

# Not Enough Time

## What women think about increases in State Pension age

### Introduction

Age UK has heard from thousands of women who are angry and worried about the Government's proposals to increase State Pension age as set out in the 2011 Pensions Bill. If these are agreed by Parliament, 2.6 million women (and 2.3 million men) will have their State Pension age increased. Of these around 330,000 women in Britain born between December 1953 and October 1954 will have to wait an additional 18 months to two years for their State Pension.

This report summarises information we have gathered in two different ways to help us find out more about the women behind the statistics and their views. We have information from over 2,680 of the women who completed Age UK's online survey. In addition we commissioned polling of over 500 women affected by the changes so we also have views of a representative sample.

### Summary and key points

Most women polled were aware that changes to State Pension age are planned but many had limited knowledge about what this would mean in practice. Worryingly a sizeable minority are not even aware of the 1995 changes with nearly a fifth expecting to receive their State Pension at the age of 60. Those in lower social classes who are most likely to be reliant on state provision in retirement tend to have lower awareness and knowledge.

Age UK has been arguing that people need sufficient time to plan for any increase in State Pension age and the polling backs up our call for a minimum of 10 years notice.

It also shows that people believe the Government should proactively inform people of any changes.

Around two-thirds of women polled were concerned about the changes. This is not just a matter of not wanting to work longer – for many working longer is just not an option. A third of women in social class DE could not work longer because of health problems and 16 per cent were unemployed. Among those who supplied their date of birth six out of ten expressed negative reactions with nearly a fifth (18%) expressing anger and nearly one in ten (9%) shock.

Of those providing information through Age UK's website nearly three out of ten (29%) already have caring responsibilities and more than four out of ten (43%) have health problems. Their stories demonstrate the real anxieties and major problems that the changes will have if they go ahead. Many are worried about how they will manage financially and feel let down that the goal posts have been changed with so little time to plan.

Age UK is urging the Government to think again and maintain the original timetable for equalisation and to ensure that State Pension age does not start to increase to 66 until 2020 at the earliest.

## **Background**

As a result of the Pensions Act 1995 women's State Pension age is being increased from 60 to 65 over the period 2010 to 2020 in order to bring it in line with men's State Pension age. Further changes were introduced by the 2007 Pensions Act to gradually increase State Pension age to 68 by 2046. The first of these stages would have been a rise from 65 to 66 between 2024 and 2026. The Pensions Bill, which at the time of writing is before Parliament, changes the current provisions so that State Pension age for women would reach 63 by 2016 (as planned), but then increase to 65 by 2018, and 66 for both men and women by April 2020.

The changes would mean that 2.6 million women (and 2.3 million men) would have to wait longer for their State Pension. The double impact of speeding up equalisation plus the rise to 66 means that women are hardest hit in terms of changes to their expected State Pension age and this report focuses on their views.

The changes affect women born between 6 April 1953 and 5 April 1960. Of these:

- around 330,000 women in Britain born between December 1953 and October 1954 will have their State Pension age increased by 18 months or longer
- 33,000 women born between 6 March and 5 April 1954 will see their State Pension age increase by two years
- These 33,000 women stand to lose on average around £10,000 each from the changes.

Age UK has been campaigning against the changes. We believe that equalisation should not be speeded up and any increase to the State Pension age beyond 65 should not start until 2020 at the earliest. While we support the principle of treating women and men equally we believe the Bill does not allow those affected enough time to plan for the changes. This proposal is also in a breach of the Coalition Agreement, which stated that: 'We will phase out the default retirement age and hold a review to set the date at which the State Pension age starts to rise to 66, although it will not be sooner than 2016 for men and 2020 for women'.

## **About the surveys**

We commissioned TNS to poll women affected by the changes in their Consumer Omnibus (The Pensions Omnibus Survey). They conducted face to face interviews with 519 women between 18 March and 5 April 2011. The women were aged 50 to 57 at the time of interview. The results were weighted to the population of Great Britain. More information about the survey is in the appendix.

The Age UK survey (Age UK online survey) was started on 1 March and the results here are based on information supplied by 1 June 2011. More information about the women who completed the survey is given in the appendix. This shows that although this is a self-selecting survey of women who are aware of, and are concerned about, the changes, they are very varied in terms of characteristics such as income, work status and family situation. Some of the comments we received are included in the shaded boxes in this report.

## **Knowledge of State Pension age and changes**

*Most of the women who took part in the Pensions Omnibus Survey were aware that changes to State Pension age are planned but many had limited knowledge about what this would mean in practice. Worryingly a sizeable minority are not even aware of the 1995 changes, with nearly a fifth expecting to receive their State Pension at the age of 60. It is of great concern that those in the lowest social classes who are most likely to be reliant on state provision in retirement tend to have lower awareness and knowledge.*

## **Age women expected to draw their State Pension**

The women polled were first asked what age they expected to be able to draw their State Pension. These are set out in the table below. Some of the responses have been grouped together although the question was unprompted and people were asked to give a single figure rather than indicate a range.

**Table 1: At what age do you expect to be able to draw your State Pension (unprompted)**

<b>Age expected to draw pension</b>	<b>Percentage</b>
60 or below	18%
61-62	4%
63-64	12%
65	36%
66	12%
67 or above	8%
Don't know	10%

In reality none of the women polled will be able to draw their State Pension before the age of 63, even before the latest proposed changes were announced and the vast majority will have to wait until 66 under the Government proposals. Yet over a fifth (22%) assumed they would be able to get their State Pension before the age of 63. Those aged 50 to 53 will be entitled to receive their State Pension at age 65 under the current rules and 66 under the Pensions Bill measures yet one in five (21%) expected to be able to draw their State Pension by the age of 60.

I did not know until last May that I would not be getting my pension from my 60th birthday, but on my 66th. I was given this news by a friend - I had had no warning, no letter, no nothing. Surely this cannot be acceptable or legal - I would have expected at least 10 years written warning.

I love my work and put my heart and soul into it as well as very long hours. I worry about my health if I have to continue working at this pace for too long. Given that I presumed for many years I would retire at 60 and then do some part time voluntary work, the alteration in pension schemes has hit me very hard.

## **Awareness**

Nearly nine out of 10 (89%) of women polled said that they were aware that the Government had announced changes to State Pension age. Those in social class AB were more likely to say they were aware of the changes (96%) compared to those in social class DE (79%).

## **Date of equalisation**

Around a third (32%) of the women polled said they didn't know when State Pension age would reach 65 for both women and men following Government proposals. Just one in ten (10%) correctly said 2018. Almost half (46%) expected equalisation to happen before the planned date while 9 per cent thought it would be later than planned. ABs were more likely to know the correct year compared to DEs (17% vs 4% respectively). Nearly half (47%) DEs answered that they didn't know – a higher percentage than any of the other social groups.

## **Planning and notice period**

*Age UK has been arguing that people need sufficient time to plan for any increase in State Pension age and the polling backs up our call for a minimum of 10 years notice. It also shows that people believe the Government should proactively inform people of any changes.*

I have had my pensionable age moved twice now and the financial plans I have made to enable me to retire at 64 are now in tatters. There is simply not enough time for me to make up the shortfall.

I retired early on ill health grounds and also care for my disabled husband. I now find that my retirement age which I had planned for at 60 has crept forward twice and will now be 66. There has been little notification of this change and too little time to adapt.

## **Notice period**

The women polled were asked how many years notice should be given for an increase in State Pension age. (The question was unprompted although some of the responses have been grouped together in the table below to save space) The most common response was 10 years (22%) followed by 5 years (18%). The average number of years was just under 10 (9.6 years) but as can be seen from the table below there was a wide range of views.

**Table 2: How many years notice should people receive if their State Pension age is going to be raised?**

<b>Number of years</b>	<b>Percentage giving this response (unprompted)</b>
1-4	13%
5 years	18%
6-9 years	3%
10 years	22%
11-14 years	1%
15 years	7%
20 years	9%
25 years	3%
Other	1%
I would have like to have known as soon as I started work	4%
Don't know	19%

How can you plan? When the government say insufficient people plan or save for retirement, they make it difficult by constantly changing the rules. The system needs simplifying, guaranteeing for 10 to 15 years, and a minimum notice of 10 years of future changes. Life is complicated enough.

My planned retirement age was originally 60 years old. With the changes of retirement to aged 65 years which have been implemented in the last 3 years and the future consultation on further changes my retirement age would be further delayed until 66 years. This will have a huge impact on my future and means that as I am mid 50s now I have minimum time to plan or implement a different structure to my retirement plans which I felt I had duly addressed.

The women were asked how they would expect to find out about any changes and given a number of options from which they could choose more than one. As can be seen from the table below women generally expected this should be done proactively through individual letters from the government (55%) or national advertising (37%).

**Table 3: How would you expect to find out about the changes to your State Pension age?**

	<b>Percentage</b>
I would expect the government to write to me to inform me of my new State Pension age	55%
I would expect the government to announce it to everyone for example through national advertising	37%
I would ask the Department for Work and Pensions	20%
I would check websites and leaflets	15%
I would ask an independent adviser or expert	4%
Some other way	1%
Don't know	5%

## **Views about the proposals and their impact**

*Around two thirds of women polled were concerned about the changes. This is not just a matter of not wanting to work longer – for many working longer is just not an option. A third of women in social class DE could not work longer because of health problems and 16 per cent were unemployed. Among those who supplied their date of birth around six out of ten expressed negative reactions with nearly a fifth (18%) expressing anger and nearly one in ten (9%) shock.*

Having been informed about the proposals the women polled were asked how concerned they were. Overall just over two-thirds (68%) were quite or very concerned. The older age group (54-57) were rather more likely to be concerned compared to the younger age group (50-53) (72% vs 65%).

**Table 4: Concern about plans to increase State Pension age for women**

	<b>Percentage</b>
Very concerned	32%
Quite concerned	36%
Not very concerned	21%
Not at all concerned	8%
Don't know	3%

Those who were concerned were given a list of statements and asked to indicate which ones explained their position. The table below shows that whereas around a half stated they did not want to work longer than they had to, many had specific reasons for their concerns such as health problems or caring responsibilities. The older age group were more likely to cite health problems than the younger age group (29% vs 17%). DE women were more likely to cite health problems (36%) or the fact that they were currently unemployed (16%) as a reason for their concern.

In responding to this question women could choose more than one answer. Approaching half (46%) of those concerned about the changes included at least one out of the options relating to health problems, care, unemployment or having already scaled down hours in preparation for retirement. These responses show that for many working longer was likely to be difficult or impossible – not just unwelcome. Taking the whole sample, around a third (31%) were both concerned about the changes and expressed one or more specific reasons why working longer is unlikely to be an option.

**Table 5: Which statements explain your concern about these proposed changes to State Pension age for women?**

<b>Reason for concern</b>	<b>Percentage responding</b>
I just really don't want to work longer than I have to	51%
Health problems mean I am unable to work longer	23%
I was counting on having more time in retirement to care for someone else	15%
Personally I am happy to wait longer for my State Pension but I am concerned for all those women affected	9%
I am currently unemployed with little chance of finding a job	8%
I have already scaled down my working hours in preparation for retiring at the current State Pension age	8%
Other	4%
Don't know	6%

(Base: All women aged 50-57 who were very/quite concerned n=354)

The women were asked to indicate their date of birth. Three out of ten (30%) did not do so but those who did were shown what their State Pension age would be under the Government proposals. These women were given a list of possible reactions and asked which best described their feelings about their proposed State Pension age. These are given below.

**Table 6: Which of the following statements best describes how you feel about this?**

<b>Statement</b>	<b>Percentage</b>
Neutral – that’s life	30%
Disappointed – I had plans for my retirement that will now have to be put on hold	24%
Angry – I feel cheated out of my retirement	18%
Worried – these changes will cause me difficulties	10%
Shocked – I had no idea I will have to wait longer for my State Pension	9%
Pleased – I do not want to be a pensioner until later	3%
Happy – I am getting my State Pension earlier than I thought	2%
Don’t know	3%

Base: all women aged 50-57 who indicated their DOB (n=360)

Overall around 6 out of 10 (61%) expressed negative feelings about the changes. The C2s were the most likely to be negative (70%), followed by C1s and DEs (59% and 61% respectively) with the ABs (55%) the least likely to be negative.

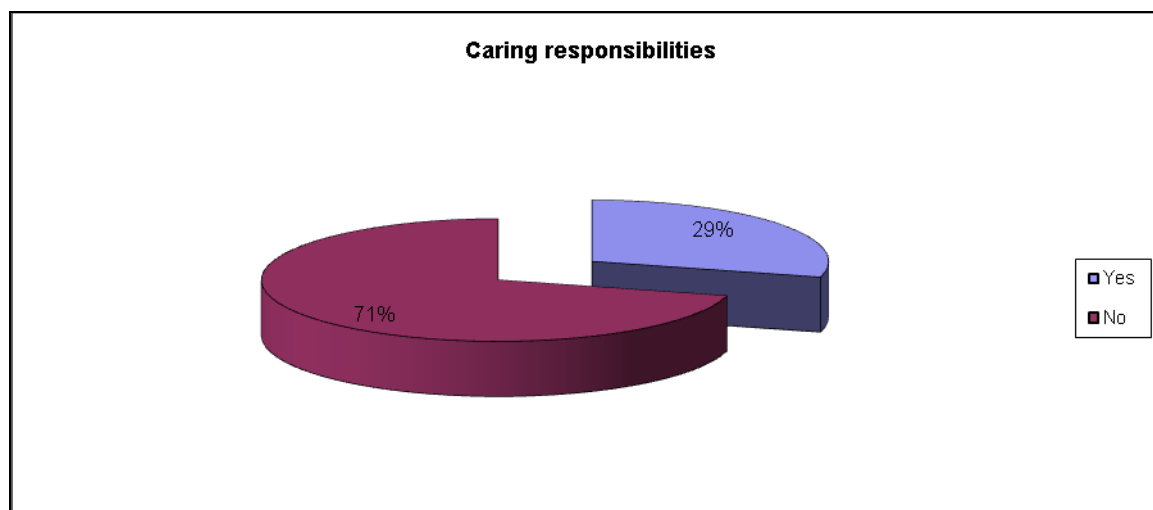
## **Findings from the Age UK online survey**

Our online survey enabled us to find out more about the lives of women affected and the reasons for their concern and anger around these changes. As seen above even among those polled in the representative sample two thirds were concerned about the changes and of this group 23 per cent referred to health problems and 15 per cent to expecting to provide care in retirement. Those who responded to our survey will generally have done so because they are concerned about the changes. It is therefore unsurprising that, as seen below, among these women the proportion who felt they would be unable to work due to reasons such as health and caring responsibilities are higher. Even among those for whom working longer was possible there was concern about the impact this would have on their health and family life and disappointment about lost opportunities.

## Caring and ill health

The online survey gathered information about caring responsibilities and health problems. Nearly 3 out of 10 (29%) of respondents already had caring responsibilities commonly for older parents, a sick or disabled partner or childcare for their grandchildren to help their own children who were employed but found it hard to afford childcare.

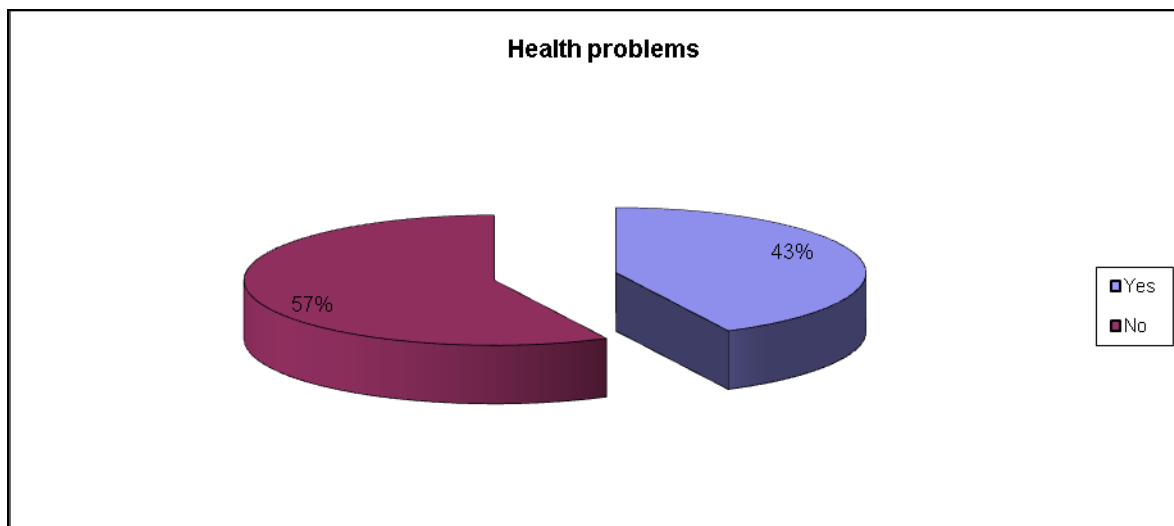
Some women had already left work or had reduced their hours due to caring responsibilities. One of the reasons given for being concerned about further rises in their State Pension age was that some wanted or needed to do more caring in a situation where the cared-for person's health was deteriorating or where they would have liked to have offered to care for their grandchildren.



I am desperate to get the government to listen. I work part time with a net salary of just over £7,000 per annum to enable me to look after my grandchildren. My daughter needs to work to pay her mortgage and child care is too expensive. My parents are in their 80s and in need of more care as age and infirmity catch up with them. Looking after my family is my greatest privilege and pleasure but it is demanding and knowing that I will now have to work for almost two more years has left me completely dismayed.

My proposed State Pension age will now be 66. I had accepted that the age had been pushed back from 60 but will now have to work extra years. I have 2 children, 1 still at university and 2 grandchildren under school age who I look after 2 days a week to help my daughter with childcare costs. I had worked all my life with just breaks for maternity, until 2009 when I took early retirement to become full-time carer for a parent with Alzheimer's. Since their death I have returned to work 3 afternoons a week to supplement the household income. I feel that I and hundreds of other women with similar stories are being penalised for trying to do the best for our families without asking for State help.

Health issues were reported by 43 per cent of the sample. The most frequently mentioned conditions were high blood pressure, various forms of arthritis as well as breast cancer, strokes and heart attacks. A small number had multiple conditions.



It is bad enough that the government has already added three years and 2 months to my pension age before this new disaster of an added 4 months. I am already disabled and chronically ill and was given early ill health retirement at 56, I am almost 58 now.

I am 57 years old now - under the old system I would have had to wait until I was almost 64 for a state pension - now it will be almost 66. My health is deteriorating and I don't think I will be able to work that long. I can collect a small private pension at 60 but won't be able to live on it. I have always worked and now at the end of my working life I have to face this anxious wait. I started work at 16 – with just a short break to have my two children – by 60 haven't I worked enough?

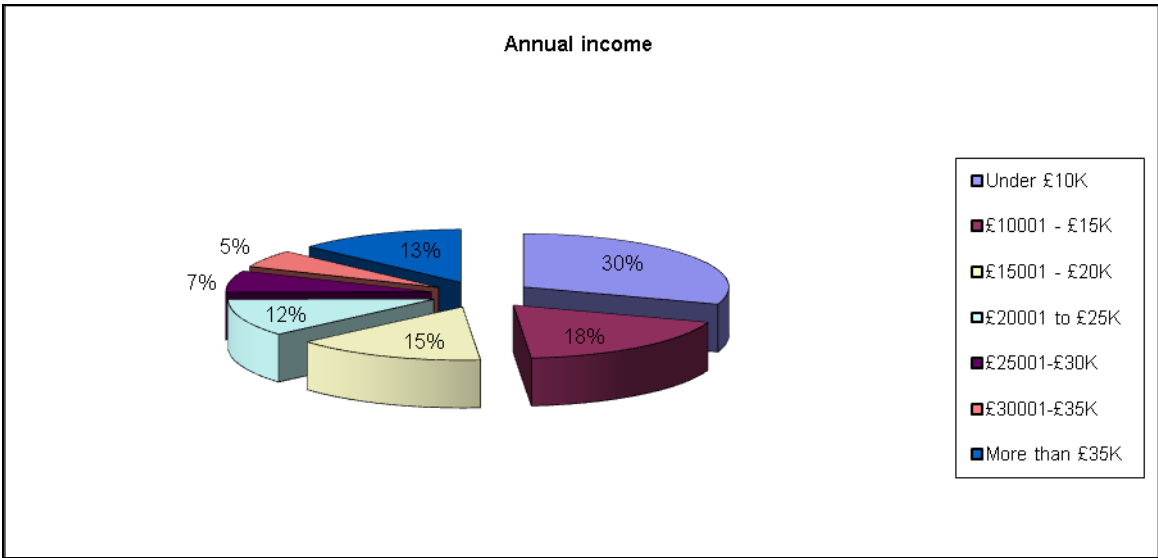
### **Financial position and lack of work opportunities**

A common concern was that the women had already contributed for many years through work and care and felt it was simply unfair that they had to work longer. Many had contributed to pensions – 85 per cent thought they would qualify for a State Pension (4% said they would not and 11% were unsure) and just over three-quarters had a private pension. However the women often emphasised that their private pensions were low and many worried about their financial position and, especially if there were not going to be in a position to work, how they would manage until they reached State Pension age.

### **Income levels**

Three out of 10 (30%) had an income of less than £10,000 per annum. Just over half had an income of less than £15,000. They will struggle to cover their day to day costs, will be unlikely to be able to save more towards a pension and will certainly find saving to bridge the gap to their new State Pension date difficult if not impossible.

Although women on low income were well represented among respondents, it is also significant that women who were concerned enough to complete the survey and visit the campaign website were spread across all income groups.



Having retired early because of health issues I am living off a combination of capital and a small pension. Pushing back my retirement age by another 10 months will impact hugely on my savings. The changes are too much too fast and do not provide the opportunity to make extra savings. The job market is pretty desolate, so part-time jobs are non-existent.

Some single women told us about the pressures of having to provide for themselves – sometimes forced into this position due to relationship breakdown. Women in general have lower incomes in later life and their ability to provide for their retirement is often affected by caring responsibilities or low pay.

I do not have a partner and only have myself to provide for my retirement. I have already made adjustments from a retirement age at 60 to retiring at 64yrs and 10mths due to a previous change and now will not retire until 66, which puts even more strain on my resources. I also have an elderly mother who may require more care in the coming years as her health is deteriorating and I would like to be around to help her.

I have been separated since 2002 and work full time. My job is very stressful but I need to work full time in order to support myself and my unemployed daughter. I suffer with high blood pressure and for years have looked forward to retiring at the age of 64 years and 1 month in order to start taking things a bit easier. To learn that I will now be expected to work until the age of 66 is distressing, disappointing and unfair.

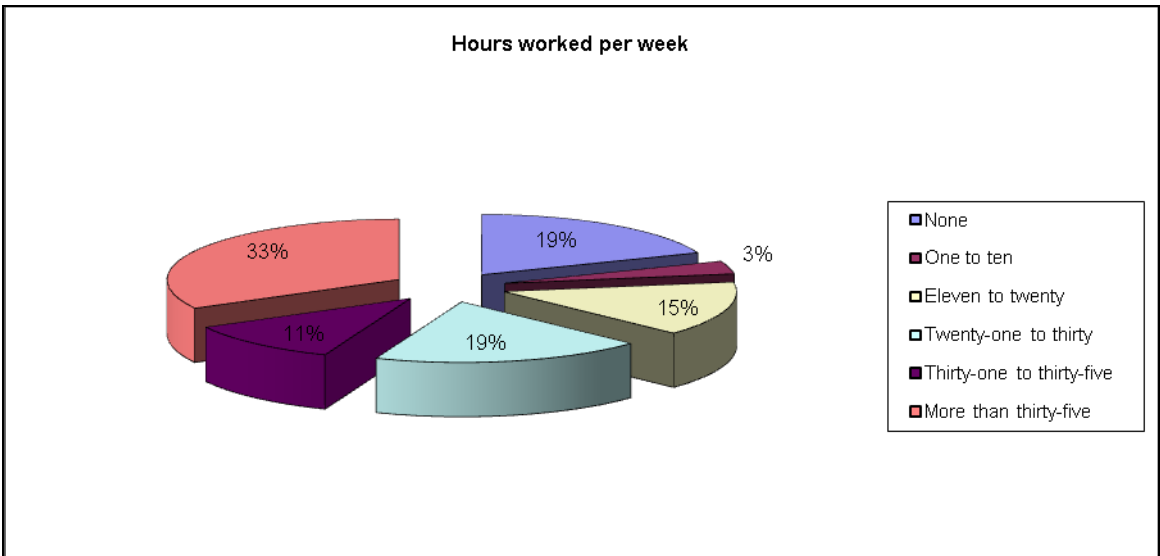
Couples are in a better situation if both have good health and reasonable incomes however often this is not the case. Women with older partners may have to provide

care and support and financial planning has often been on the basis of joint income and expected State Pension dates.

I have a small pension of £8 a week otherwise am dependant on my husband. I have been unable to find work since moving house then fracturing my ankle 18 months ago. I have been buying extra years of NI contributions to boost my eventual pension but finding that money is hard.

**Work**

Most in the survey were working but often not full time. Nineteen per cent of respondents had already left work either through choice, ill health or because they were made redundant. At the other end of the scale 33 per cent were working more than 35 hours a week.



Some were concerned about their ability to work longer or were already expecting to be forced to leave work.

Having worked for over thirty years I was looking forward to enjoying time retiring at the age of 60. I am not in very good health and who knows may not live to see it. I was made redundant last April and have not been able to find a part-time job since, so all my plans financially for retirement have been completely ruined. I am so disappointed also that I cannot retire along with most of my friends, who have escaped the cut off dates, just because I was born in the wrong year.

I wasn't allowed to contribute to a pension in some jobs. I am likely to be made redundant next year at 57 so there won't be much scope for improving my pension position. Any 'retirement' savings could be largely gone by the time I am 66.

**Other contributions**

Finally there were other comments which remind us that retired people contribute to our society in many ways. They join committees, carry out voluntary work and are

often the glue that hold communities together – in essence help achieve the vision of the big society.

I understand the need for us all to work on a little longer, and indeed I was going to continue working for an extra two years anyway, but suddenly it looks as though I have to work on for an extra 6 YEARS ! I have already done 41 years. Once I had retired I would like to give something back to society by taking up a voluntary position, as many newly retired people do. Sadly if it goes through, this proposal will remove a lot of volunteers and leave a huge gap in this resource which so many charities/societies etc rely on.

## Conclusion

Age UK continues to hear from women who are worried and angry about the proposed increases to State Pension age. Their stories demonstrate the difficulties they would face if the changes go ahead. Many are worried about how they will manage financially and feel let down that the goal posts have been changed with so little time to plan. Our polling with a representative sample of women shows that these concerns are widespread. However it also shows that many women need more information about the current situation as a sizeable minority are not aware of changes introduced in 1995 which increase women's State Pension age from 60 to 65. We urge the Government to think again and maintain the original timetable for equalisation and to stick to the Coalition Agreement so State Pension age does not start to increase to 66 for women (and men) until 2020 at the earliest.

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## **Appendix**

### **The Pensions Omnibus Survey**

The survey was carried out by TNS across Great Britain between 18 March and 5 April 2011 through 519 face to face interviews and the results were weighted to the population. The women interviewed were aged 50 to 57 at the time of interview and were all born between 6 April 1953 and 5 April 1960 and so are affected by State Pension age changes in the Pensions Bill. Under the current legislation they will reach state pension age between 63 and one month and 65 and 11 months. If the Pension Bill proposals are agreed most will have to wait until age 66. For the very youngest and oldest in this group this will just extend State Pension age by only a couple of months while those born between December 1953 and October 1954 will have their State Pension increased by between 18 months and 2 years.

The responses were broken down by age band (50 to 53 and 54 to 57), social class, people in the household, country (England, Wales, Scotland) and by government region. In this report we have presented the main findings for the whole sample and in some cases responses broken down by age band or social class.

### **The Age UK online survey**

The online survey has been live on Age UK's website since the beginning of March 2011. The information in this report is drawn from responses from the over 2,680 women who had completed the survey by the beginning of June. Women affected by the changes were invited to tell us their date of birth, income level, number of hours worked, whether they had a private pension, and whether they were a carer or had health issues. They were also asked to explain how they would be affected by the proposed changes. Clearly the women completing this survey were aware of the changes and were likely to be concerned. Some were actively seeking more information but also in many cases trying to find ways to campaign to prevent a further increase taking place.