

Pensions November 5, 2018

Altmann urges govt to act on pension inequality

[See comments \(1\)](#)



By **Reporter**

Financial Adviser

State pension equalisation day is fast approaching but former pensions minister Ros Altmann has warned the system is far from equal as she urged the government to close a number of loopholes affecting women.

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After decades of being treated differently tomorrow (6 November) will be the date from which both women and men will be eligible for a state pension from the age of 65.

Women's pension age has been rising since 2010, under legislation passed in 1995, but new measures in 2011

accelerated the increases and the pension age for both men and women will keep rising to 66 by 2020.

Ms Altmann warned there were at least ten ways women were missing out on pensions when compared with men, as she urged the government to act.

Ms Altmann said: "Women have always had lower pensions than men, leaving them at greater risk of later life poverty, especially as women tend to live longer than men.

"An increasing proportion of women are single and cannot rely on a partner's pension for retirement income. Women in their 50s and older have lost out most, but younger women face penalties too, as all pensions - state, workplace and private pensions - discriminate against women.

"Some of the inequalities date back many decades, but others are new problems created by recent legislation. The government needs to act urgently to fix these loopholes which cause problems for so many women."

She said the top ten reasons women lose out in pensions were:

1. Women's state pension age increased by more than men's at shorter notice;
2. State pension triple lock does not cover Pension Credit so poorest women pensioners are not protected;
3. Very lowest earners (mostly women) are left out of National Insurance State

Pension;

4. Women who don't claim child benefit lose their state pension entitlement;
5. Women have lower lifetime earnings and therefore lower workplace pensions;
6. Auto-enrolment excludes part-timers earning below £10,000 a year (mostly women);
7. Low earners (mostly women) often pay 25 per cent extra for their workplace pension;
8. Occupational pensions may not aggregate women's pension service after maternity;
9. Many men buy single life annuities that don't provide for their widow;
10. Women's pensions are not properly protected on divorce.

Ms Altmann said the new state pension system and recent policy changes had exacerbated the unfairness experienced by women, rather than men.

This included the government's increase of the pension age for older women by up to 18 months with only five years' notice, giving many of them insufficient time to prepare. In contrast, men were given at least seven years' notice of a 12-month rise, she said.

"The short notice changes have caused significant hardship to many women, especially as many did not know about the original plans to increase their pension age from 60," she said.

But there is a potential policy remedy, Ms Altmann noted: "The government should consider making payments to women facing hardship.

"Many women are relying entirely on the state pension for their retirement income and have not had time to build up private pensions. DWP could also consider allowing early access to state pension if needed."