author: Djuna Thurley
Section: Business and Transport Section

The [Pensions Bill 2013-14](#) would introduce a single-tier State Pension for future pensioners from April 2016. People who have already reached State Pension age (SPA) before it is implemented will continue to receive their State Pension under current rules. In the first ten years after implementation, the single-tier pension is particularly expected to benefit people with low amounts of additional State Pension entitlement, such as the self-employed and women who took time out of the labour market due to caring responsibilities before 2002.

An implementation date of 6 April 2016 would mean the single tier pension would apply to men born on or after 6 April 1951 and women born on or after 6 April 1953. This means that there is a group of women born between 6 April 1951 and 5 April 1953 who will not be eligible for the single-tier pension, although a man born on the same date may be. The reason for this is that the SPA is still unequal in April 2016.

A number of women born in the early 1950s have expressed concern at what they see as a dual adverse impact of the increase in their SPA under the *Pensions Act 1995* and their non-eligibility for the single-tier pension. The Government has responded that women in this cohort will be able to draw their State Pension earlier than the men. Furthermore, it says they have the option of increasing their State Pension entitlement by deferring their claim.

Opposition amendments to the Bill in the House of Commons (in Public Bill Committee and at Report Stage) to require a review of the position of women in this cohort were defeated on division. The issue was debated again in the House of Lords but no amendment was made to the legislation.

This note looks at the different views expressed around the issue that this cohort of women will not be eligible for the single-tier pension. The Government's proposals for state pension reform are discussed in more detail in Library Standard Note SN 6525 [Single-tier State Pension](#).

This information is provided to Members of Parliament in support of their parliamentary duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as being up to date; the law or policies may have changed since it was last updated; and it should not be relied upon as legal or professional advice or as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

Contents

1	Background	2
1.1	The current system	2
1.2	The single-tier State Pension	3
1.3	State Pension age	5
2	Work and Pensions Committee inquiry	6
3	Change in implementation date	8
4	Debate on the legislation	10
4.1	Houses of Commons	10
	Public Bill Committee	10
	Report Stage	12
4.2	House of Lords	14
	Grand Committee	14
	Report stage	15

1 Background

A number of women born in the early 1950s have expressed concern at what they see as a dual adverse impact of an increase in their State Pension age and the fact that they will not be eligible for the Single-tier State Pension.

1.1 The current system

The current UK state pension has two tiers.

- The first tier is provided by the State and consists of the basic State Pension (BSP) which is a contributory, flat-rate benefit. People with a full record of National Insurance Contributions (NICs) qualify for the BSP when they reach State Pension age (SPA). The level of a full BSP for a single person in 2013/14 is £110.15 per week. The number of qualifying years needed for a full BSP for people reaching State Pension age from 6 April 2010, is 30.¹
- The second tier is the additional State Pension, which is partly earnings-related. People have accrued entitlement through the State Earnings Related Pension Scheme (SERPS) between 1978 and 2002 and the State Second Pension (S2P) from April 2002.² Unlike SERPS, S2P provides a second pension for some carers and disabled people. Its structure is more generous to low earners.³

¹ *Pensions Act 2007*, s1

² Between 1961 and 1978, earnings related provision was provided through Graduated Retirement Benefit

³ For more detail, see Library Standard Note SN 255 [State Second Pension](#) (10 January 2013)

For a number of reasons, women have traditionally had lower State Pension entitlement than men. DWP's April 2011 Green Paper identified this as one of its reasons for reform:

54. The fact that women tend to have poorer outcomes than men in the current state pensions system is an issue that has been consistently highlighted. Recent figures confirm that, on average, women tend to get around £40 less state pension than men¹⁷. Women are also more likely than men to be in poverty as pensioners – around two-thirds of Pension Credit claimants are women.

'Eligibility for the basic State Pension has historically been complicated ... These rules meant that many people, mostly women, did not have enough credits for the full basic State Pension and accordingly receive a pro-rata pension.'

55. The comparatively poorer state pension outcomes for women can be seen to result from the fact that, historically, women have tended to have lower earnings and were less likely to have a sufficient number of qualifying years to get a full basic State Pension. They were also less likely to become entitled to a comparable level of additional State Pension because periods spent outside the labour market caring for children were not recognised in the additional State Pension until 2002.

56. As part of the *Pensions Act 2007*, reforms were taken forward in an attempt to reduce inequalities for women in the state pensions system. Key measures included reducing to 30 the number of years needed to qualify for a full basic State Pension and introducing more generous credits for carers to ensure more people, particularly women, could become entitled to a higher level of State Second Pension.

57. However, it will take time for these measures to translate into improved pension entitlement. The proportion of women qualifying for a full basic State Pension will not catch up with men until around 2020. It will take a further 30 years, until 2050, before women reach comparable outcomes with men in the State Second Pension.⁴

1.2 The single-tier State Pension

In its January 2013 White Paper, the Government set out its proposals to reform the state pension system by combining the current two-tiers of the State Pension into a Single-tier State Pension (STP) for future pensioners from April 2017 at the earliest. People reaching SPA before implementation would continue to get their State Pension under the current system. Key features of the STP were explained as follows:

14. The single-tier pension will:

- be set above the basic level of means-tested support (the Pension Credit Standard Minimum Guarantee, currently £142.70 per week for a single pensioner). The current legislative requirement to increase the basic State Pension at least in line with average growth in earnings will also apply to the single-tier pension. For illustrative purposes, this document assumes uprating of the single-tier pension by the triple lock, in line with coalition policy for uprating the basic State Pension;
- replace the State Second Pension, contracting out and outdated additions, such as the Category D pension and the Age Addition. The Savings Credit element of Pension Credit will also close to pensioners reaching State Pension age after the implementation of the single-tier pension;
- require 35 qualifying years of National Insurance contributions (NICs) or credits for the full amount. There will also be a minimum qualifying period of between seven and

⁴ DWP, [A State Pension for the 21st century](#), April 2011, chapter 1

ten qualifying years (modelled as ten throughout this document). Those with fewer than 35 qualifying years but above the minimum qualifying period will receive a proportionally smaller single-tier amount;

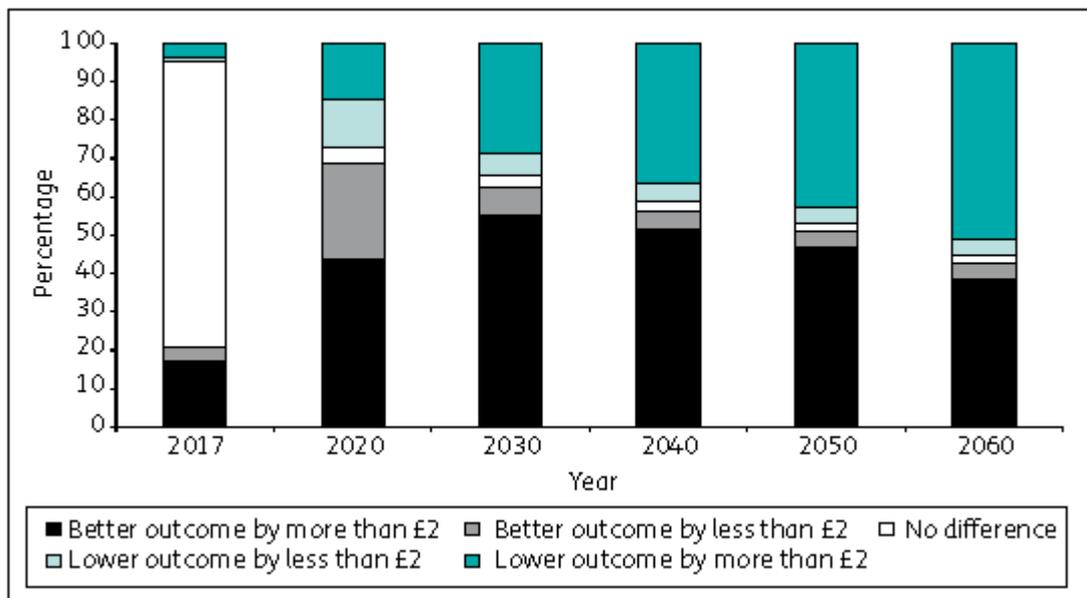
- be based on individual qualification, without the facility to inherit or derive rights to the state pension from a spouse or civil partner; and
- continue to allow people to defer claiming their state pension and receive a higher weekly state pension in return. The deferral rate will be finalised closer to the planned implementation date. It will no longer be possible to receive deferred state pension as a lump-sum payment.⁵

The Government expects the reforms to result in some future pensioners receiving slightly more income in retirement than if the current system continued, and others receiving slightly less:⁶

103. The single-tier reforms have been designed to cost no more than the current system overall. As such, they result in some future pensioners receiving slightly more income in retirement than if the existing system continued and others receiving slightly less. However, subject to the satisfaction of the minimum qualifying period, future pensioners will not receive a state pension amount lower than the valuation of their National Insurance record as at implementation under existing system rules.

104. Departmental modelling allows a comparison of projected incomes for future pensioners under the single-tier system and the current state pension system rolled forward. This is illustrated in Chart 4.3.

Chart 4.3: Proportion of pensioners reaching State Pension age after implementation with notional higher or lower incomes compared to the current system⁵⁹



In the first ten years after implementation, the STP is particularly expected to benefit people with low amounts of additional State Pension entitlement, such as women who took time out of the labour market due to caring responsibilities before 2002 and the self-employed:

⁵ DWP, [The single-tier pension: a simple foundation for saving](#), January 2013, Cm 8528, p8-9

⁶ Ibid, p59

84. The main reason that notional outcomes for women improve more quickly in the early years is because the single-tier valuation most benefits lower paid and part time workers, who are predominantly women. In 2017, almost half of women reaching State Pension age would get a notionally higher state pension as a result of the single-tier valuation, with around 1 in 7 men also benefiting from this element of the reform. This mechanism results in the gap between average pension outcomes for men and women closing more quickly for early cohorts.

85. As a result of the single-tier valuation, around 750,000 women who reach State Pension age in the first ten years after the single-tier pension is implemented will receive an average of £9 per week more in state pension (in 2012/13 prices)[...].⁷

For more detail, see Library Standard Note SN 6525 [Single-tier State Pension](#).

1.3 State Pension age

The State Pension age has been increased in stages:

- Legislation to increase women's State Pension age (SPA) from 60 to 65 between April 2010 and 2020 was introduced under the [Pensions Act 1995](#). This affected women born on or after 6 April 1950.

- The Labour Government then legislated in the [Pensions Act 2007](#) to increase the equalised SPA to 66 over two years starting from April 2024, to 67 over two years starting in April 2034, and to 68 over two years starting in April 2044.⁸

- In November 2010, the current Government announced that it would accelerate the increase in the SPA to 66. The reason given was increased projections of life expectancy since the timetable legislated for in 2007 was set.⁹ The [Pensions Act 2011](#) accelerated the increase in women's SPA from April 2016, so that it will reach 65 in November 2018. The equalised SPA will then increase to 66 by October 2020. This legislation affected women born on or after 6 April 1953 and men born on or after 6 December 1953.¹⁰

The chart below shows how the State Pension age for women is changing:

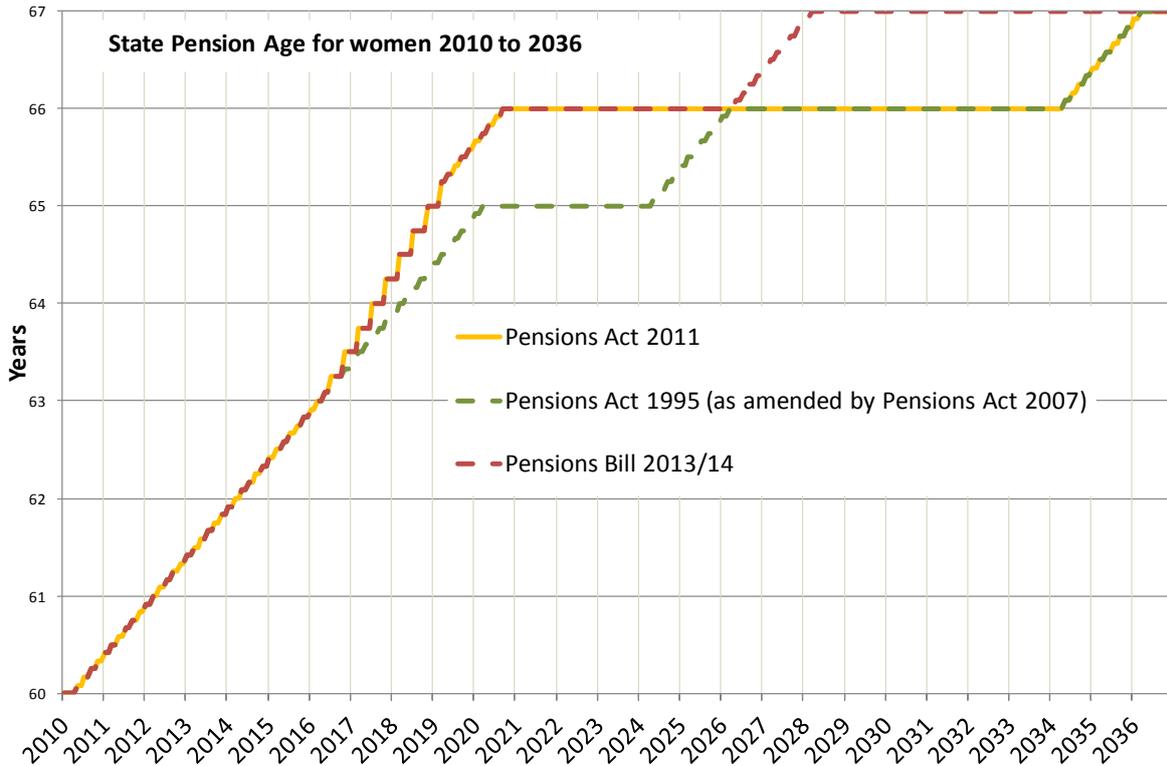
- The red line shows the timetable for increases to 67, taking into account the [Pensions Bill 2013/14](#);
- The yellow line shows the timetable after the [Pensions Act 2011](#);
- The green line shows the timetable in previously existing legislation (the [Pensions Act 1995](#) as amended by the [Pensions Act 2007](#)).

⁷ DWP, [Pensions Bill impacts – Annex A -Single-tier impact assessment](#)

⁸ Section 13

⁹ DWP, [A sustainable State Pension: when the State Pension age will increase to 66](#), CM 7956, November 2010, p12-13

¹⁰ For more detail, see Library Standard Note SN 6546 [State Pension age 2012 onwards](#) (12 March 2013).



This is discussed in more detail in Library Standard Note SN 6546 [State Pension age – 2012 onwards](#) (9 September 2013).

2 Work and Pensions Committee inquiry

The Work and Pensions Select Committee undertook pre-legislative scrutiny of the Government’s proposals. It heard from many women born between 1952 and 1953, who believed that they would suffer a double adverse effect on their State Pension income, arising from the increases in the SPA combined with their ineligibility for the STP. In particular, there was concern regarding some 85,000 women born between 6 April and 5 July 1953 who had had their SPA increased a second time under the *Pensions Act 2011* and would just miss out on eligibility for the STP (had implementation been in April 2017).¹¹

In evidence to the Committee, Professor Jay Ginn argued that, in view of the fact that women in this group were having their SPA increased and were typically heading for relatively low state pension incomes, it would not be unreasonable for them to receive the STP when it was introduced.

Women in this narrow birth cohort are caught between two pieces of legislation, the 1995 Act and the 2013 Bill. On the one hand they must pay NI for several extra years and receive their state pension later than older women for whom SPA was 60; on the other, they receive a lower pension than men and women whose SPA is a few years later. This is a double blow for women born at the wrong time, for whom the stated intention of STP proposals to reduce gender inequality in state pensions will be frustrated: instead it will be magnified. Since men were allowed men to receive WFP (Winter fuel payment) at women’s SPA, it would not be unreasonable for this relatively *small group of women to receive the STP when it is introduced*.¹²

¹¹ [Work and Pensions Committee, The Single-tier State Pension: Part 1 of the draft Pensions Bill, HC 1000, 4 April 2013](#)

¹² [Written evidence to the Work and Pensions Committee enquiry on the Single-tier State Pension](#)

However, Pensions Minister, Steve Webb said DWP analysis showed that most women in this cohort (85%) would receive more in lifetime state pension and other benefits under the current system than they would if they had an SPA of 65 and received the STP:

The criticism seems to be that it is not fair because, if they were men, they would get a Single-tier Pension; because they are women, they will not. We asked ourselves, "What if, hypothetically, you sent each one of these women a form and said, 'Would you like to be a man? Would you like to have your National Insurance record but be treated as if you were a man born on the same day?'" In other words, they would be a Single-tier pensioner but at male State Pension age. Overwhelmingly, 85% of the women in the two groups would do better where they are than if they had the whole package that a man born on the same day gets, which is a 65 State Pension age and a Single-tier Pension.

Glenda Jackson: You mean retaining their present gender, they would be in a better position.

Steve Webb: Better off, yes, absolutely. That might not be the happiest phrase I have ever used, I suppose. The point is that, typically, we have looked at these women's position under the current system, and they get about £127 a week. With their National Insurance record, they typically get about £133 under the Single-tier, so they would be about £6 a week better off. That is what they are missing out on. It is not £40 or whatever; it is £6 on average. That is what our figures tell us but, on average, they would have to forgo between £7,000 and £20,000 worth of pension if they waited until they were 65, which is what a man would have to do. That is the situation at the moment.¹³

Age UK suggested this group of women could be given the option of being treated as a man with the same date of birth:

12.4 There is a particular group of women born between 6 April 1952 and 5 July 1953 who feel aggrieved that they will just miss out on the single tier State Pension whereas men born between those dates will be in the new system. Some who will reach SPA in March 2017 complain that they have had their SPA put back twice and now find that they will not benefit from the single-tier.

12.5 We acknowledge that if the single-tier is introduced from a specific date then there will always be a cliff edge. However we believe the Government should consider whether specific provisions should be introduced for this group—for example giving them the option of being treated as a man with the same date of birth.¹⁴

However, the Minister said this would create new problems:

[...] if you were to say to people now, "You can either be who you are or treated as a man," then we would have to give people information about which would be better for them. Of course, we do not yet know in advance who would need the Savings Credit, because Single-tier pensioners do not get the Savings Credit; current pensioners do.

What would happen if a woman chose to be treated as a man, did not get the pension until they were 65, were on a low income, came to us for Savings Credit, and we said, "Sorry, you have just rejected Savings Credit because you chose to be treated as a

¹³ [Work and Pensions Committee, the Single-tier State Pension: Part 1 of the draft Pensions Bill, HC 1000, 4 April 2013, Q170; DWP, Note on the cohort of women born between 6 April 1952 and 5 July 1953, March 2013](#)

¹⁴ [Written evidence to the Work and Pensions Committee's enquiry on the Single-tier State Pension](#)

Single-tier pensioner"? They would say, "Why didn't you tell me three or four years ago?" We would say, "We did not know you were going to be a low income pensioner in retirement, because we did not know what was going to happen." There are a lot of issues of that sort. As soon as you try to give people choices and options, when you do not know for sure who would be better off, you create new losers, new complaints, appeals and options. It just gets very messy. As I say, I am not convinced that the vast bulk of women in this group actually would do better if they were men on the same day. They clearly would not.¹⁵

The Committee concluded that:

167. For the women in the 1952 to 1953 cohort who may not be eligible for the STP even with the earlier implementation date, it is in any case far from clear that all of them would have been better off under the STP. We note the option available to them to defer taking their State Pension under the current system. The favourable incremental rate that deferral offers would enable women in this position who can afford to wait a few years to begin claiming State Pension to build up an amount equivalent to the STP. Those who cannot afford to defer taking their pension may be entitled to Pension Credit.

168. It is important that women who are affected by the increases in their State Pension Age understand their individual State Pension circumstances. We believe that this group should be prioritised as part of the overall communications strategy for the STP. We recommend that DWP publish detailed information on its website to help this cohort of women to calculate their State Pension entitlement. This should explain the option to defer taking the current State Pension, and set out the benefits this offers.¹⁶

3 Change in implementation date

At the time of publication of the White Paper, the Government proposed to introduce the STP from April 2017 at the earliest. On this basis, women would be eligible if they were born on or after 6 July 1953 and men if they were born on or after 6 April 1952. On this basis, a woman born between 6 April 1952 and 5 July 1953 would not qualify for the STP, although a man born on the same date might do. DWP estimated that there were approximately 430,000 women in this cohort.¹⁷

On 19 March 2013 (after the Work and Pensions Committee had taken evidence but before it had reported), the Government announced that implementation would be brought forward to April 2016. He explained that this would mean that:

[...] around 400,000 more people will reach state pension age under single tier, including every woman affected by the acceleration of the state pension age equalisation process in the *Pensions Act 2011*.¹⁸

An implementation date of 6 April 2016 would mean that women born on or after 6 April 1953 and men born on or after 6 April 1951 would be eligible. The effect of this is that women born between 6 April 1951 and 5 April 1953 will not be eligible, although a man born on the same date may be. DWP estimates that there are around 700,000 women in this cohort.¹⁹ The reason that bringing forward the implementation date has increased the number of women

¹⁵ Evidence to Work and Pensions Committee, 11 March 2013, Q173

¹⁶ Ibid

¹⁷ DWP, Note on the cohort of women born between 6 April 1952 and 5 July 1953

¹⁸ HC Deb, 19 March 2013, c43-46 WS

¹⁹ DWP, Note on the cohort of women born between April 1951 and April 1953, 12 April 2013

not be eligible although a man born on the same date may be, is because the SPA for men and women is more unequal in April 2016 than it will be in April 2017.

DWP has produced a [note on the cohort of women born between April 1951 and April 1953](#). This argues that women in this cohort will be able to draw their State Pension earlier than the men and that 90% of them would receive more in lifetime state pension and other benefits under the current system than if they had a SPA of 65 and received the STP. Furthermore, they have the option of increasing their State Pension entitlement by deferring their claim:

- The Government has announced that the single-tier pension will be introduced in April 2016. This means that men born on and after 6 April 1951 may qualify for a single-tier pension, as may women born on and after 6 April 1953.
- Due to unequal State Pension ages, a man born between 6 April 1951 and 5 April 1953 may receive a single-tier pension (based on an April 2016 implementation date), whereas a woman will not.
- Because of this inequality in State Pension age, the women in this cohort can draw a State Pension between 2 and 4 years sooner than a man born the same day as them. This means that they could receive between £13,000 and £26,000 in State Pension in the interval between their legislated State Pension age and the male equivalent of 65.
- The median valuation for this cohort is £125 per week, when assessed under the rules of the current system. When assessed using single-tier rules, the median valuation is £6 higher - £131 per week, and not the full £144 of single tier.
- Approximately 90% of the women in this cohort would receive more in lifetime state pension and other benefits under the current system than they would if they had a State Pension age of 65 and received a single-tier pension.
- The women in this cohort will retain access to aspects of the current system which are being abolished as part of the single tier reforms, with a view to ensuring that today's workers have sufficient clarity and certainty to plan for their retirement. These legacy features include Savings Credit and derived entitlement to State Pension.
- By choosing to defer their State Pension until they reach 65, and opting to receive increments, approximately 85% of the women in this cohort could receive an initial entitlement of £144 or more.²⁰

Shadow Pensions Minister, Gregg McClymont, has expressed concern that “hundreds of thousands of women close to retirement are now set to lose out thanks to this Government’s plans”.²¹

The Work and Pensions Committee recommended that the Government clarify the impact of the change in the implementation date for the single-tier on women born between 1952 and 1953 and prioritise this group in its communications strategy for the reforms.²² In its response to the Committee, the Government said:

The Government agrees that this cohort of women should be a priority in terms of communications activity and, in March 2013, the DWP published a paper analysing the

²⁰ DWP, [Note on the cohort of women born between April 1951 and April 1953](#), 12 April 2013

²¹ [Hundreds of thousands of women close to retirement set to lose out over state pension reforms - McClymont](#)

²² [Work and Pensions Committee, The Single-tier State Pension: Part 1 of the draft Pensions Bill, Fifth Report of 2012-13, HC 1000, 4 April 2013, recommendations 13 and 14](#)

State Pension outcomes of the cohort of women who may receive a State Pension based on the current system, while men born the same day may receive a pension based on the single-tier system. This analysis has now been updated to reflect the new implementation date of 2016. The DWP has informed stakeholders of the publication of this new analysis, and will continue to work with these groups to communicate how individuals will be affected by the reforms and address areas of misunderstanding.

The paper clarifies that bringing forward the implementation date to 2016 means that every man born on and after 6 April 1951, and every woman born on and after 6 April 1953 will reach State Pension age in the new system. This includes all those women affected by the acceleration of the State Pension age equalisation process in the *Pensions Act 2011*.

There is a group of approximately 700,000 women (born between 6 April 1951 and 5 April 1953) who may receive a pension based on the current system where a man born on the same day may qualify for a single-tier pension. This is due to the fact that women in this cohort will begin drawing their State Pension between two and four years before a man born the same day. Of these women, around 25 per cent have already reached State Pension age, and around 90 per cent will receive more overall from the State over the course of their lives by drawing their State Pension at their State Pension age than they would if they drew it at age 65 under the single-tier system. This paper also considers the impact of deferring receipt of the State Pension and provides a link to further detailed information available on GOV.UK, including the leaflet, [State Pension Deferral – your guide](#).²³

4 Debate on the legislation

The [Pensions Bill 2013-14](#), part 1 which would provide for the single-tier State Pension, was introduced into the House of Commons on 9 May 2013. It had its Second Reading on 17 June 2013, Public Bill Committee stage between 25 June and 11 July and Report Stage and Third Reading on 29 October.

4.1 Houses of Commons

Public Bill Committee

The Public Bill Committee took evidence from women affected. Marion Rees said they felt they had been disadvantaged in working life and were now being “discriminated against in this final hour”:

During the 1970s, it was normal for women applying for work to be asked, as part of the interview process, about their plans for having children, the expectation being that they would give up work when they started a family, thereby prejudicing employers against giving them higher paid roles. Those women who did take time out of the workplace to raise their families, and other women in low-paid employment who have paid their contributions, now find they are being discriminated against at this final hour.

The offer of being able to buy the necessary additional contributions to make up the shortfall is for many women not feasible. Nor is the suggestion that 85% of those women can defer their pension until the age of 65 in order to receive the single-tier pension. It is unlikely that the women will have a convenient pot of money at their disposal to subsidise the wait. It has been said that we should have planned for our retirement. How many did just that, only to find that poor financial management by

²³ DWP, [Government Response to the Fifth Report of the House of Commons Work and Pensions Select Committee, Session 2012-13, into Part 1 of the draft Pensions Bill](#), CM 8620, May 2013

those professionals to whom we entrusted our savings has now rendered those investments worth considerably less than expected?

We have worked. We have paid our contributions, and all we ask is that we are treated fairly and equitably to enable us to receive the pension that is right for us. This pension is not a benefit. It is something to which we have contributed all our working lives. To say that we will, over the course of our pensionable lifetime, be many thousands of pounds better off is spurious. Who knows how long each of us is going to live?

For the majority of people, a pension is not about how much they will receive over a period of 20 years or so, but how much money they have to live on that week.[...]²⁴

Catherine Kirby argued that the money gained from the abolition of contributing out could be used to meet the cost of bringing this group into single-tier entitlement.²⁵

Age UK said it had heard from a lot of current pensioners who on low incomes who felt there was a two-tier system and that this was unfair.²⁶

In the course of the clause by clause debate, Shadow Pensions Minister Gregg McClymont moved an amendment that would require the Government to conduct a review to determine whether all women born on or after 6 April 1951 should be included within the scope of the single-tier State Pension.²⁷ Sheila Gilmore, a Labour MP and member of the Work and Pensions Select Committee, said that it would be helpful to be able to look at the range of impacts on this group of women, rather than just the average impact. She was concerned that the women affected felt strongly that they had contributed and that some of them were already struggling financially and would find it difficult to defer their state pension. She asked the Government to look again at the issue:

[...] the perfect storm of circumstances that has affected this cohort of women means that we should look positively in their direction and allow them to choose the old or the new system, whichever will be better for them. At this stage, we are not asking for such as amendment to be made, but for the information to be fully researched and considered, because in the two and a half years between now and the Bill's implementation, there will be ample opportunity to reconsider.²⁸

Responding, Steve Webb disputed the proposition that this cohort of women was “uniquely disadvantaged”:

I want to compare them with two other groups: women who reached state pension age before April 2010, and those who do so after April 2016. In other words, there is a first, middle and later group. The argument is that the group in the middle is uniquely disadvantaged and should have special provision in law.

Let us look at the three facets of their state pension. The first is the age at which they can get it; the second is the number of years they have to build up contributions; and the third is whether they are in the single tier or not. Let us give each of those groups a score for how well or badly they do. For the post-April 2016 group there is good news; they get single tier and a tick there. The bad news is that their state pension age could be anywhere between 63 and 68. Somewhere in the middle is the fact that they need

²⁴ [PBC Deb 27 June 2013 Q145](#)

²⁵ [Ibid Q167](#)

²⁶ [PBC Deb 25 June 2013 Q1](#)

²⁷ [PBC Deb 2 July 2013 c120](#)

²⁸ [Ibid, c123-30](#)

35 years for a full pension. For them, it is one good, one bad and one somewhere in the middle.

For the group of women we are discussing, the good news is that they need 30 years to get a basic state pension. The middling bad news is a pension age of 61 to 63, which is not as high as the ones to come, but better than the ones before. The bad news is that they are not in single tier. For them, there is one good, one bad and one somewhere in the middle.

For the pre-April 2010 women, the bad news is that they need 39 years for a state pension and they are not in single tier. The good news is that they have a state pension age of 60.²⁹

He was also concerned that it would be difficult to conduct a review within six months of Royal Assent (expected by Easter 2014), make any changes needed to primary legislation as a result and still implement the single-tier State Pension by April 2016. He thought giving this cohort of women the option of being treated as a man with the same date of birth would be complicated. This was because the reforms were a package (including, for example, changes to the rules on deriving and inheriting State Pension rights and the abolition of Savings Credit) so much would depend on individual circumstances and how these changed over time.³⁰ The amendment was defeated on division by eight votes to four.³¹

Report Stage

At the Bill's Report Stage on 29 October 2013, Shadow Pensions Minister Gregg McClymont moved an amendment that would require the Government to conduct a review to determine whether all women born on or after 6 April 1951 should be included within the scope of the single-tier State Pension. He said:

The Government would be doing themselves a massive favour by undertaking this review, given the sense among significant groups of women that the Government do not care enough about their pension provision.³²

It was debated together with an amendment tabled by Caroline Lucas, which had the aim of providing women born between 6 April 1951 and 5 April 1953 with the right to choose to receive the single-tier State Pension and associated benefits from the date of its introduction in April 2016. Ms Lucas said:

One of my constituents, Catherine Kirby, has been a passionate and tireless champion for women in her position. Understandably, she feels that she and others in her situation are faced with a dual disadvantage of being subject to an increase in state pension age under the 1995 Act, while being denied eligibility for the single-tier pension. Not all, but some of these women will be left with a lower weekly state pension compared with men of the same age. No wonder my constituent, like many others, believes this creates unnecessary and unjustifiable inequality and discrimination.

The Minister has said in the past that women in the position of my constituent should defer, but for those on low incomes who are unable to work and do not have a convenient pot of money, that is not an option. He has explained in the past that because the new system excludes additional benefits such as for bereavement, it is

²⁹ [PBC Deb 2 July 2013 c134-5](#)

³⁰ [Ibid, c137](#)

³¹ [PBC Deb 4 July 2013 c425](#)

³² [HC Deb, 29 October 2013 c851](#)

not possible for the Government to tell women what would be best for them. For some women, however, that is simply not relevant to their situation. They already know that they would be better off—by £15 a week, in Catherine’s case, which is significant.

The Minister has said that, over a lifetime, most of these women would get more than the average man with the same date of birth, but theoretical lifetime averages are simply irrelevant to the difficult financial situation faced by my constituents and others in the real world. It is their weekly pension income that matters, and I believe that that is what should occupy our attention as their representatives.

I will support Labour’s new clause 8, which calls for a review of whether all women born on or after 6 April 1951 should be included within the scope of the new pension arrangements. That is not my preferred option, however. Not all will definitely lose out, and I do not think we necessarily need a review to find a solution that works for the relatively small but important number of women who may lose out.

My new clause 6 simply gives these women the right to choose to receive their state pension and associated benefits under the new state pension system set out in part 1 from its introduction in April 2016, if they judge it to be in their best interest to do so. It would not require the Government to tell them what to do, merely to ensure that information about the full range of entitlements under the old state pension rules and the new state pension is available to allow women to make a comparison of total weekly income. The responsibility for making a choice would rest fully with the individual.³³

The Minister said the problem was that people could not know what their circumstances would be in future:

Steve Webb: [...]The complexity that the hon. Lady and I have talked about is not so much that we could not give people all the information, because we could, although it is complicated to put across; the problem is that nobody knows what their future is. A woman could choose to take the single-tier pension on day one, which would look like the right thing to do because she would get more than she does under the current system, but if her husband died the next day she would not get a derived widow’s pension and she would have made herself worse off as a result.

Caroline Lucas: I take the Minister’s point, but my point is that it should be for that woman to decide. Yes, there is a risk, but she is better placed to make the judgment than he is. Many women would want that change, and he has not given a good reason why it should not happen.

Steve Webb: In addition to the issue of people who will subsequently be bereaved is that of people who will flow on to savings credit, and nobody can possibly know whether, at some point during the course of their retirement, they will move on to that. Although I understand the concerns that have been raised, that group of women have actually benefited from the triple lock that we have introduced.³⁴

The Opposition amendment to require a review was defeated on division by 295 votes to 231.³⁵

³³ [HC Deb 29 October 2013 c846-7](#)

³⁴ [HC Deb 29 October 2013 c856](#)

³⁵ *Ibid*

4.2 House of Lords

Grand Committee

At Grand Committee stage in the House of Lords, Labour Peer Baroness Hollis of Heigham moved an amendment to provide that any woman born between 6 April 1951 and 5 April 1953 would be eligible for the single-tier. She said this cohort of women felt they had been unjustly treated:

Women older than them will have retired at a younger age and enjoy their pension for longer. Women younger than them will qualify for the new higher pension. They are caught in the middle. They have experienced up to three years' delay in receiving their own BSP from the age of 60, only to find that men born in the same year as them will, unlike them, get the new state pension.³⁶

She said that although in previous debates on the issue, the Government had said that women born between these dates would still draw their pension from an earlier age than men, it had failed to draw attention to the rules allowing men to claim Pension Credit from the time they reach the SPA for a woman born on the same date:

[...] just under a fifth of all men who draw pension credit—although some, of course, may be in couples—draw it before their state pension age. That is great for them. However, unlike women, when they reach 65, after 5 April 2016, they move smoothly on to the new and more generous state pension.³⁷

She said this protection for men would fall away as women's SPA rose further, offering savings which could enable the extension of the single-tier to women in this cohort.³⁸

Baroness Sherlock tabled a probing amendment requiring a review to determine whether all women born on or after 6 April 1951 should be included in the single-tier:

Taking everything into account, the DWP estimates that 90% of the women born between April 1951 and April 1953 would be better off under the existing system of pension and other benefits but, because of the complexity, it is difficult to understand how that figure has been arrived at and it would be good to receive some clarification from the Minister as to where those numbers come from, to reassure us that that is actually the case.³⁹

A further Opposition amendment would have required "a detailed assessment of the impact on those women who benefit as a result of derived entitlements."⁴⁰

Lord Freud responded that DWP analysis showed that:

[...] about 90% of the women in this group will receive more in state pensions and other benefits over the course of their retirement than a man born on the same day as them with the same national insurance record who will be getting a single-tier pension.⁴¹

It was not necessarily the case that the new system would be more generous than the existing one:

³⁶ [HL Deb 16 December 2013, c207GC](#)

³⁷ [Ibid c208GC](#)

³⁸ [Ibid c210GC](#)

³⁹ [Ibid c214GC](#)

⁴⁰ [Ibid c210GC](#)

⁴¹ [Ibid c216GC](#)

We will put in place a minimum qualifying period and close access to the savings credit. We will also reduce the deferral increment rates and cease the ability to derive pension from a spouse's record. Many people will gain from single tier but there are those who will receive less, compared to the current rules.⁴²

The proportion of women retiring under the current system who benefited from derived entitlement could be assumed to be "broadly similar" to the proportion of women reaching SPA just after 2016 who would be disadvantaged by its withdrawal.⁴³

On 19 December, Lord Freud wrote to Peers to follow up on a number of points, including: the cost of paying the single-tier to current pensioners and to clarify some of its analysis regarding the cohort of women born between 6 April 1951 and 5 April 1953.⁴⁴

Report stage

At Report Stage on 26 February 2014, Opposition spokesperson Baroness Sherlock moved an amendment to require a review of a number of provisions in the Bill within a year of enactment, including the position of women born between 6 April 1951 and 5 April 1953. She said:

The assumption of the Government is that they will be better off, but I never got a satisfactory response to the question I posed in Committee as to why the Government think that women born between 1951 and 1953 are better off under existing arrangements, and yet also claim that women will mostly be better off under the new pension arrangements. I still do not quite understand how both can be right. The amendment asks the Government to report to Parliament on the actual impact of these provisions, rather than simply relying on analysis of what the impact is likely to be.⁴⁵

In response, Lord Freud set out the Government's plans for monitoring the impact of the provisions:

We will update the modelling as evidence becomes available on the impact on work and saving of automatic enrolment, the single-tier state pension, and state pension age changes. As noble Lords will know, the department conducts a six-monthly tracking study of attitudes and behaviours in relation to pensions, later life and automatic enrolment. A similar exercise will start after Royal Assent, to monitor awareness and understanding of the reforms.

We are committed to the principle of post-legislative scrutiny, but such scrutiny must have scope to provide insights beyond the impact assessment and consultation practices to which we are already committed. I know that the noble Baroness accepts the point on timing, but the timing of this amendment would not add materially to the powers of the Work and Pensions Select Committee. Indeed, there is an awkwardness about the timing, because it straddles the next election. However, we look forward to continuing to develop pensions strategy with that committee's input.⁴⁶

Baroness Sherlock asked the Minister to give particular attention to this group of women in monitoring the reforms and withdrew the amendment.⁴⁷

⁴² Ibid c216GC

⁴³ Ibid c217GC

⁴⁴ [DEP 2013-2066](#)

⁴⁵ [HL Deb 26 February 2014 c985](#)

⁴⁶ Ibid c987

⁴⁷ Ibid c988