



**OPINION**

By Baroness Ros Altmann

# The state pension triple-lock is no longer fit for purpose

Offering people a higher pension but forcing them to wait longer will only lead to one thing: poverty

June 30, 2023 11:34 am (Updated 11:35 am)





This week, Work and Pensions Secretary, Mel Stride, insisted the triple lock would 'almost certainly' be in the next Conservative manifesto (Photo: Rasid Necati Aslim/Anadolu Agency via Getty Images)

The debate over the fairness of the **state pension triple-lock** resurfaced this week, with Mel Stride, the Work and Pensions Secretary, **insisting it would "almost certainly" be in the next Conservative manifesto**. The DWP Secretary of State also hinted that sustainability of the triple-lock could mean further increases in the state pension age – **perhaps even reaching age 70**.

In my view, prioritising keeping **the triple-lock** would be wrong if the price paid was bigger **rises in state pension age**. Forcing everyone to wait longer before receiving their state pension will disadvantage the poorest pensioners and those in worst health, especially many women.

The triple-lock is a political construct which has outlived its purpose and does not even protect our poorest pensioners.

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The longer people are forced to wait before being able to get even a penny of their state pension, the more people will die before receiving it, or will have few payments. This will hit those in poor health in their sixties hardest. They are the very people who often had lower earnings and little or no private pension to tide them over to state pension age.

Official statistics show over half the population is no longer in good health after their early sixties, with one in 10 being in poor health after their early fifties. By contrast, the most advantaged 10 per cent stay healthy till their early-seventies. For them, waiting longer is not such a hardship. Indeed, the state pension system allows those who are healthy and wealthy enough to wait longer – they can get higher state pensions if they delay their start date. However, this flexibility only works one way, with those who are in poorest health, or have little else to live on, not being able to start any state pension payments, even at reduced rates, before the ever-rising age.

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The triple-lock is not working well. It protects the full new state pension, over £200 a week only available to the youngest pensioners around age 70 or below, who are more likely to have private pensions or other savings. Meanwhile, only the old basic state pension (around £170 a week) is triple-locked, so older pensioners have less protection.

Surely the oldest pensioners who are more likely to have run out of savings and less likely to have a good private

pension to support them should be prioritised for the best protection?

Still more worryingly, pension credit, which the poorest pensioners must rely on, is not triple-locked. This means-tested pensioner top-up helps pensioners without enough state pension or other savings avoid poverty, but it is not covered by the triple-lock pledge.

It is time for a proper re-evaluation. The triple-lock has become a totemic symbol of politicians' determination to protect pensioners, but does not work effectively. This outdated mechanism, that perpetuates social injustice, has past its usefulness and Government should ensure the poorest are protected properly. The 2.5 per cent part of the triple-lock has no economic rationale, but adds to expected long-term costs.

Interestingly, even with the triple-lock in place, in reality governments can choose to break the promise. **The triple-lock was suspended for a year after the pandemic**, on the premise that earnings inflation had been exaggerated in the recovery period. This was just as price inflation was taking off and pensioners were forced to make do with a 3.1 per cent rise, while prices soared by over 8 per cent (which was what the triple-lock should have delivered).

The important thing is for the Government to recognise that this country has massive differentials in healthy life expectancy and private pensions. Continuing to raise **state pension age** will increasingly hit those who are already most disadvantaged. Extending the triple-lock into the future is a worthless promise to those pensioners who are unable to keep working, have paid 50 years of **national insurance** (NI) and may not live long enough to reach, or enjoy much life after the rising pension age.

To control costs, the Government could consider extending the increasing the number of years of NI required for a full state pension. Thirty five years is nothing like a full working life and requiring 45 years or so would reduce costs of future pensions and voluntary contributions could be made to bring in extra contributions from those who may not have lived or worked here long enough to build a full record. It should also allow early access for those in poorest health who cannot work in their late sixties.

Let's bring state pensions into the modern world. A higher state pension in exchange for a later starting age means prioritising the healthiest over the least advantaged. It is not a sensible way to control state pension costs.

**Baroness Altmann is a Conservative peer and pensions expert** 