

Altmann calls for pension reforms in election manifestos

by **Emma Simon** — November 4, 2019



Leading pension campaigner, Baroness Ros Altmann has called for the main parties to address a range of pension reforms within their forthcoming election manifestos.



She has highlighted five key changes to improve the State Pension system, which she says will particularly benefit women, older pensioners and those on lowest incomes. On top of this she says that the main political parties need to make urgent changes to ensure the social provision of old-age care, and ensure a more equitable system.



One of her key policy suggestion is to include the pension credit within the triple lock. She says: "Social justice would suggest the oldest and poorest pensioners need the best protection, yet this is not happening."



“The the old Basic State Pension (£129-20 a week) has the triple lock, as does the full new State Pension (£168-60 a week) – but this is only available to the youngest pensioners. In contrast, Pension Credit (£167-25 a week), the old Graduated State Pension, State Earnings Related Pension (SERPS), and Second State Pension (S2P) are only protected by CPI price inflation – they do not raise in line with earnings or 2.5% if these are higher.”

Altmann also calls for the State Pension to allow for differences in health and life expectancy; in other words giving pensioner in poor health early access to these benefit, particularly if they have made sufficient NI contributions.

She says: “The State Pension age has risen sharply, causing significant problems for many older citizens, especially women who had not anticipated the changes, or are caring for others.

“Until a couple of years ago, those who couldn’t work, were seriously ill, or caring for loved ones could claim means-tested Pension Credit from age 60. This helped both men and women. However, the Pension Credit starting age is now approaching 66.

“In addition, just one member of a couple over state pension age would allow Pension Credit application, but now eligibility depends on the age of the youngest partner in a household. Suddenly, many of the poorest over-60s are left to rely on employment benefits, even if it is not realistic for them to keep working.”

She adds that the current system makes no allowances for the vast differences in life expectancy among different regional, social or employment groups.

Altmann also called for the removal of National Insurance loopholes, which reduce many women’s state pension.

“Many people, mostly women, are losing credits for their State Pension because of wrinkles in the state pension system. In the 21st century, rules should be more flexible to prevent people

the state pension system in the 21st century, rates should be more flexible to prevent people inadvertently missing out. Women who do not claim Child Benefit when they know they are not entitled to it should not be deprived of their state pension accrual. Similarly, those earning less than the NI lower earnings threshold should still be credited for state pensions. And partial years of contributions should be accrued, rather than so many women losing out on a whole year if only some months of NI were paid.”

Altmann says that more should be done to recognise the hardship many older women have faced because they were unaware of increases to the State Pension Age. She says: “I cannot support paying all these women the equivalent of a state pension back to age 60. But I do believe there are many who should be allowed to claim help from the National Insurance system to recognise the hardship they are facing.”

Finally Altmann called for the provision of free personal social care, funded via the NI system. She says there should the next government should introduce incentives for additional saving for care.

She adds: “We will soon see all the election manifestos. Of course the issue of Brexit will be important in many people’s voting decision, but there are so many other issues that also need tackling.”