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Work and Pensions Committee

Transition to State Pension Age

Second Report of Session 2026–27

HC 76

Work and Pensions Committee

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Summary

The State Pension age started to rise from 66 in April 2026 and will reach 67 in April 2028. Increases in the State Pension age are felt unevenly, due to individual and geographical inequalities. Over half (57%) are no longer in paid work in the year before pension age. For many in the most deprived areas—particularly those with caring responsibilities, disability or work-limiting health conditions—the rise in pension age means an extended period on working-age benefits, depleting savings or resources that might otherwise have supported them in retirement. Once in receipt of State Pension, they can expect payments for fewer years, than their wealthier counterparts as their life expectancy is shorter.

In 2025, in our Pensioner Poverty report, we recommended that the government conduct a new impact assessment for the increase to 67 and report back on what mitigations it had considered. In arguing that this was not necessary, the government referred to impact assessments conducted in 2011 and 2013. However, there have been changes since, particularly in relation to health. These include: an increase in the percentage of people aged 60 to 64 reporting a work-limiting health condition (from 28% to 31%). And healthy life expectancy at birth—an indicator of changes in population health—fell by two years over the decade to 2024, with inequalities between the least and most deprived areas widening. In England, it is highest in Richmond upon Thames, where people can expect to live 70 years in good health, and lowest in Blackpool and Hartlepool, at around 51.

In addition, we now have a clearer picture of the likely impact of the increase to 67. The last rise—from 65 to 66, between late 2018 and 2020—caused the income poverty rate among 65-year-olds to more than double. The fact that those affected will be a year older, leads us to fear that the impact may be even greater this time. Half of pre-pensioners (aged 60 to 66) in the lowest income quintile are already frail, and so vulnerable to significant deterioration in their physical and cognitive functioning.

Following a review in 2023, the previous government decided to proceed with the increase to 67 but said it would keep under review the position of those unable to keep working. However, no such review had been announced by the time of the 2024 general election, and the current government does not intend to conduct its evaluation until after the increase has taken effect in 2028. This is too late. The failure to act on

our recommendation for a fresh assessment by the end of 2025, has left a significant gap in the government's understanding of the impact of the increase to 67. An opportunity to inform mitigations has been missed.

When we asked the Minister for Pensions about the government's plans, he stressed the importance of supporting later working. However, as the Mayfield Review on economic inactivity caused by ill-health makes clear, there are significant challenges in this area and transformative change will take time. Even if it could be done quickly, it would be too late for many pre-pensioners, whose trajectories to retirement are already set.

In any case, the government also needs an answer for those unable to work, to avoid the risk of exacerbating existing inequalities and concentrating hardship. There has been ample warning, with independent reviews over 20 years recommending additional social security support for the transition. Without it, the longer wait for their State Pension will harm 66-year-olds unable to keep working till 67.

The government must not just allow that to happen. We heard an increase in the level of Universal Credit in the year before State Pension age would cost £600 million a year, a small proportion of the significant savings—£10.5 billion a year once the State Pension age is 67, compared to if it had stayed at 66. We recognise that there may be concerns about the impact on work incentives. In our view, these are outweighed by the imperative to reduce the poverty and hardship that is otherwise a foreseeable consequence of government policy. The government should think again and, as a minimum, consult on a proposal to increase the level of Universal Credit in the year before State Pension age, with the aim of introducing additional support by the end of 2026.

We acknowledge that this proposal does not go far enough to address the health impacts on those who are compelled to leave work years before State Pension age, often due to ill-health or disability. More work is needed to explore the case for this, setting out the evidence base and the costs and benefits of different options. We should not be in this position. If the government had acted on our recommendation in 2025 to update its impact assessment, we would be further ahead. We recommend that the Secretary of State consults on this as part of his State Pension age review due by March 2029, taking full account of the downstream impacts, in terms of savings for health and social care services.

For the future, we recommend that the government improve its SPA impact assessments by ensuring that they reflect: i) the range of outcomes for pre-pensioners and the impact a State Pension age increase is expected to have on that; and ii) the downstream impact on demand for health and social care services. It also needs to demonstrate its commitment to learn from mistakes, through effective implementation, evaluation and monitoring

of the action plan developed with the Parliamentary and Health Service Ombudsman following its maladministration in communication of State Pension age increases to 1950s women.

1 Introduction

Background to the inquiry

1. In our report on Pensioner Poverty: challenges and mitigations, we noted that after a decline in the 2000s, pensioner poverty had started to rise again from 2010. Pensioners on low and fixed incomes, who faced cost of living increases, responded by "cutting back on food, energy use and social interactions, adding to existing health risks."[1] As the State Pension is the core of the government's offer, relied on by many pensioners on low incomes, we recommended an objective related to adequacy and a review of those policies that undermine it for some pensioners.[2]

2. One such policy is State Pension age (SPA) increases, which have an unequal impact, particularly affecting people in the most deprived areas, with relatively low life expectancy and healthy life expectancy.[3] Aware that the SPA would increase from 66 to 67 between April 2026 to 2028, we recommended that the government assess the expected impact and explain the mitigating measures it had considered and its conclusions.[4] In response, the government told us that the previous government had published impact assessments in 2011 and 2013 and then confirmed in 2023 that the increase remained appropriate. The current government would evaluate the increase once it was complete (in 2028) and data available to assess it.[5]

3. While we recognise that this inquiry takes place in a tight fiscal environment—Jonathan Cribb, Deputy Director, Institute for Fiscal Studies, described the government as "struggling with every penny at the moment"[6]—there are also mounting challenges:

- As the Minister for Pensions said, we are "currently on course for tomorrow's pensioners to be poorer than today's";[7]

1 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: challenges and mitigations, HC 465, para 16 and 41
2 As above, paras 161 and 167
3 As above, para 191
4 As above, para 192
5 Work and Pensions Committee, Fifth Special Report of Session 2024–26, Government response to the Work and Pensions Committee's Second Report, HC 1384
6 Q6
7 Department for Work and Pensions, Finishing the job: Launching the Pensions Commission, 4 August 2025, Foreword; Q129

- The number of older workers (aged 50 to 64) with work-limiting conditions increased by 0.9 million (32%) between 2015 and 2024.[8]
- The most recent Office for National Statistics (ONS) figures show healthy life expectancy (HLE) at birth—an indicator of changes in population health—has decreased to its lowest level since this ONS time series begun in 2011 to 2013. Men in the UK can expect to spend 60.7 years (77% of life) in "good" general health, women 60.9 years (73%).[9]

4. Our inquiry comes at a pivotal time for pension policy. In July 2025, the government announced a Second Pensions Commission, comprising Baroness Jeannie Drake, Sir Ian Cheshire and Professor Nick Pearce, to make recommendations on broader questions of adequacy, fairness and sustainability to guide the long-term future of the pensions system.[10] It asked the new Pensions Commission to 'finish the job' started by the first one, whose recommendations in 2005 led to state pension reforms—a flat-rate State Pension uprated at least in line with earnings—and auto-enrolment into workplace pensions.[11]

5. In its Interim Report, published on 20 May 2026, after we had finished taking evidence, the Second Pensions Commission outlined the challenges:

- Too many working-age people are projected to reach later life without sufficient private pension savings.
- Women, carers, the self-employed, disabled people and many ethnic minority groups continue to face structural barriers that the system has not yet overcome.
- Future pensioners may face a less straightforward relationship with the labour market, as low-paid, insecure or part-time work, as well as periods out of the labour market, reduce their ability to save.
- Many more will live without the stability that home ownership once offered; and will face higher housing costs than any generation of pensioners before.

8 Keep Britain Working Review: Discovery Report, March 2025, Executive Summary, para 3

9 Office for National Statistics, Healthy life expectancy, UK: between 2011 to 2013 and 2022 to 2024, 19 February 2026

10 Department for Work and Pensions, Pensions Commission: Terms of Reference, 21 July 2025

11 Department for Work and Pensions, Finishing the job: launching the Pensions Commission, 4 August 2025; The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 1.19

- And retirees now face the uncertainty and complexity of navigating defined contribution pensions, investment risk and decisions about when and how to draw on their savings, with profound implications for their living standards later in life.[12]

We discuss the evidence we took on these issues in chapter three. We look forward to the Second Pensions Commission's final report in Spring 2027, in which it will make recommendations to government for a "pensions system that is adequate, fair and sustainable".[13] As it explains, responsibility for overcoming challenges rests with three actors—the state, employers and individuals.[14] While mindful of the wider context, the focus of our inquiry is the state pension system and how it supports low-income pensioners.

6. Also in July 2025, the Government launched an independent review of the State Pension age by Dr Suzy Morrissey, to recommend a framework for future SPA arrangements in the light of demographic pressures, balancing consideration of fairness and sustainability.[15] Alongside a report from the Government Actuary on the proportion of adult life in retirement, this will inform the Secretary of State's own SPA review due by March 2029.[16]

7. It is in this context that we launched this inquiry on 10 November 2025.[17] We received 37 pieces of written evidence and held four oral evidence sessions. We also conducted a roundtable in Durham with the help of Age UK County Durham. A high-level summary of our discussions is in the annex to this report. We are grateful to all those who assisted us throughout this inquiry.

8. A note on terminology: we use the term 'State Pension age policy' to refer to support for people in the transition, as well as the timing of any SPA increases; and 'pre-pensioner' to refer to people between age 60 and SPA.

12 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Foreword

13 The Second Pensions Commission, Pensions 2050: Evidence and Future Priorities - interim Report, 20 May 2025, para 6.12

14 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Executive Summary, para 30

15 Department for Work and Pensions, Third Review of State Pension age: Independent Report Terms of Reference, 21 July 2025

16 Pensions Act 2014, s27; Department for Work and Pensions, Third Review of State Pension age: Independent Report Terms of Reference, 21 July 2025

17 Work and Pensions Committee, 'Inquiry launched on pre-pension income gap support', 10 November 2025

9. **CONCLUSION**

We welcome the fact that the government asked Dr Suzy Morrissey to balance fairness and sustainability in her independent review of the State Pension age and set up a Second Pensions Commission to make recommendations on broader questions of adequacy, fairness and sustainability to guide the long-term future of the pensions system. The range and scale of challenges outlined in the Commission's interim report, make clear that pensions policy is at a pivotal point.

10. **CONCLUSION**

The risk is that outcomes from these important reviews come too late for many reaching State Pension age in the next few years. The impacts of the rise to 67 will be very uneven. For many unable to keep working, particularly on low incomes and in the most deprived areas, it will mean hardship as they wait longer for a State Pension. Their shorter life expectancy means that they can then expect to receive it for a shorter time than those in the least deprived areas. We know that the last increase—from 65 to 66—resulted in absolute poverty rates among 65-year-olds more than doubling. In response to our Pensioner Poverty report, the government declined to conduct a further impact assessment before the end of 2025, or to explain its considerations regarding options to mitigate the impact. Concerned that much had changed since the impact assessments in 2011 and 2013 and that there were gaps in the government's understanding, we launched this inquiry. Our conclusion is that additional social security support is needed to support the transition.

2 The State Pension

11. This chapter returns to some of the issues considered in our 2025 report on Pensioner Poverty:[18] the role of the State Pension in a future pensions system that is 'adequate, fair and sustainable'; the challenges to its sustainability as costs rise; the debate around whether its purpose is sufficiently clear; its role in delivering adequacy and preventing poverty; and the case for an adequacy objective.

State Pension reforms

12. There are two state pensions. The old State Pension for people who reached State Pension age (SPA) before 6 April 2016, had two tiers:

- the basic State Pension, a contributory flat-rate benefit, based national insurance (NI) records. The full amount in 2026/27 is £184.90 per week; and
- the additional State Pension, which depended on earnings or deemed earnings over working life since 1978. Individuals could be contracted out of this into a workplace pension, in return for which they and their employer paid a reduced rate of National Insurance.

The new State Pension for people reaching State Pension age from 6 April 2016, is single tier. Its full rate in 2026/27 is £241.30 a week.[19] The aim, when it was introduced, was that it should be simple and fair and act "as a foundation for building up retirement income".[20] It would also bring forward by a decade the date at which State Pension outcomes for women would equalise with those for men.[21] By August 2025, out of over 13 million people receiving the State Pension, 4.7 million were receipt of the new State Pension.[22]

18 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: Challenges and Mitigations, July 2025, chapter 6

19 Pensions Act 2014, Part 1; Department for Work and Pensions, Benefit and pension rates 2026 to 2027, 16 February 2026

20 Department for Work and Pensions, A state pension for the 21st century, Cm 8053, April 2011, Foreword

21 Department for Work and Pensions, Updated impact of the single-tier pension reforms, July 2014

22 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 1.20; DWP benefits statistics: August 2025

13. In addition, pensioners may be entitled to means-tested benefits. The Pension Credit Guarantee, for example, tops up other income from the state or workplace pensions, to £238 a week for a single person, £363.25 for a couple (with additional amounts for severe disability and caring responsibilities).[23] In August 2025, 1.39 million households in Great Britain were receiving Pension Credit, of whom 1.22 million were single pensioners and 165,200 pensioner couples.[24]

Sustainability challenges

14. We wanted to explore the challenges to balancing adequacy, fairness and sustainability.[25] The scale of the political and fiscal challenges to sustainability are clear from successive reports from the Office for Budget Responsibility (OBR), which projects an increase in State Pension spending from 5% of Gross Domestic Product (GDP) today to 7.7% in the early 2070s—due to the triple lock and an ageing population. It identifies this as the second-largest increase in non-interest spending after health, and a major reason why it has repeatedly concluded that, "if current policy settings were to be maintained over the long run, debt would be on an unsustainable path".[26]

15. In his evidence, the Minister for Pensions, Torsten Bell MP, stressed the importance of keeping spending sustainable to maintain cross party support for core elements of the State Pension. He was worried at reduced levels of trust, with a lot of people not believing that the State Pension would be there in its current form.[27]

16. The Second Pensions Commission set out the demographic challenges. The population is ageing rapidly. The percentage of the population over the age of 65 rose from 16% in 2000, to 19% in 2025, and is expected to rise further to 24% by 2050 and 28% by 2075.[28] This will bring unavoidable pressures, raising difficult questions about how the costs and benefits should be shared between different generations. The Commission highlighted the need to consider how longer working lives, private pension saving, and the State Pension fit together, to keep the system "fair and sustainable."[29]

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23 Department for Work and Pensions, Benefit and pension rates 2026 to 2027, 16 February 2026

24 Department for Work and Pensions, Stat-Xplore, August 2025

25 Q1 and Q6

26 Office for Budget Responsibility, Fiscal risks and sustainability, July 2025, para 1.9–1.10 and 2.14. These figures are for its central projection

27 Q126

28 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 1.5

29 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 1.10

17. A further factor is the triple lock, under which the new State Pension and basic State Pension are uprated by the highest of average earnings growth, Consumer Prices Index inflation, or 2.5 per cent. This played a significant role in reducing pensioner poverty.[30] However, it has cost substantially more than originally expected in 2012[31] and creates uncertainty in long-term projections of under saving. This is because any year in which the pay growth falls below 2.5% or inflation, will "lead to a permanent upwards ratchet" in the State Pension's value relative to earnings.[32]

18. As we heard in this inquiry, the decisions the government takes to maintain sustainability will clearly matter. Ben Franklin, Deputy Chief Executive, International Longevity Centre, while describing long-term sustainability as the most urgent and pressing issue, said there was a risk that building a "really sustainable system could also undermine and limit fairness".[33] Jonathan Cribb, Deputy Director, Institute for Fiscal Studies, stressed the importance of decisions being perceived as fair.[34]

Purpose and objectives

19. Chris Curry, Director, Pensions Policy Institute, told us that trade-offs between adequacy, sustainability and fairness were highlighted when considering the age and level at which the State Pension is paid. A "clear purpose and policy objective" for the State Pension, would help to work out the combination of pension age, level and indexation arrangement that you needed to meet it.[35]

20. While governments in other countries have explicit targets for their state pensions, for example relating to a proportion of average earnings,[36] the UK government appears to have a more loosely defined goal—that it should act as a foundation for private pension savings.[37] A second possible objective relates to adequacy. The Minister for Pensions described it as the "answer to everything on pensioner living standards, in so far as it is driven by the

30 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Executive Summary, para 6
31 Office for Budget Responsibility, Fiscal risks and sustainability report, July 2025, 2.15 to 2.17
32 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 2.15 to 2.16
33 Q22
34 Q12
35 Q20 and Q8
36 Q8
37 Q8 [Chris Curry]

social security system".[38] He said the government's "revealed objective" was for a slightly higher level of State Pension relative to earnings than now, delivered by the triple lock over the course of this Parliament.[39]

An objective relating to adequacy

21. There are different measures of adequacy. What is appropriate depends on what and whom you are trying to target.[40] The first Pensions Commission recommended a package of reforms aimed at delivering adequacy for median earners, with the State Pension as the foundation for workplace pension savings through auto-enrolment.[41] Its target outcomes were for replacement rates (income in retirement as a proportion of that in working life) of: 50% for high earners; around two-thirds for median earners (31% through the State Pension; a further 15% through auto-enrolment; and the remainder through voluntary saving); and over 80% for those in the lowest earnings band, through the state system.[42]

22. The Second Pensions Commission said that by the 2040s people are on average expected to receive a State Pension equivalent to 31% of median earnings and that it was providing the firm foundation envisaged by the first Commission.[43] However, it identified weaknesses in replacement rates as a guide for public policy: higher earners were less likely to meet their replacement rate because their pre-retirement incomes were higher; and although low earners were more likely to, that did not make poverty or very low income in retirement acceptable.[44] It concluded that clearer adequacy objectives were needed, reflecting financial resources across the income distribution.[45] A 'hybrid adequacy measure' would better reflect the needs

38 Oral evidence on 4 June 2025, Q343
39 Q129
40 Q4 [Chris Curry]
41 A New Pension Settlement for the Twenty-First Century. The Second Report of the Pensions Commission, December 2005, Executive Summary; The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 1.23
42 A New Pension Settlement for the Twenty-First Century, The Second Report of the Pensions Commission, December 2005, page 282; DWP, Analysis of Future Pension Incomes 2025, 21 July 2025
43 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 1.24 and 3.7
44 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Summary, para 11 to 14
45 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 6.4

of different earners and help anchor public policy: combining the use of replacement rates in some form for middle earners with a basic adequacy standard for lower earners.[46]

23. In our Pensioner Poverty report, we recommended a living standards approach: although aligning the State Pension with the Minimum Income Standard would pose a political and economic challenge, this did not mean its level should be set without regularly updated evidence on what the public think is needed to live in dignity.[47] This was particularly important for those in the lowest income decile, for whom the State Pension and other state entitlements make up around 80% of their total income: around 65% from the State Pension and 15% from other state benefits.[48] Yet, many of those who relied on the State Pension and state entitlements were "experiencing financial difficulties and hardship." For many, adequacy was undermined by features of the system, such as the design of means-tested benefits and low take-up.[49] We recommended that providing "the amount needed for a minimum, dignified, socially acceptable standard of living" should be a "guiding principle" for State Pension policy.[50] As our predecessor Committee put it, having a "benchmark for benefit levels linked to living costs would enable DWP to measure progress and improve accountability in the system."[51]

24. In evidence to this inquiry, Age UK told us, there will always be people who rely solely or mainly on the State Pension (this is currently the case for one in eight);[52] the Women's Budget Group said it was particularly important for women who are more likely to live only on it and to be living in poverty;[53] Independent Age called for a focus on the outcomes we want for the lowest income pensioners, such as the ability to participate in society.[54]

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46 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Chapter 2, Executive Summary

47 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: challenges and mitigations, 24 July 2025, para 158; Centre for Research in Social Policy, Loughborough University (PPCM0039). The Minimum Income Standard is the amount needed for what the public agree is a minimum dignified socially acceptable standard of living

48 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Executive Summary, para 1.25; Figure 2.11 and 2.12

49 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: challenges and mitigations, 24 July 2025, para 162–6

50 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: challenges and mitigations, 24 July 2025, para 161

51 Work and Pensions Committee, Second Report of Session 2023–24, Benefit levels in the UK, HC 124, 21 March 2024, para 89

52 Q38

53 Q69 [Dr Daniella Jenkins]

54 Q38 and Q45

25. We therefore wanted to understand whether the Second Pensions Commission would look specifically at adequacy of State Pension. Asked about this, the Minister for Pensions said that, if we look at overall adequacy, the "biggest gaps" are on the private pensions side.[55] The Commission's interim report, showed that for a single pensioner, the full new State Pension was below the poverty line and the Pensions UK's minimum retirement living standard (the amount for a minimum socially acceptable standard of living):

- In 2023/24, a couple's double new State Pension entitlement was broadly similar to the relative poverty threshold (60% of median income) and slightly below the minimum retirement living standard;
- A single pensioner's full new State Pension was just below the relative poverty threshold and further below the minimum retirement living standard compared to couples.[56] The minimum retirement living standard (before housing costs) for a single person outside London is now £13,900 a year and the full amount of the new State Pension, £12,548 a year (£241.30 per week).[57]

And as we said in our Pensioner Poverty report, many do not receive the full amount of the new State Pension. Those particularly at risk of poverty are likely to include the 2.1 million people who receive less than the full basic State Pension.[58]

26. The Second Pensions Commission described the State Pension as "the central means of ensuring that pensioners do not live in poverty".[59] It said the State Pension "provides a firm foundation that does not necessarily deliver 'adequacy' by itself but does try to avoid poverty."[60] Those without private pensions were far more likely to be in poverty.[61] Low earners needed to save more but concerns about affordability may impact on their ability to save.[62] Those with lower earnings and gaps in working life, had worse

55 Q129; DWP, Finishing the Job: Launching the Pensions Commission, 4 August 2025
56 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 2.40
57 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 2.40; Pensions UK, Retirement Living Standards update shows the nation is not saving enough, 3 June 2026
58 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: challenges and mitigations, 24 July 2025, para 166
59 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 30
60 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 2.38
61 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, chapter 2, Summary
62 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 4.16

private pension outcomes, due to issues which could not necessarily be resolved through the pensions system.[63] Working longer was a necessary part of the solution but would require a cohesive and joined up strategy.[64]

27. **CONCLUSION**

We recognise that there are challenges ahead, with an ageing population meaning rising costs in a tight fiscal environment. In future decisions, on the State Pension and other state entitlements for pensioners, it will be important for the government to balance sustainability, adequacy and fairness. The government refers to the State Pension as a foundation for private pension saving and says its 'revealed objective' is for a slightly higher level of State Pension than now, delivered via its commitment to the triple lock for the rest of this Parliament. However, this offers no guarantee of adequacy for those solely or mainly reliant on the State Pension. As things stand, the Second Pensions Commission said the State Pension does not necessarily deliver adequacy by itself.

28. **CONCLUSION**

We agree with the Second Pensions Commission that current policy is not grounded in clear objectives for adequacy and that it would help guide future policy to define what 'adequate' means in a way that accurately represents pensioners' financial resources across the income distribution. An adequacy objective would help guide future policy decisions, for example, as to how the State Pension is uprated.

29. **RECOMMENDATION**

The government must work towards a sufficiently clear adequacy objective to guide its future decisions on State Pensions and state entitlements. It should say whether a State Pension that tries to avoid poverty but does not necessarily deliver adequacy, represents the extent of its ambitions.

63 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, para 6.9

64 The Second Pensions Commission, Pensions 2050: evidence and future priorities - interim report, 19 May 2026, Chapter 4, Summary

3 Increase in the State Pension age

30. In this chapter we look at: what we know about the cohort affected by the increase from 66 to 67 between April 2026 and 2028, in terms of health, employment, poverty rates and resources available for retirement; that there are individual and geographical disadvantages, which often overlap; the implications of this for State Pension age policy; and how the Secretary of State might take account of this in his forthcoming State Pension age review.

How the SPA has increased

31. The State Pension age (SPA) has increased in stages since 2010:

- From the 1940s, it was 60 for women and 65 for men. Under the Pensions Act 1995, provision was made for equalisation, whereby the SPA for women was scheduled to rise from 60 to 65, between 2010 and 2020.
- In 2005, the first Pensions Commission said that the SPA should increase and over time keep pace with life expectancy.[65] Following its report, the 1997–2010 Labour Government legislated for the SPA to increase: from 65 to 66, over two years starting in April 2024; from 66 to 67, over two years starting in April 2034; and from 67 to 68, over two years from April 2044.[66]
- Then the 2010–2015 Coalition Government brought forward the date of equalisation to 65 from April 2020 to November 2018, from which point the equalised SPA started to rise to 66, which it reached in October 2020.[67] And in the Pensions Act 2014, it brought forward the increase in the SPA from 66 to 67 to between 2026 and 2028.[68]

65 Pensions Commission, A New Pension Settlement for the Twenty-First Century. The Second Report of the Pensions Commission, December 2005, Executive Summary, pp12–17
66 Pensions Act 2007, section 13 and schedule 3
67 Pensions Act 2011, section 1 and schedule 1
68 Pensions Act 2014, section 26

32. The Pensions Act 2014 also introduced a requirement for the Secretary of State to undertake periodic reviews (at least every six years) to ensure that the timetable for increases takes account of changes in life expectancy in a way that is timely and transparent. The reviews would be informed by analysis from the Government Actuary's Department on the proportion of adult life that individuals can expect to spend in receipt of a State Pension; and an independently-led review of wider factors.[69] They are underpinned by the principle that each generation should be able to spend a roughly equal proportion of life in receipt of the State Pension and that individuals could expect to get at least ten years notice of any change.[70] These principles were endorsed by the first two independent SPA reviews, citing the importance of fairness between generations.[71] For the third independent review, Dr Suzy Morrissey was asked to make recommendations on the key factors government should consider in determining SPA for future decades, balancing consideration of fairness and sustainability.[72]

Context for the increase to 67

33. The increase to 67 is being phased in. The first cohort affected, people born between 6 April and 5 May 1960, have a SPA of 66 years and one month; people born between 6 March 1961 and 6 April 1977 have a SPA of 67.[73] Rising numbers of people will be affected in the years to 2030, with 802,749 people reaching the age of 67 in 2028, 829,085 in 2029 and 846,487 in 2030.[74] We wanted to understand the characteristics of this cohort and what impact an increase in the SPA might have.

34. We learned that health, work capacity and resources are all factors that help people manage the transition to SPA and that access to them is patterned by social class, gender, ethnicity and work histories.[75] The

69 Pensions Act 2014, section 27

70 Department for Work and Pensions, Future State Pension age rises: DWP background note, 5 December 2013

71 Independent Review of the State Pension age. Smoothing the Transition. Final Report, March 2017, Foreword, p12–13, p20, 79; Baroness Neville-Rolfe DBE CMG, Independent review of the State Pension age 2022, pp7 and 128

72 Third State Pension age review: Independent Report Terms of Reference, DWP, 21 July 2025

73 Pensions Act 1995, Schedule 4

74 Office for National Statistics, National population projections: 2022-based [from Nomis on 13 May 2026]

75 Professor Karen Glaser (Professor of Gerontology at King's College London); Professor Debora Price (Professor of Social Gerontology at The University of Manchester); Dr Giorgio Di Gessa (Senior Research Fellow at University College London) (SPA0008); Professor Jane Falkingham (Professor of Demography and International Social Policy, University of Southampton); Professor Maria Evandrou (Professor of Gerontology, University of Southampton); Professor Athina Vlachantoni (Professor of Gerontology and Social Policy, University of Southampton) (SPA0003)

evidence we received shows health inequalities feeding into inequalities in labour market participation and earnings, which in turn mean low levels of private pension saving. As the Minister for Pensions put it, these inequalities exist both at an individual level and a geographical level.[76]

Health and employment

35. Overall employment rates for 60- to 64-year-olds have increased significantly—from 34.2% in 1996 to 57.9% in 2025.[77] However, as people approach SPA, their rate of employment declines significantly. In 2025, the employment rate was 42.1% at age 65 (the year before SPA) and 29.3% at age 66.[78] The reasons for leaving work vary by socio-economic status. As the Minister for Pensions put it, "overwhelmingly, poor people are exiting work before the SPA for health reasons and richer people [...] for wealth reasons"—retiring because they can.[79] There is also significant variation in employment rates, for example, by region and ethnicity.[80] Unpaid caring responsibilities are also a factor—providing care for more personal tasks and a higher number of hours is associated with leaving work for people in their 50s.[81] From age 60, when 57% of carers work (a slight majority full-time), there is a significant drop to 25% at age 66 (the majority part-time).[82]

36. Government-commissioned independent reviews have noted the impact of health inequalities on employment. The Mayfield Review Discovery Report noted a "significant growth in people reporting work limiting health condition (both in and out of work)."[83] In 2024, around 31% of people aged 60–64 reported a work-limiting health condition in 2024, compared with 28% in 2014.[84]

37. We were concerned at evidence from researchers at Edinburgh University about the early onset of frailty—a measure of general health decline in later life and vulnerability to significant deterioration in physical and cognitive functioning. Large sections of the pre-pensioner population (individuals aged 60 to 66) already live in frail health and precarious economic

76 Q133
77 Department for Work and Pensions (SPA0027)
78 Department for Work and Pensions, Economic labour market status of individuals aged 50 and over, trends over time: September 2025, 30 September 2025
79 Q157; Q136
80 Department for Work and Pensions (SPA0027)
81 Professor Jane Falkingham (Professor of Demography and International Social Policy, University of Southampton); Professor Maria Evandrou (Professor of Gerontology, University of Southampton); Professor Athina Vlachantoni (Professor of Gerontology and Social Policy, University of Southampton) (SPA0003)
82 Carers UK (SPA0028)
83 Keep Britain Working Review: Discovery Report, 20 March 2025, The landscape, Summary
84 The Health Foundation (SPA0016)

circumstances. Among the poorest 20% of people aged 60 to 66, almost half of people were already classed as frail. The onset of frailty before SPA for the most deprived groups came in the context of an acceleration of how individuals developed frailty in recent years, which coincided with the period of fiscal austerity.[85]

Overlapping disadvantages

38. We heard that factors that make it challenging to manage the transition to SPA, overlap for certain groups, concentrating disadvantage. The Women's Budget Group told us gender, health, disability and caring responsibilities were all factors contributing to sharp inequalities for this age group. People in poorer areas were more likely to enter their early sixties in poor health or with work-limiting long-term conditions. Unpaid caring responsibilities, also a factor, were unevenly distributed by gender. Housing circumstances further differentiated outcomes, with increasing numbers approaching retirement while renting or with mortgage debt.[86] We heard evidence of the impact of overlapping disadvantages on different groups:

- **Carers.** Carers UK told us that unpaid caring has a "negative impact on labour market participation, health and disability, income and poverty". Working-age carers were less likely to be in work (with 62% in employment compared to 75% of non-carers), more likely to have long-term physical or mental health conditions (with 72% of carers saying they did, compared to 61% of non-carers in 2025) and more likely to be disabled (an estimated 28%, compared with only 18% of non-carers). They were also more likely to have no or low private pension saving, with nearly half (47%) of those aged 60 to 65 having no private pension saving. Among those who did have pension saving, carers had 17% less than the UK average, representing a shortfall of nearly £37,000.[87]

- **People with disabilities and long-term health conditions.** Arthritis UK explained that people with MSK (Musculo-skeletal conditions) were more than twice as likely (34.9%) to be economically inactive than those without a long-term health condition (15.2%); people living with arthritis were 20% less likely to be in work than people without. Arthritis and MSK significantly impacted people's ability to earn money and led to additional financial costs. It could cause individuals to retire early, which could be detrimental to their pensions, savings and general finances. Two-thirds of survey respondents (67%) who retired

85 Advanced Care Research Centre, University of Edinburgh (SPA0012)
86 UK Women's Budget Group (SPA0010); see also, Trades Union Congress (SPA0023)
87 Carers UK (SPA0028)

early due to their symptoms did not receive any pension at the time of their retirement and this percentage was higher among people with lower socio-economic backgrounds.[88]

- **Certain ethnic groups.** Researchers at the University of Southampton found that individuals aged between 45 and 64 from different ethnic groups reached later life with very different financial resources. Those from Bangladeshi and Pakistani communities are less likely to be members of a workplace pension scheme (less than 80%, compared to 90% of White British Individuals) and less likely to expect to use non-pension savings in retirement (9% of persons from Bangladeshi communities, compared to more than 40% of White British individuals). Alongside these differentials in financial preparedness, were differentials in health. After controlling for social and economic disadvantage, black and minority ethnic (BME) elders were still more likely than white British elders to report limiting health and poor self-rated health. This was particularly marked among BME elders of South Asian origin, with Pakistani elders exhibiting the poorest health outcomes.[89]

39. There are also geographical aspects, with the factors that make it challenging to remain in work, concentrated in the most deprived areas. Andrea Barry, Deputy Director, Centre for Ageing Better, told us that a good job can help to cushion shocks, such as health problems. If people could work flexibly, keep working longer and continue to boost their savings, an increase in the SPA would not necessarily harm them. Unfortunately, there were areas of the country where that was less likely to happen.[90] Tom Pollard, Head of Policy, Mind, told us that people with health problems and disabilities were likely to be concentrated in parts of the country where there were fewer economic opportunities and where "poor quality, insecure work was leading to lots of people becoming unwell".[91]

Impact on resources for retirement

40. Dr Daniella Jenkins, Director, Women's Budget Group, described two parallel processes of accumulative advantage. The first group had purchased property which increased in value and had worked in jobs that enabled them to build pensions wealth and other assets. They had choice and agency in retirement. The second group, who had typically worked in

88 Arthritis UK (SPA0005)

89 Professor Jane Falkingham (Professor of Demography and International Social Policy, University of Southampton); Professor Maria Evandrou (Professor of Gerontology, University of Southampton); Professor Athina Vlachantoni (Professor of Gerontology and Social Policy, University of Southampton) (SPA0003)

90 Q25

91 Oral evidence on 4 February 2026, Q4

lower income roles, had periods of unemployment and had not been able to access property, had a cumulative disadvantage that added up over time. Even women working in their late 50s or early 60s, who had managed to catch up in terms of income, were not necessarily able to catch up in terms of pension savings.[92]

41. DWP analysis of outcomes for a slightly younger cohort (people born in 1958, who reached SPA in 2024 at age 66) illustrate how inequality in working life is reflected in retirement outcomes. The vast majority (8 in 10) had a private pension, with this more likely to be a defined contribution pension (a pot of money, based largely on investment returns and contributions) than a defined benefit pension (a promised pension based on earnings and service). Those with no private pension savings were the most disadvantaged across a range of socio-economic indicators. They were likely to have no or low level (NVQ1) qualifications, to be living in rented social housing, to be single or divorced, and not working due to poor health or caring responsibilities. There was also a gap by gender—the average value of men's defined contribution (DC) pension pots was more than three times that of women's (£90,000 to £28,500).[93]

Implications for State Pension age policy

42. We wanted to explore the implications these overlapping disadvantages should have for SPA policy. Evidence from Professors Glaser and Price and Dr Di Gessa from the WHERL Consortium suggested that, in the absence of targeted mitigations, SPA rises risk: increasing the number of people in their early 60s in poverty; concentrating hardship among those already disadvantaged in terms of health, lifetime earnings, ethnicity and caring responsibilities; and contributing to widening inequalities in late-life health and frailty, particularly for those with the longest exposure to demanding or insecure jobs.[94] According to the NIHR Policy Research Unit, international evidence is that delaying the age at which people can claim a pension is associated with poor physical and mental health, but mostly for disadvantaged groups.[95] The Health Foundation said that if the SPA continued to rise in line with national averages, people living in deprived areas were likely to spend an increasingly smaller share of life in

92 Q78

93 Department for Work and Pensions, Pensions and economic status among the 1958 birth cohort prior to reaching State Pension age, 24 February 2026

94 Professor Karen Glaser (Professor of Gerontology at King's College London); Professor Debora Price (Professor of Social Gerontology at The University of Manchester); Dr Giorgio Di Gessa (Senior Research Fellow at University College London) (SPA0008)

95 NIHR Policy Research Unit in Healthy Ageing (SPA0037)

retirement than their cohort peers who live in healthier regions.[96] Professor Sarah Vickerstaff put it starkly—moving the pension age up meant "rolling forward a set of quite deep structural inequalities ".[97]

The State Pension age review

43. The Minister for Pensions told us he thought "a lot" of consideration should be given to the impact of SPA rises for low-income households and deprived areas. He argued that it was possible to take seriously both the fiscal constraints and the consequences of SPA increases.[98] The Secretary of State's review, due by March 2029, would be based on a wide range of factors and look at "poverty, work incentives, inequality of distribution, and across the distribution, not just point estimates about what it means on average."[99]

44. One of the questions in Dr Morrissey's call for evidence, published in August 2025, was how SPA changes might impact people differently, which groups of people, regions or nations might be most impacted by them and why.[100] The Minister told us that her report would be published "in due course," noting that the previous government had published the report of the second independent review, by Baroness Neville-Rolfe, alongside the Secretary of State's own.[101] Our predecessor Committee wrote twice to the government, asking for Baroness Neville-Rolfe's review to be published in advance. Experience of the first independent review by John Cridland, demonstrated the benefits of allowing public debate on findings and recommendations before final decisions were made.[102]

45. It is not clear to us what the implications the Secretary of State's forthcoming review might have for people affected by the increase to 67. The terms of the Morrissey review refer to "future State Pension age arrangements".[103] The Minister described the increase to 67 as one that he had "inherited" but also as one for which he was "responsible", as it was happening over the next two years.[104]

96 The Health Foundation (SPA0016)
97 Q16
98 Q128
99 Q155; Q164
100 Third State Pension age review: independent report call for evidence, 18 August 2025
101 Correspondence with the Minister for Pensions following oral evidence, 14 April 2026
102 Correspondence with the Minister for Pensions and Growth, 26 October 2022; Correspondence with the Secretary of State for Work and Pensions, 1 March 2023
103 Department for Work and Pensions, Third Review of State Pension age: Independent Report Terms of Reference, 21 July 2025
104 Q153 and Q164

46. **CONCLUSION**
The State Pension age started to rise to 67 in April 2026. However, many people are not in work by that age. In 2025, by age 65, only 42% were in work and by age 66, this had fallen to 29.3%. Reasons for leaving work reflect inequality, with, typically, wealthier people choosing to retire, and poorer people leaving due to ill-health or with caring responsibilities.

47. **CONCLUSION**
Financial resources, work capacity and good health are all factors that help protect individuals as the State Pension age increases. However, people reach their pre-pension years with very unequal levels of all of these. People who have typically worked in lower income roles, had periods out of the labour market and not been able to access housing wealth, experience cumulative disadvantage that builds over time. There is a geographical dimension as well, with ill-health and disability concentrated in the most deprived areas, where there are fewer economic opportunities and the work that is available is more likely to be of poor quality and insecure. In this context, an increase in the State Pension age will be felt very unevenly. People in ill-health or with caring responsibilities, and without access to savings will find it much harder to bridge the gap created by increasing the State Pension age.

48. **CONCLUSION**
We welcome the Minister's statement that it is possible to take both fiscal constraints and the consequences of State Pension age increases seriously. We acknowledge that he takes responsibility for the increase to 67, a policy he inherited, and which is happening now. Also welcome is the government's emphasis on balancing fairness and sustainability in the terms of reference for the third independent State Pension age review.

49. **RECOMMENDATION**
The government must:

- confirm that a core task for the Secretary of State's State Pension age review, due by March 2029, will be to consider those groups on whom State Pension age increases have a disproportionately negative impact and the measures that are needed to mitigate that; and

- publish the report of the third independent State Pension age review by July 2026, so that there can be public debate and critical evaluation of the findings and proposed recommendations before final decisions are made.

4 The transition to State Pension age

50. In this chapter we look at what we know about the impact of previous State Pension age increases on employment and poverty rates; the government's approach to the increase to 67, focused on supporting later working; the case for additional social security support for people unable to keep work and what form this might take.

Impact of recent State Pension age increases

51. As we noted in the previous chapter, the resources that can help individuals manage to State Pension age—financial resources, capacity to work and good health—are currently very unevenly distributed. We wanted to understand what impact State Pension age increases had in this context.

On employment

52. The Institute for Fiscal Studies (IFS) looked at the impact of the increase from 65 to 66, which took place between late 2018 and 2020, on employment and found large effects—an increase in the employment rate of 7.4 percentage points for men and 8.5 percentage points for women. The effect was larger for those with lower levels of education and those living in the most deprived areas.[105]

53. The Minister for Pensions said retiring early was associated with wealth—for poorer people the financial requirement to keep working was higher. Over the longer term, the main effect of State Pension age rises was to increase employment rates through the life course and, in general, work was better for people's health.[106] However, evidence from the WHERL consortium is that work is beneficial when it is voluntary but not when driven by financial

105 Institute for Fiscal Studies, The effect of increase the state pension age to 66 on labour market inactivity, Working Paper 22/07

106 Qq136–138

necessity.[107] We were concerned to hear from researchers at the Advanced Care Research Centre at the University of Edinburgh that 24% of pre-pensioners (aged 60 to 66) in the poorest quintile were working while pre-frail or frail. Evidence from previous increases was that while many did remain in work, this was associated with increased health problems and need for disability benefits.[108] UNISON gave evidence from its members of demanding work and how difficult they felt it would be to continue working as they grew older:

> I am now sixty-three years old and I'm finding my job increasingly difficult [...] School cleaning is quite physically challenging. I suffer with chronic arthritis and am in constant pain. The prospect of doing this this until I'm sixty-seven years old worries me greatly [...]—*School cleaner (age 63) North of England*.
>
> [...] I don't believe I will be working to SPA as I struggle already... I am looking into retiring early and using savings to bridge the gap until I get my state pension—*School technician (age 62) East Midlands*.[109]

54. Once older people have left work, it is hard to return to it.[110] This was particularly the case for those with complex health problems, caring responsibilities or facing discrimination.[111] Age UK told us that some people aged 60 to 65 were managing long-term health problems, disabilities (often accumulated through decades of manual work) and/or unpaid caring responsibilities. These factors, along with age discrimination and a lack of appropriate training and job opportunities, could make it very difficult to work up to State Pension age.[112] On our visit to Age UK Durham's Chapter 50 programme, we heard from people who had stopped work—either due to ill-health or caring responsibilities—and were now experiencing an income shortfall. They wanted to return to paid work but were struggling to do so. One participant said:

> I'm not sure how I'm going to find work, but I need to. I can't do what I could at age 30. I don't have the energy. I'm in competition for jobs with younger people and worried that employers will think I am too old. I am up against younger people and feel subject to ageism.

107 Professor Karen Glaser (Professor of Gerontology at King's College London); Professor Debora Price (Professor of Social Gerontology at The University of Manchester); Dr Giorgio Di Gessa (Senior Research Fellow at University College London) (SPA0008)
108 Advanced Care Research Centre, University of Edinburgh (SPA0012)
109 UNISON (SPA0011)
110 Independent Age (SPA0019); Trades Union Congress (SPA0023); Centre for Ageing Better (SPA0020)
111 The Health Foundation (SPA0016)
112 Age UK (SPA0015)

Others spoke of a lack of confidence, vulnerability due to ill-health, concern that their skills and contacts were now out of date and that they would be seen by potential employers as too expensive and unlikely to stay for long.[113]

On poverty and well-being

55. In 2024 to 2025, the pre-pensioner group (aged 60 to 64) had the second highest rate of relative poverty after housing costs among adults, at one in five (20%), with only adults aged 16 to 24 having a higher rate (24%).[114] The IFS found that the State Pension age increase from 65 to 66, which took place between late 2018 and late 2020, caused absolute income poverty rates (after accounting for housing costs) among 65-year-olds to climb to 24%, some 14 percentage points (or nearly 100,000 people) higher than—or more than double—the 10% it would have been had the State Pension age remained at 65. Most of the increase was among people not in paid work.[115] DWP noted that the increase in poverty was "mostly temporary as affected people were lifted out of poverty once their State Pension age was reached".[116] However, a temporary experience of poverty can have lasting effects, particularly concerning given the evidence we received about levels of frailty among pre-pensioners.[117]

56. We heard about the variety of ways pre-pensioners had been affected by financial hardship. In March 2026, the Standard Life Centre for the Future of Retirement said that 13% of 65-year-olds had gone without essentials in the last year, compared to 4% of those aged 67; 31% of those in poor health aged 60 to 65 had gone without essentials in the last 12 months; and 50% of women aged 60 to 65 felt pressured due to the rise in the pension age, compared to 31% of men.[118] Age UK's January 2026 polling showed an notable increase in the past year in the number of 60 to 65 year olds who said they would struggle financially until they reached SPA, up from 44% to 54%.[119]

57. Phil Mawhinney, Policy Manager, Age UK, said people felt "stuck" and in "limbo" until they could get their State Pension. He said "nothing is going to change that, and they are counting the months until they can get their state pension […] That used to be 65, it used to be 66, and it is now 67. That

113 See Annex
114 Department for Work and Pensions, Households Below Average Income, via Stat-Xplore
115 Institute for Fiscal Studies, How did increasing the State Pension age from 65 to 66 affect household incomes? June 2022
116 Department for Work and Pensions (SPA0027)
117 Advanced Care Research Centre, University of Edinburgh (SPA0012)
118 Standard Life Centre for the Future of Retirement, One More Year: Are people ready for a State Pension age of 67?, 31 March 2026
119 Age UK (SPA0034)

is the key thing".[120] Joe Levenson, Assistant Director, Arthritis UK, described pre-pensioners with arthritis as facing a 'perfect storm' of cost-of-living pressures, stalling healthy life expectancy, an increasing State Pension age and long waits for access to NHS treatment. The fact that once people were over the SPA, they were far less likely to report struggling to get by financially, showed we were "failing people".[121] Independent Age passed on two stories gathered from its advice work:

> I was unable to work until pension age due to the physical nature of my factory job. The little money I had in [a] private pension was spent on living expenses until I could access [the] State Pension." *Anonymous, 66–70*

> I had lung cancer at the age of 55 and had to cash in my private pension to live. *Anonymous, 71–75*[122]

58. We heard reasons why the impact on poverty might even be greater this time, partly because those affected are a year older and therefore face greater challenges to staying in work.[123]

59. **CONCLUSION**

We agree with the Minister that it is important to consider the distributional effects of State Pension age increases. The results are felt unevenly. We know that the last increase resulted in a more than doubling of poverty for 65-year-olds. The Minister told us that the government's approach to the increase to 67 was focused on communication and supporting later working. However, he had no data to show that this would be effective in preventing a similar increase in poverty this time around. The fact that those affected will be a year older, leads us to fear that the impact may be even greater this time.

120 Q46
121 Q106
122 Age UK (SPA0015)
123 Age UK (SPA0015) Q54 [Morgan Vine]; Institute for Fiscal Studies, Latest increase in State Pension age from 65 to 66 led to income poverty rates among 65-year-olds more than doubling, 20 June 2022

60. **CONCLUSION**
A further effect of the rise from 65 to 66 was an increase in employment, with the largest effects for those with the lowest educational attainment and those living in the most deprived areas. We were concerned to hear that, while later working is generally good for health when it is voluntary, this is not the case when it is due to financial necessity, particularly for people having to continue to in physically demanding jobs. In addition, almost a quarter (24%) of the poorest pre-pensioners were working while frail or pre-frail and so vulnerable to significant deterioration in their physical and cognitive functioning.

61. **RECOMMENDATION**
In response to this report, the department should commission research on the health impacts of later working from the State Pension age increase from 65 to 66.

The Government's approach

62. The Minister for Pensions told us that the lessons he had drawn from previous increases, was that it was important to take SPA decisions in the right way, with sufficient notice and good communications to give people time to plan.[124] In addition, the government was supporting older workers in the labour market, with initiatives such as WorkWell, Pathways to Work and the Mayfield Review.[125] Asked about the number of people that would be lifted out of poverty by these interventions, he said "I do not have that number" and invited us to look at the impact assessments to support the 2014 legislation and subsequent SPA reviews.[126] We look at the decision-making process in the next chapter.

63. Supporting older people to remain in work for longer will become increasingly important as the number of people in their 60s rises (it is expected to peak at 8.7 million in 2031), and they represent a greater proportion of the workforce, impacting economic activity and productivity.[127] For individuals, it can help improve retirement outcomes, as they continue earning and contributing to a workplace pension; it can help improve health outcomes, depending on the quality of work;[128] and reduces the risk of poverty from reliance on working-age benefits.[129] The Health Foundation

124 Q162
125 Q159
126 Q160
127 Standard Life Centre for the Future of Retirement (SPA0021)
128 Q25 [Andrea Barry]
129 The Health Foundation (SPA0016)

told us that as ill-health among working age people rises, the quality and accessibility of work is increasingly critical. It identified two key challenges: persistently high levels of health-harming work and a weak system for retaining people in work once health problems arise.[130]

64. A major initiative to tackle health-related economic inactivity and create and maintain healthy workplaces, is the Keep Britain Working (Mayfield) Review.[131] Its final report, published in autumn 2025, said Britain was "sliding into an inactivity crisis driven in large part by ill-health and by barriers to work faced by disabled people." It made the case for moving to a model where health at work became a "shared responsibility between employers, employees and health services." This could be achieved by defining the practices and drive the best outcomes in reducing sickness absence, establishing workplace health provision to give employers the practical support they need and building a clear and credible business case for investing in workplace health.[132]

65. We asked whether the Mayfield Review charted a convincing path to addressing some of the challenges faced by older workers. There was support for its employer-led approach and its emphasis on the need to rebuild workplace health provision.[133] However, there was also agreement that widespread adoption of best practice would be a challenge.[134] Our recent Disability at Work report concluded that it was too early to assess the Mayfield Review's chances of success.[135] In any case, as a three-to-seven-year programme,[136] its effects will take time to be felt.[137] Even if transformative changes could be made quickly, for many pre-pensioners it will be too late. Interventions to support people to stay in work ideally need to be focused on people in mid-life, say in their 50s. There are limits to how far you can change the trajectory of someone who is already close to SPA.[138]

130 The Health Foundation (SPA0016)
131 Department for Work and Pensions and Department for Business and Trade, Keep Britain Working: Terms of Reference, 8 May 2025
132 Keep Britain Working. Final report, Autumn 2025, Executive Summary
133 Q92; The Health Foundation (SPA0016)
134 Q93
135 Work and Pensions Committee, Seventh Report of Session 2024–26, Employment support for disabled people: Disability at Work, 21 May 2026, HC 1227, para 47
136 Keep Britain Working: Final report, 31 March 2026, para 80
137 Oral evidence on 4 February 2026 (Q30); Oral evidence on 11 February 2026 (Q148) [Lorraine Jackson]
138 Q37 [Patrick Thomson]; Qq102–103; Q117 [Emily Holzhausen]; Fabian Society (SPA0026); My Pension Expert (SPA0004)

The need for a holistic approach

66. We heard that a holistic approach was needed to extend working lives. The Fabian Society said this should include interventions to make work healthier and more inclusive, better employment and skills support, and support with building and drawing private pension savings. All that would take time and would not be in place for the increase to 67.[139] UNISON argued that an SPA rise should be contingent on the government being sure that those in employment could reasonably continue, and those out of it had labour market opportunities and support to hold down jobs. However, we were "a long way from that."[140]

67. For people with work limiting health conditions or disability, we heard calls for changes beyond the scope of the Mayfield Review, such as: an increase in statutory sick pay; measures to improve the effectiveness of existing initiatives, such as Access to Work and 50-plus champions in Jobcentres;[141] and to tackle ageism and disablism, which deter older workers from disclosing health issues and taking up the support on offer, and make it harder to find new work.[142] Professor Wendy Loretto spoke about the "double jeopardy of being labelled old and ill."[143] Our recent report on Employment Support for Disabled People: Disability at Work, recognised the need for the government to make change in other areas, recommending that employers should be required to respond to requests for reasonable adjustments within two weeks, steps to raise awareness of the right to request reasonable adjustments, and increased funding to the Equality and Human Rights Commission.[144] We plan to report on Access to Work in due course.

68. We also heard from Carers UK that a cross-government strategy is needed to support carers to remain in and return to work. The role of social care is critical, with shortages having a direct impact on unpaid carer's ability to stay in the labour market.[145] The Women's Budget Group agreed, saying that unmet needs were particularly concentrated in poorer areas.[146]Researchers at Southampton University found that the period of real term cuts in public

139 Fabian Society (SPA0026); Age UK (SPA0015)
140 UNISON (SPA0011)
141 Q94 [Sarah Vickerstaff]
142 Q91
143 Q91; See also Q93 [Quinn Roache]
144 Work and Pensions Committee, Seventh Report of Session 2024–26, Employment support for disabled people: Disability at Work, 21 May 2026, para 33 and 36
145 Carers UK (SPA0028)
146 UK Women's Budget Group (SPA0010)

funding for adult social care (between 2009 to 2010 and 2018 to 2019) saw a widening of the gap between the employment rate of mid-life carers and non-carers, with carers being much less likely to be employed.[147]

69. The need for a holistic approach was recognised by the Second Pensions Commission, which called for "a concerted effort across government and industry" and "collaboration across work, health and skills, in a way that reflects socio-economic and geographic differences."[148] The Minister for Pensions indicated support for a cross-government approach, saying that for too long people had thought about "the Department of Health doing this and the Department for Work and Pensions doing that." He said that we had "learned that lesson" and were "are all in this together".[149]

70. **CONCLUSION**
The Minister for Pensions explained that the department's plans to support the transition to State Pension age for the rise to 67 was to support older workers in the labour market, through initiatives such as WorkWell, Pathways to Work and the Mayfield Review. He did not have data on the likely impact of such measures. Since the impact assessments in 2011 and 2013, we have seen the emergence of new challenges, particularly an increase in work-limiting health conditions, so experience may not be a good guide.

71. **CONCLUSION**
We heard that many older workers struggle to continue in demanding jobs, sometimes to the detriment of their health. The 'double jeopardy' of ageism and disablism may mean they hesitate to request support and if they leave one job, may struggle to find another. For unpaid carers, the demands of that role can lead to them exiting employment in their fifties, and increasingly so from age 60. Adult social care, which could provide much-needed support, is not always available.

147 Professor Jane Falkingham (Professor of Demography and International Social Policy, University of Southampton); Professor Maria Evandrou (Professor of Gerontology, University of Southampton); Professor Athina Vlachantoni (Professor of Gerontology and Social Policy, University of Southampton) (SPA0003)

148 The Second Pensions Commission, Pensions 2050: Evidence and Future Priorities - Interim Report, May 2026, para 4.103

149 Q162

72. **CONCLUSION**
We acknowledge government initiatives to address these challenges, including the Mayfield Review. However, as the Second Pensions Commission concluded, success will require a concerted effort across government and industry. We welcome the Minister for Pensions' recognition that a cross-government approach is needed. This will take time and come too late for many affected by the rise in State Pension age to 67. Furthermore, to be effective in improving work and retirement outcomes, such interventions probably need to reach people in their fifties.

The case for additional social security support

73. Given the widely anticipated increase in pre-pensioner poverty caused by the increase in the SPA, witnesses raised questions as to why no mitigations—in the form of additional social security support—had been put in place.[150]

74. As discussed in chapter three, in the absence of targeted mitigations, SPA increases risk concentrating hardship among those already disadvantaged and contributing to widening inequalities in later life health and frailty, particularly for those in demanding or insecure jobs. And people living in deprived areas are likely to spend an increasingly smaller share of life in retirement than their cohort peers in healthier regions.[151] We know that the last SPA increase caused income poverty rates to more than double.[152]

75. Jonathan Cribb, Deputy Director, Institute for Fiscal Studies, argued that it was appropriate to mitigate the reduction in state support due to an SPA increase.[153] According to the Office of Budget Responsibility (OBR), there are estimated savings to the government of around £10.5 billion a year once increase to 67 is complete, net of the expected increase in incapacity benefit caseload.[154] Of the 330,000 increase in the incapacity benefit caseload between 2008–09 and 2023–24, 250,000 can be related to the rising female State Pension age between 2010 and 2018.[155]

150 Q31; Q46; Q57; Centre for Ageing Better (SPA0020)
151 Para 42 above
152 Para 55 above
153 Q20
154 Office for Budget Responsibility, Economic and Fiscal Outlook, March 2025, Box 6.1
155 Office for Budget Responsibility, Welfare Trends Report, October 2024, Box 3.1

76. A salient factor here is the level of working age benefits compared to pension age benefits. The differential between working age and pension age means-tested benefits has expanded and now amounts to a "very big cliff-edge".[156] For example, the standard Pension Credit Guarantee (£1,031 a month) is now around 2.4 times greater than the standard element of Universal Credit (£424.90).[157] Emily Holzhausen, Director of Policy and Public Affairs, Carers UK, described the difference between working age and pension age benefits for unpaid carers as "quite stark." In 2026/27, it is around £605 a month.[158]

77. When we raised this with the Minister for Pensions, he said additional support based on age would need a clear justification:

> Remember that you want there to be a State that is supporting people who are too ill to work, whether they are 25, 45 or 66. That is important to have in mind. You want a system that means people are getting help. We have chosen, for good reasons, to have a big difference in the level of income support provided to people over the state pension age and under it, in big-picture terms, because the work incentive issues are different and all the rest.[159]

He said it was important to "think about what the right benefit system is" and why different groups should receive different levels of support.[160]

78. **CONCLUSION**

Based on the evidence we have received, there is a clear justification for providing additional social security support for those unable to keep working in the years approaching State Pension age. While pension age rises have been justified on grounds of fairness between generations—each generation should expect to spend a similar proportion of adult life contributing to and receiving the State Pension—fairness within generations is also important. As things stand, the impact is very uneven. People who are unable to keep working, often due to ill-health, disability or caring responsibilities, will have to wait another year for their State Pension. For many, this will be a year of hardship, on inadequate working age benefits, potentially depleting savings they were relying on to support them in retirement. Once they get their State Pension, they are likely to receive it for a shorter time than their wealthier counterparts. This is a direct and foreseeable impact of State Pension age policy, for which the government is responsible and which it should act to prevent.

156 Q19 [Jonathan Cribb]
157 Policy in Practice (SPA0022); Figures updated to reflect 2026/27 benefit rates
158 Q106; Carers UK (SPA0028); Figures updated to reflect 2026/27 benefit rates
159 Q133
160 Q170

How this might be designed

79. We heard widespread support for some form of additional social security support for the transition to SPA but less agreement on the form it should take. The UK has a universal State Pension age, depending on date of birth.[161] Independent reviews have generally recommended retaining this. John Cridland said it had "the merit of simplicity and clarity and provides an important trigger moment for planning purposes."[162] Age UK told us that while they had previously advocated for early access in certain circumstances, it now saw the advantages of a universal pension age.[163] Along with other organisations, it argued that additional support should be provided through the means-tested benefits system.[164] One exception was Marie Curie, which called for early access to the State Pension for people with terminal illness, to reduce the risk of people dying in poverty and deep poverty, often having paid many years National Insurance they would never benefit from.[165]

Working age or pension age benefits

80. When it came to means-tested benefits, there were different views on whether the working age or pension age benefits system was the most appropriate vehicle. The TUC recommended early access to Pension Credit, as recommended by the first Pensions Commission. This was on the grounds that it was more suitable for older people, due to its more generous capital rules and the absence of job search requirements.[166] Similarly, John Cridland's first independent SPA review recommended access to a 'means-tested pension benefit' at age 67 when the SPA rose to 68, with that benefit continuing to precede SPA by one year.[167]

81. Others, such as Age UK, the Health Foundation, and the Institute for Fiscal Studies, suggested an increase in the level of Universal Credit in the run-up to SPA. One advantage of this was that it would maintain a clear line between working age and pension age benefits. They also recommended reviewing some elements of the UC rules. For example, Age UK argued that job search requirements should be relaxed for people close to SPA,

161 Pensions Act 1995, Section 126 and Schedule 4
162 John Cridland, Independent Review of the State Pension age: Smoothing the Transition, March 2017
163 Age UK (SPA0015)
164 Fabian Society (SPA0026); Q20; Age UK (SPA0015); Independent Age (SPA0019); Trades Union Congress (SPA0023); UNISON (SPA0011); Centre for Ageing Better (SPA0020)
165 Marie Curie (SPA0036)
166 Trades Union Congress (SPA0023); A New Pension Settlement for the Twenty-First Century. The Second Report of the Pensions Commission, December 2005, p24
167 John Cridland, Independent Review of the State Pension age. Smoothing the Transition. Final Report, March 2017, p13 and section 5.5

saying that the pressure to find (more) work was for some people hugely unrealistic, disrupting how they manage health and unpaid care and causing distress.[168] Jon Richards, Assistant General Secretary, UNISON, said there would need to be proper analysis to avoid any unintended consequences of any changes, for example, for low-paid workers on Universal Credit.[169]

82. One potential advantage of using Universal Credit is that past experience—during the cost-of-living crisis, when it was increased by £20pw—suggests that it can be a vehicle to get support to people quickly.[170] On the other hand, Fabian Chessell, Central Government Lead, Policy in Practice, argued that creating a new cohort went against the two principles on which Universal Credit was based:

> One is that support should be linked to need, and claimants are expected to work if they can. If your determination is that people cannot work, regardless of their age, we should be supporting them so that they are not living in poverty.[171]

The Minister for Pensions also thought it was the characteristics of people that mattered and how they were supported. The state should support people who were "too ill to work, whether they are 25, 45 or 66."[172]

Eligibility criteria

83. In a 2024 report on means-tested support for people approaching and beyond State Pension age, the Institute for Fiscal Studies (IFS), considered how additional support might be delivered, and modelled two options:

a. an increase to all UC recipients a year below pension age (at an estimated cost of £600 million a year); and

b. restricted support to people in receipt of disability benefits (at an estimated cost of £200 million a year).

The IFS said the advantage of paying an increase to all UC recipients in this age group was that it had a greater impact on poverty. Increasing the UC standard allowance for those just below the SPA would target support to those in that age group with low incomes and assets. An increase to 70%, for example, could benefit over 160,000 low-income households, reducing the relative income poverty rate for those within a year of SPA by five

168 Age UK (SPA0015); UNISON (SPA0011); Fabian Society (SPA0026)
169 Q117
170 Work and Pensions Committee, Second Report of Session 2022–23, The cost of living, HC 126, 27 July 2022, Summary
171 Q56
172 Q133

percentage points and lifting 31,000 households above the poverty line. The government could also take the opportunity to give mixed age couples entitlement to the enhanced rate.[173]

84. The IFS' alternative approach would target support at those on UC and receiving health-related benefits. The justification was that people in poor health experienced more difficulty in remaining in paid work and those with disabilities experienced higher levels of income poverty and material deprivation throughout working life. It would have a smaller increase in the poverty rate—one percentage point for those within a year of the SPA, lifting 3,000 households above the poverty line. On the other hand, the target group—disabled working-age individuals—are more likely to experience high rates of income poverty and material deprivation than non-disabled people.[174]

85. One argument against providing additional financial support is that it could reduce work incentives, by reducing the gap between in work and out of work income.[175] However, Professor Wendy Loretto pointed out that the decision to leave or stay in work was complicated by factors such as health issues and caring responsibilities, and assumptions that were not necessarily rational about retiring late: everybody knew "somebody who retired and then dropped dead within the next fortnight."[176] The first Pensions Commission said the impact on work incentives could be reduced by policy design and might be an acceptable price to pay.[177]

86. Age UK favoured targeting support at those groups where it was accepted that they were unlikely to return to work.[178] To define eligibility and ensure that this is not misused, the additional financial support could be restricted to people claiming certain disability, incapacity and carer benefits, and potentially to unemployed jobseekers who have been actively searching for work for over 12 months. The exact mechanism would depend on the structure of the benefits system (for example, taking account of any live reviews, such as the current review into the work capability assessment). Additional support could be delivered through the receipt of existing benefits, which it thought would need to start about three years before

173 Institute for Fiscal Studies, The Pensions Review: final recommendations, July 2025, page 29; Institute for Fiscal Studies, Means-tested support for people approaching and beyond state pension age, 2024, Summary, para 9

174 Institute for Fiscal Studies, Means-tested support for people approaching and beyond state pension age, 2024, Summary para 11 to 13

175 Institute for Fiscal Studies, Means-tested support for people approaching and beyond state pension age, 2024, p28

176 Q97

177 A New Pension Settlement for the Twenty-First Century. The Second Report of the Pensions Commission, December 2005, p340

178 Age UK (SPA0034); Q101 [David Finch]

SPA.[179] When we raised this with the Minister, he was concerned not to introduce new incentives into the system for people to be labelled as "too sick to work".[180]

Level of support

87. There were different views on the appropriate amount for any additional support. The IFS modelled the effect of increasing the standard allowance in Universal Credit to a new level set approximately halfway between the current Universal Credit standard allowance and the value of Pension Credit, an increase of 70%. It said this could be "seen as a way to mitigate some of the effects of a higher SPA on low-income and low-asset households" and lessen the regressivity by of increasing the SPA.[181] Independent Age argued that an appropriate amount would enable a minimum standard of living and cover essential costs.[182] The Fabian Society suggested, for people aged over 60 facing long-term barriers to work, phasing Universal Credit payments up towards Pension Credit levels.[183]

88. The Social Policy Association Pensions Policy Group recommended scenario modelling of mitigations and a report on take-up of existing support among the 60 to 66 cohort.[184] Both Independent Age and UNISON suggested a review of the options and their implications would be required as there could be unintended consequences.[185] Morgan Vine, Director of Policy, Grants and Influencing, Independent Age argued that even if the additional support was slightly delayed in coming (with the increase to 67 starting in April 2026), it would still be welcome.[186]

89. **CONCLUSION**

We agree with the Minister that there are consequences to State Pension age increases which can, and should, be taken seriously. There is evidence that the longer wait for their State Pension will harm 66-year-olds unable to keep working till 67. Government support for the transition must include introducing additional social security support for people unable to keep working to State Pension age.

179 Age UK (SPA0034)
180 Q156
181 Institute Fiscal Studies, Means-tested support for people approaching and beyond the state pension age, December 2024, pp24 to 25
182 Independent Age (SPA0019)
183 Fabian Society (SPA0026)
184 Social Policy Association, Pensions Policy Group (SPA0009)
185 Q56; Q117
186 Q56

90. **CONCLUSION**
We heard widespread support for this but less consensus on what form it should take. On balance we support increasing the level of Universal Credit (UC) for all recipients in the year before State Pension age because it has a greater impact in reducing poverty and hardship. We recommend it as a short-term approach, to mitigate the impact of the increase to 67, which has already started. We propose using UC on the basis that it should enable support to be provided quickly. We recognise that the impact on work incentives is a consideration. However, the proposal is for a modest increase in support in the year before State Pension age. Those out of the labour market at this point in their lives are very unlikely to return to it. In our view, the overriding priority must be to reduce the hardship that would otherwise be a predictable result of government policy.

91. **RECOMMENDATION**
We are disappointed that the Minister seemed disinclined to consider specific additional support to pre-pensioners. We are also disappointed at the lack of evidence-based policy-making that has been driving this and policy making more generally in the DWP. We recommend that the government think again and, as a minimum, consult on the proposal for an uplift in the level of UC in the year before State Pension age with the aim of introducing additional support by the end of 2026. As part of this, it should: explain how it thinks conditionality rules should apply in the year before SPA; and produce its own assessment of the impact and overall costs.

92. **CONCLUSION**
We acknowledge that this proposal would not go far enough to improve health outcomes for people who have had to leave work due to ill-health or caring responsibilities in their mid-60s. We should not be in this position. If the government had acted on the recommendation in our 2025 Pensioner Poverty report to update the impact assessment, this would have focused minds earlier on what was needed.

93. **RECOMMENDATION**
The Secretary of State's own State Pension age review should consult on a longer-term approach to additional social security support for those unable to work to State Pension age. This should model the costs and benefits of different options, taking account of factors such as work incentives and the 'downstream' impact on demand for health and social care services. We suggest that the options for consultation could include:

- Increased levels of UC for a period of three years, for those unable to work up to State Pension age due to ill-health, disability or caring responsibilities; and
- Phased increases in the UC standard allowance from age 60 to reach the level of the Pension Credit Guarantee at State Pension age.

Drawing private pension saving

94. Of the 810,000 individuals who accessed their pension savings before State Pension age in 2024–25, 83% did so before State Pension age. Nearly two in five people (38%) first accessing their pension did so between the ages of 60 and 65.[187]

95. Increasingly people are reaching SPA with defined contribution (DC) pension savings, which they can draw flexibly from age 55, although doing so involves complex decisions on how to manage longevity and investment risks.[188] To assist with this, under 'guided retirement provisions' in the Pension Schemes Act 2026 (chapter 6), schemes will be required to offer default retirement products that would suit most members.[189]

96. We were interested in how to ensure people on low incomes with private pension savings make optimal decisions during the pre-pension period. Justin Wray, Association of British Insurers, told us that this will become increasingly important as amounts of private pension saving declined in real terms at the same time as the State Pension age rises: this increased the risk of people making suboptimal decisions, such as withdrawing all their pot in cash, or at an unsustainable rate.[190] Tiffany Tsang, Pensions UK, told us that, when a pension provider sees an individual withdrawing all their pension pot in cash, it does not know whether this is all their savings—in which case they might be making a poor decision—or whether they have ten other pots to play with.[191] We were encouraged to hear that the IFS Retirement Saving Consortium is undertaking research to better understand the adequacy risks in the years before pension age, by looking at how people aged 55 and over access their DC pension saving, by income and health group.[192]

187 Correspondence with the Minister for Pensions following oral evidence, 14 April 2026
188 The Second Pensions Commission, Pensions 2050: Evidence and Future Priorities. Interim Report, June 2026, chapter 5, summary
189 House of Commons Library Research Briefing, Pension Schemes Bill 2024–25, July 2025
190 Q71
191 Qq80–81
192 Pensions UK (SPA0024)

97. The Interim Report of the Second Pensions Commission provides some insights. For example, it found that pensions were frequently accessed by those in employment. There were spikes in access at age 55 (the minimum age at which pension savings can be accessed without punitive tax charges) and at age 60 (the point at which many defined benefit pensions can be accessed without a penalty). The most frequent reason given was that it allowed people to reduce or change their working hours. However, as the Commission said, there are implications for pension adequacy: "each year of work missed before State Pension age not only means the flow of contributions is cut off early, but that growth is lost, and the number of years a pension needs to be spread across increases."[193]

98. A gap in the evidence appears to relate to how people in the lowest income deciles draw on their savings if they leave work before SPA. The Minister for Pensions told us that there was a "very strong incentive" for people in the working age means-tested benefits system not to start making withdrawals from their private pension."[194] This is because, until withdrawals are made, workplace pension savings are ignored in working out benefit entitlement.[195]This is different to non-pension savings, which are subject to capital rules (savings over £16,000 generally mean no entitlement, savings under £6,000 are ignored).[196] DWP does not have published statistics on the level or distribution of capital assets held by Universal Credit claimants aged 60 to 65.[197]

99. Policy in Practice, told us that, in the course of their front-line work, they had identified an "eking out" cohort they felt was often overlooked. These were near retirees who instead of claiming health benefits, or "facing the DWP conditionality regime", were "stretching out dwindling savings or making do on their partners' income".[198] The Fabian Society said that almost 37 per cent of 60–65-year-olds who were in poverty lived in a household where someone has started drawing an occupational pension. Many are doing so to tide themselves over until the State Pension age—even where it resulted in significant hardship.[199] DWP told us it had not undertaken research on the proportion of 60-to-65-year-olds eligible for but not claiming Universal Credit and the reasons for this.[200]

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193 Second Pensions Commission: Pensions 2050. Evidence and Future Priorities, May 2026, para 5.81
194 Q150
195 Department for Work and Pensions, Pension freedoms and DWP benefits, Updated 1 April 2026
196 Department for Work and Pensions, Universal Credit: money, savings and investments, updated 22 July 2025
197 Correspondence with the Minister for Pensions, 14 April 2026
198 Policy in Practice (SPA0022)
199 Fabian Society (SPA0026)
200 Correspondence with the Minister for Pensions following oral evidence, 14 April 2026

100. **CONCLUSION**

It is concerning that people approaching State Pension age may need to draw on their pension savings to bridge the gap before they get their State Pension, rather than those savings being available into old age. There is a worrying lack of data to help understand the decisions those pre-pensioners on the lowest incomes are taking and the impact on their income in retirement.

101. **RECOMMENDATION**

DWP should commission research on: the extent of pension and non-pension savings held by pre-pensioners on Universal Credit and how they are drawing on them; and the extent to which pre-pensioners who are eligible for Universal Credit are not claiming it and the reasons for this.

5 Government decision-making

102. In this chapter we look at: how the impact of the SPA increase to 67 was assessed in 2011 and 2013, to support the passage of legislation through Parliament; what has changed since then; the extent to which subsequent State Pension age reviews have considered it; and how the department might improve its approach to impact assessments in future, particularly to take account of the cumulative impact of policies on individuals and the downstream impact on demand for health and social care services.

Impact Assessment

103. In our report on Pensioner Poverty, we recommended that the government produce an impact assessment of the increase to 67, considering the cumulative impact of policies and the impact on pre-pensioner poverty, and explain the measures it had considered to mitigate the impact.[201] In response, the government referred to impact assessments produced by the previous government in 2011 and 2013 to support the legislation and the 2023 decision to proceed with the increase. It would evaluate the increase once the SPA increase was complete and data became available.[202] We therefore wanted to understand the extent to which there might be gaps in the government's understanding of the impact of the increase to 67. The evidence we received points to some significant changes, particularly relating to life expectancy projections, and evidence of declining health for people in deprived areas, impacting on their capacity for employment.

104. The impact assessments of 2011 and 2013, based on 2010-based projections of life expectancy, showed this to be increasing faster than previously projected. Successive releases, which had shown a "general upward trend in the revision of life expectancy" since the Pensions Act 2007, meant the case for action was "compelling."[203] Since then, life expectancy has

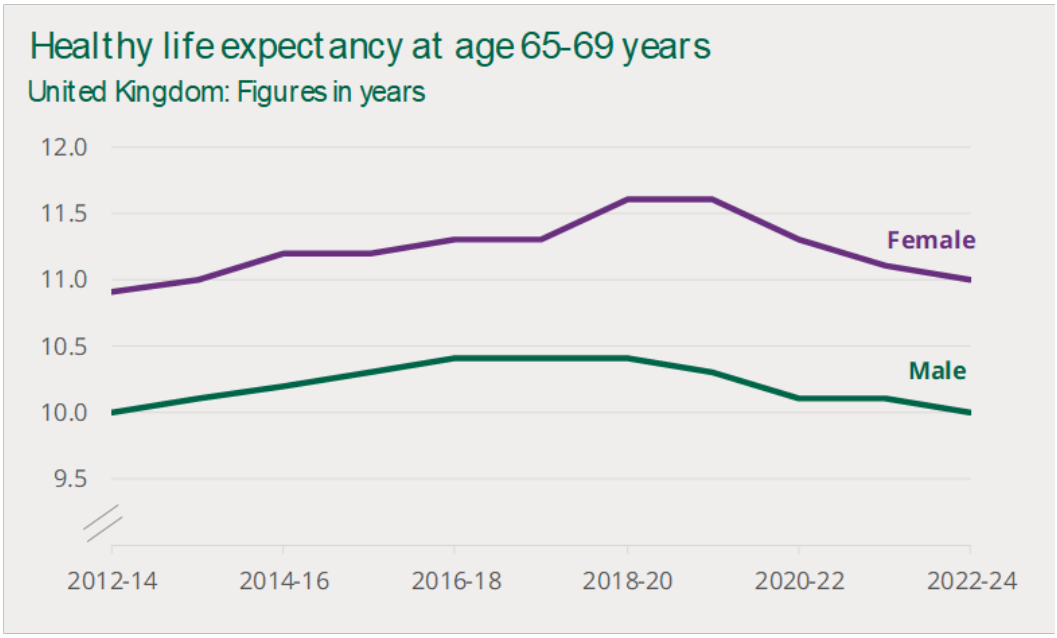
201 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: challenges and mitigations, para 192

202 Work and Pensions Committee, Fifth Special Report of Session 2024–26, Pensioner Poverty: challenges and mitigations: Government response, HC 1384; Q154

203 Department for Work and Pensions, Increasing the State Pension age to 67. Impact Assessment, 2011, paras 1, 2 and 8; Department for Work and Pensions, Increasing the State Pension age to 67. Impact Assessment, November 2013, para 44

continued to increase, but at a slower rate than previously anticipated.[204] The Health Foundation told us that volatility in life expectancy projections made it difficult to assess the longer-term impacts of SPA changes with confidence.[205]

105. The 2011 and 2013 impact assessments also anticipated a continued increase in healthy life expectancy—the average number of years a person can expect to spend in good health.[206] However, 2022 to 2024-based, projections show that from 2020 it started to decline, falling back to 2012 to 2014 levels:



Source: House of Commons Library based on Healthy life expectancy, UK - Office for National Statistics

Healthy life expectancy at birth—an indicator of how population health is changing—fell by two years over the decade to 2022 to 2024, to 60.7 years for men; 60.9 for women. There is significant geographical variation. In England, it is highest, at around 70 years (69.3 years for men and 70.3 years for women), in Richmond upon Thames, one of the least deprived areas of the country, and lowest, at around 51 (50.9 years for men and 51.8 years for women), in Blackpool and Hartlepool, among the most deprived areas.[207] In

204 Office for National Statistics, Life expectancy for local areas of the UK: between 2001 to 2003 and 2022 to 2024, 10 December 2025

205 The Health Foundation (SPA0016)

206 Department for Work and Pensions, Increasing the State Pension age to 67. Impact Assessment, 2011, para 34–39; See also Department for Work and Pensions, Increasing the State Pension age to 67. Impact Assessment, November 2013, para 44

207 Office for National Statistics, Healthy life expectancy, UK: between 2011 to 2013 and 2022 to 2024, February 2026

addition, the gap between the least and most deprived areas increased.[208] Government-commissioned independent reviews have noted the impact of health inequalities on employment. The Mayfield Review Discovery Report noted a "significant growth in people reporting work limiting health condition (both in and out of work)."[209]

State Pension age reviews

106. When we raised our concerns with the Minister for Pensions, he said that these issues should have been considered by the previous government when it decided to proceed with the increase to 67. He said it was important to balance certainty for individuals with responsiveness to the data.[210] He did not think previous governments had taken the consequences of accelerating increases in the SPA seriously enough and did not know whether it had consulted the Chief Medical Advisor. He told us he was confident that the current government would take a holistic view, including the impact on poverty and health.[211] We asked the Minister if the impact assessment should have been revisited. His response was that since the 2014 Act, there had been two independent reviews and a review by the last government when it had decided to proceed with the increase.[212]

107. We were therefore interested to see whether reviews since the last impact assessment in 2013 had considered the position of those unable to keep working to 67. In fact, none had done so in detail:

- In the first independent review in 2017, John Cridland was asked to address one question in his first independent State Pension age review, which was the point at which the increase from 67 to 68 should take place.[213] Given the unequal impact of SPA rises, he recommended giving people with significant barriers to employment due to ill health and/or caring responsibilities, access to a means-tested pension benefit at age 67, when the State Pension age rose to 68.[214]
- In the second, in 2022, Baroness Neville-Rolfe's Review did consider the increase to 67 and said it should take place as planned. However, concerned about people who had worked "in physically challenging

208 'Healthy life expectancy trends in the UK: a watershed moment', The Health Foundation, 26 April 2026; 'Healthy life expectancy: interpreting an imperfect but important measure', The Health Foundation, 22 May 2026

209 Keep Britain Working Review: Discovery Report, 20 March 2025, The landscape, summary

210 Q154

211 Q137 and Q140

212 Q154

213 Oral evidence 22 February 2023 Q27

214 John Cridland, Independent Review of the State Pension age. Smoothing the Transition. Final Report, March 2017, p12, chapter 5

jobs for many years and not drawn on benefits", she suggested that the government consider providing early access to the State Pension in limited circumstances for those unable to keep working.[215]

When the previous government undertook its own SPA review in 2023, it said it would keep under review the position of those unable to work as they approach State Pension age, and evidence on health trends and healthy life spans.[216] No government review of the position of those unable to work to an SPA of 67 had been published by the time of the 2024 general election. Asked whether the government was considering the health consequences of pensions decisions, the Minister for Pensions said that would "absolutely be part of how we act."[217] The Secretary of State confirmed this.[218] However, he did not explain what difference this might make, for example, whether it would inform decisions on the timetable for SPA increases, or the design of appropriate mitigations.

108. **CONCLUSION**

The 2011 and 2013 impact assessments of the increase to 67 are outdated and insufficient. They do not reflect recent increases in work-limiting ill-health or deepening inequality in healthy life expectancy. The previous government decided to proceed with the increase in 2023 but said it would keep the position of people unable to continue in work under review. No official review had been conducted by the 2024 general election. The current government does not plan to do its own evaluation until after the increase is complete in April 2028. This means there is a significant gap in the government's understanding of the impact and that an opportunity to consider what action should be taken has been missed. This is poor policymaking.

109. **RECOMMENDATION**

The Secretary of State should make a statement confirming that healthy life expectancy is a relevant factor for State Pension age reviews under section 27 of the Pensions Act 2014.

215 Baroness Neville-Rolfe, Independent Review of the State Pension age 2022, March 2023, p10–12

216 Department for Work and Pensions, State Pension age Review 2023, 30 March 2023

217 Q137

218 Oral evidence on 17 June 2026 Q39

How impact assessments might improve in future

110. The department's approach to impact assessments is an issue we have raised in successive reports. In our Pensioner Poverty report, we concluded—in relation to 2024 reforms to Winter Fuel Payment eligibility—that "a fuller impact assessment, considering the cumulative impact and broader impact of policies and the views of pensioners, might have contributed to a different policy change or more effective plans for implementation". We recommended, as we had in our *Safeguarding Vulnerable Claimants* report, that changes should be assessed by the Chief Medical Advisor's team to understand the potential health impacts.[219] In response, the department said it had a "statutory requirement to consider the Public Sector Equality Duty during the decision-making process" and that the Department's Chief Analyst and Chief Scientific Advisor were taking steps to strengthen the analysis.[220] The Health Foundation recommended investment in "more granular, accurate cohort data" on life expectancy, to strengthen assessments of the long-term impacts of a rising SPA.[221]

111. DWP has also recently been criticised by the Social Security Advisory Committee (SSAC) for the variable quality of its Equality Impact Assessments (EIAs). In 2025, the SSAC said it had found "significant weaknesses in the Equality Impact Assessments" accompanying changes to Winter Fuel Payment regulations in both 2024 and 2025. It described DWP's approach to EIAs as "narrowly analytical and data-driven, failing to address broader risks to those with protected characteristics."[222] In evidence to this Committee on 15 October 2025, Dr Stephen Brien, Chair of the SSAC, described the quality of DWP's EIAs as "variable." Sometimes they were "very impressive, very thoughtful [and] incredibly useful"; sometimes they either came with "very little data" or "reams of data tables but no thinking behind it". He told us that DWP too often did not apply the "discipline and rigour" required to work through the logic of the policy. In many cases, administrative data was not needed: "common sense, common knowledge and publicly available information will do a lot of it".[223]

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219 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner Poverty: Challenges and Mitigations, 24 July 2025, para 88; Work and Pensions Committee, First Report of Session 2024–26, Safeguarding Vulnerable Claimants, HC 402, 30 April 2025, para 39

220 Work and Pensions Committee, Fifth Special Report of Session 2024–26, Pensioner Poverty: challenges and mitigations: Government Response, 10 November 2025

221 The Health Foundation (SPA0016)

222 Social Security Advisory Committee, The Social Fund Winter Fuel Payments Regulations 2025: Letter to the Secretary of State for Work and Pensions, 22 August 2025

223 Oral evidence 15 October 2025 Qq20–21

112. **CONCLUSION**
We welcome the undertaking that the Secretary of State will take a broad and holistic approach to assessing the impact of State Pension age rises in his own review, due by March 2029. If this undertaking is met it will be an improvement on past practice and approaches. It will also be a demonstration of the culture change that we have said is badly needed in the Department.

113. **RECOMMENDATION**
The government should explain how it will take a holistic approach to assessing the impact of State Pension age increases in future. This should include its plans to:

- take into account the views of pensioners;
- consult the Chief Medical Advisor on health impacts;
- invest in more granular, accurate cohort data on life expectancy;
- estimate the likely increase in poverty rates in time to take action to mitigate this before the increase happens.

In addition, as discussed below, its assessments should take account of the cumulative impact of policies and their downstream impact, for example, on demand for health and social care services.

The cumulative impact of policies

114. In our Pensioner Poverty report, we recommended that the government should consider the cumulative impact of policies in its decision-making.[224] In the context of this inquiry we heard that the inequalities in health, work capacity and resources that are essential to helping people manage the transition to SPA were patterned by social class, gender, ethnicity and work histories.[225] As we discussed in chapter three, increases in the SPA risk compounding existing disadvantages. Because of this, impact assessments limited to static cross-sectional modelling by age and decile are misleading. We heard that DWP needs to use longitudinal data to track individuals over time and examine outcomes by employment history, occupational class, health status and caring history, as well as income decile and protected

224 Work and Pensions Committee, Second Report of Session 2024–26, Pensioner poverty: challenges and mitigations, July 2025, para 88

225 Professor Karen Glaser (Professor of Gerontology at King's College London); Professor Debora Price (Professor of Social Gerontology at The University of Manchester); Dr Giorgio Di Gessa (Senior Research Fellow at University College London) (SPA0008)

characteristics.[226] The NIHR Policy Research Unit in Healthy Ageing agreed that a gap in the UK evidence included consideration of the socio-economic patterns in the health impact of SPA changes by considering other dimensions of disadvantage.[227]

115. We also heard that DWP needed to do more to capture the impact on both pre-pensioner (60–66) and pensioner poverty and on frailty as current pre-pensioners enter retirement.[228] Morgan Vine, Director of Policy, Grants and Influencing, Independent Age, told us bluntly that DWP could do more to reflect the impact on groups likely to be disadvantaged, including by asking them.[229] Later Life Ambitions, a group representing public service pensioners, said future impact assessments should combine quantitative modelling with qualitative research, including engagement with representative organisations and affected individuals.[230]

116. **CONCLUSION**
State Pension age rises risk exacerbating existing inequalities in health and lifetime earnings. This should be reflected in impact assessments on State Pension age rises but is not.

117. **RECOMMENDATION**
The department should consider how to take account of the cumulative impact of policies on individuals in its assessment of State Pension age rises; for example, whether it will base its assessment on longitudinal data reflecting differences in factors such as employment history, occupational class, health status, caring history, income decile and protected characteristics.

Downstream impact of policies

118. In our Pensioner Poverty report, we concluded that risk factors, such as poverty, bereavement, isolation and cold, contributed to accelerating the ageing process—so called frailty—reducing healthy life expectancy and the capacity to live independently. From this, followed significant increased demand for health and social care services and increasingly

226 As above
227 National Institute for Health and Care Research (NIHR) Policy Research Unit in Healthy Ageing (SPA0037)
228 Professor Karen Glaser (Professor of Gerontology at King's College London); Professor Debora Price (Professor of Social Gerontology at The University of Manchester); Dr Giorgio Di Gessa (Senior Research Fellow at University College London) (SPA0008); Q52 [Phil Mawhinney]
229 Q53 [Morgan Vine]
230 Later Life Ambitions (SPA0006)

grim health outcomes. Without "a whole system approach" to prevention, the government would be unable to achieve its goal of building a health and social care service that is sustainable for future generations. We recommended that:

> The government should commit to a cross-government strategy for an ageing society, with equity of health and well-being for older people at its centre. This strategy should set out how cross-sector working is to be achieved, with effective mechanisms for holding the different parties involved to account.[231]

119. In evidence to this inquiry, we heard that health-related impacts were not adequately captured in impact assessments.[232] This includes the impact of frailty and its earlier onset for disadvantaged groups, with almost half of people aged 60 to 66 in the lowest income quintile already classed as frail. Researchers at Edinburgh University estimated that frailty accounted for £6 billion of NHS spending each year.[233]

120. Fabian Chessell, Central Government Lead, Policy in Practice, argued that it would be helpful to capture the "the downstream impact" of poverty on other services, such as social care However, he did "not see that reflected in the DWP impact analysis." The Treasury would also need to recognise it in business cases.[234]

121. Whether that lesson has been learned is to be seen, and brings to mind another key aspect of cross-government working. In a May 2024 report, the Liaison Committee concluded that "the Treasury's role, culture and processes often prevent it from playing a positive role in strategy-making and delivery" because "it resists establishing cross-departmental budgets for the complex challenges faced by the UK, yet these key national challenges demand cross government responses which are fully resourced and sustained over the long term".[235]

122. The Minister said he thought it was important to think about different parts of government to working towards the same goals:

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231 Work and Pensions Committee, Second Report of session 2024–26, Pensioner Poverty: challenges and mitigations, HC 465, July 2025, paras 41 and 50

232 Later Life Ambitions (SPA0006)

233 Advanced Care Research Centre, University of Edinburgh (SPA0012)

234 Q51 and Q59

235 House of Commons Liaison Committee, First Report of Session 2023–24, Promoting national strategy: How select committee scrutiny can improve strategic thinking in Whitehall, HC 1548, 29 May 2024, para 91

> [...] for too long in the past people have thought about the Department of Health doing this and the Department of Work and Pensions doing that, and what I am trying to set out is that we have learned that lesson. The NHS needs to do its job and be rescued but we are all in this together.[236]

123. **CONCLUSION**

We welcome the Minister's recognition that the different parts of government—including DWP and the NHS—are 'in this together.' As we said in our Pensioner Poverty report, a whole system approach to prevention is needed if the government is to achieve its goal of building a health and social care system that is sustainable for future generations.

124. **RECOMMENDATION**

In response to this report, the department should explain: whether it accepts that pre-pensioner and pensioner poverty have a downstream impact, for example, on demand for health and social care services; how it will reflect this in its impact assessments and what discussions it has had with HM Treasury to ensure that its policies and its approach to managing spending take the fullest account possible of downstream effects.

236 Q162

6 Other changes

125. In this chapter, we look at the case for reviewing the 'mixed age couple' rule; the department's progress in sharing data with local authorities so that they can target support at those who need it; how the department has communicated this reform; and the action plan it is developing with the Parliamentary and Health Service Ombudsman to learn from past mistakes.

Mixed age couple rule

126. Until 15 May 2019, 'mixed age couples'—where one is over and one under pension age—could claim Pension Credit. The Coalition Government legislated in the Welfare Reform Act 2012 to change the rules so that the transition to Pension Credit took place only where the younger partner reached pension age.[237] The rationale was that people of working age were expected to meet work-related requirements.[238]

127. In our report on Pensioner Poverty last year, we heard from organisations working with older people, who reported examples of people in their 70s experiencing hardship and challenges in navigating the working age benefits system. There was concern that the increase in the SPA to 67 and 68 would exclude even more older people from Pension Credit in future. We recommended that the government should "investigate the extent to which it is reasonable to assume that the younger partners in these couples should be subject to work conditionality—taking account of any health conditions and caring responsibilities".[239] In response, the government said that working age benefit claimants were expected to undertake certain activities in return for financial support. Legislation set out the requirements that apply, depending on the legal conditionality group they are in, and the consequences if those are not met without good reason. Claimants in the

237 The legislation was commenced through The Welfare Reform Act 2012 (Commencement No. 31 and Savings and Transitional Provisions and Commencement No. 21 and 23 and Transitional and Transitory Provisions (Amendment)) Order 2019

238 HC Deb 20 December 2011 c1091W

239 Work and Pensions Committee, Second Report of 2024–26, Pensioner Poverty: challenges and mitigations, 24 July 2025, para 176–180

'no work-related requirements' group, including those who are too sick to work, or have caring responsibilities, are not subject to conditionality. The government had no plans to change the rules.[240]

128. The issue was raised again in evidence to this inquiry by Independent Age. Morgan Vine, Director of Policy, Grants and Influencing, told us about an affected couple where the younger partner could not work due to long-term health conditions and the older one, nearly 80, had not been able to receive their means-tested pension age entitlements. Estimates suggested a financial loss of up to £7,000 a year.[241] The Minister for Pensions said there were currently 70,000 households affected. He recognised that there were real trade-offs. However, the government was not reviewing the policy because it wanted to encourage younger partners to work and save.[242]

129. **CONCLUSION**
We remain concerned about the impact of the mixed age couple rule. There are gaps in our understanding of its impact on the living standards and health of the 70,000 households affected and how this might change as the State Pension age rises to 67.

130. **RECOMMENDATION**
More than 15 years on from its introduction, the government should commission and publish analysis of the impact of the mixed age couple rule on those affected and how this will change as the State Pension age rises to 67. This analysis should include: their risk of poverty; the impact on their health and wellbeing; the extent to which they take up the elements in Universal Credit for which they are eligible, including for caring responsibilities, ill-health and disability.

Data-sharing

131. For those experiencing hardship due to the State Pension age rise, it may be that their local authority can assist by providing support through the Crisis and Resilience Fund to low-income households who encounter a

240 Work and Pensions Committee, Fifth Special Report of 2024–26, Pensioner Poverty: challenges and mitigations: Government Response, 15 October 2025; Q172
241 Q55
242 Qq172–173

financial shock.[243] Local authorities can target vulnerable individuals for payments, or make them aware of the crisis support and resilience services available.[244]

132. A theme of our Pensioner Poverty report was the need for better data-sharing so that support could be targeted effectively. We recommended that the government should report back on the barriers, particularly in relation to DWP giving local authorities more visibility of its data. We noted a 'visibility gap' in relation to Universal Credit, in relation to which DWP shared data in relation to only 35–40% of households.[245] We understand that there is an Identifying Local Vulnerability (ILOV) programme to address this. However, the timetable for this appears to have slipped. In May 2024, DWP aimed to deliver a test version to a small group of local authorities by spring 2026 and, subject to the results, to roll it out to all local authorities during the rest of 2026.[246] By November 2025, the aim was for test version to be in 'the first half of 2026' and the wider national roll-out during the remainder of 2026–27.[247] In April 2026, the Minister for Pensions told us that the department was on track for the wider data share to happen in 2027.[248]

133. **CONCLUSION**

The Crisis and Resilience Fund could play a vital role in targeting additional support at Universal Credit claimants affected by the increase to 67. However, as things stand, local authorities have access to only 35 to 40% of the data, leaving a visibility gap in relation to some 60% of Universal Credit recipients.

134. **RECOMMENDATION**

The government should confirm that it has committed the resources needed to deliver on plans for a wider Universal Credit data share with local authorities in 2027. It should publish regular updates on progress.

243 Department for Work and Pensions, Crisis and Resilience Fund: Guidance for local authorities in England (1 April 2026 and 31 March 2029), 7 April 2026

244 Department for Work and Pensions, Crisis and Resilience Fund: Guidance for local authorities in England (1 April 2026 and 31 March 2029), 7 April 2026 para 86–7

245 Work and Pensions Committee, Second Report of 2024–26, Pensioner Poverty: Challenges and Mitigations, para 142

246 UIN49522, 30 April 2025

247 Work and Pensions Committee, Fifth Report of 2024–26, Pensioner Poverty: challenges and mitigations: Government response, November 2025

248 Correspondence with the Minister for Pensions, 14 April 2026

Communication

135. The importance of people being aware of their State Pension age was, of course, highlighted by the experience of women born in the 1950s. In the report of its investigation into six sample complaints, the Parliamentary and Health Service Ombudsman (PHSO) found maladministration in the way DWP had communicated State Pension age changes and that, as a result, "some women lost opportunities to make informed decisions about their finances".[249] The government accepted the PHSO's finding of maladministration and apologised for not sending individual letters earlier. However, it did not accept its approach to injustice, arguing that the body of evidence indicated that letters would not definitely have been read and recalled. It said that "for the majority of 1950s-born women, an earlier letter would not have influenced the choices they could or would have made.[250]

136. The Minister for Pensions told us that the lesson of previous increases was that both the length of notice and the quality of communications were important. There was now an advertising campaign to tell people to check their SPA online and almost all (96%) of 60 to 64-year-olds said it was very, or fairly easy, to find out their State Pension age.[251]

137. Unsurprisingly, individuals' awareness of their SPA rises as they approach it.[252] However, it is important that they are aware early enough to make informed decisions about work or saving in time for these to be effective in improving retirement outcomes. For example, asked what they would have done differently in the years before SPA, the main areas for unpaid carers were: staying in work for longer, contributing more for pensions, and getting information about benefit entitlement, social care and other support quicker.[253]

138. DWP told us that, for those with a State Pension age of 67, 78% of people identified or overestimated their SPA.[254] This suggests that around one in five did not correctly identify, or underestimated, it. Although awareness is much higher in the year before SPA, this may be too late for them to make informed decisions about their retirement. In March 2026, the Standard Life Centre for the Future of Retirement reported survey findings that although a clear majority (77%) of people aged 60 to 65 were aware of the impending

249 Parliamentary and Health Service Ombudsman, Women's State Pension age: our findings on injustice and associated issues, HC 638, p92

250 Department for Work and Pensions, Government's new decision: Women's State Pension age communications. Response to the Parliamentary and Health Service Ombudsman's investigation, January 2026, Summary

251 Q153

252 Department for Work and Pensions (SPA0027)

253 Carers UK (SPA0028)

254 Department for Work and Pensions (SPA0027)

increase to 67, one in ten were not and 13% believed the statement to be false.[255] The Centre for Ageing Better said survey evidence suggested that the government had communicated the increase to 67 only partially effectively. A significant minority did not know about it, and this minority was larger than for the previous rise to 66. Underestimation was common, with 19% of those with an SPA of 66 to 67 and 23% of those with an SPA of 67 believing that they could claim earlier than they could. Awareness of their State Pension age was lower for women, those with lower qualifications, individuals with lower levels of wealth, the self-employed and people not in paid work, with these groups also disproportionately likely to underestimate their SPA.[256] Dr Ricky Kanabar also found communication to have been uneven, with women with occupational pensions and people in their 40s and early 50s not adjusting their expectations in line with policy changes.[257]

139. As well as being aware of their State Pension age, it is important that people know how much they can expect. The new State Pension introduced in 2016 was intended to be simpler and clearer in terms of the outcomes people could expect, so that it would provide a clearer foundation for private pension saving.[258] We were therefore concerned to see press reports that some people may have received forecasts of their entitlement which were inflated because they did not include a deduction for contracting-out.[259]

Box 1: Contracting-out of the State Second Pension

Contracting-out was a feature of the old State Pension, in place before April 2016. The old State Pension had two tiers and people could be contracted-out of the Second State Pension and instead build up entitlement to a workplace pension. In return, they and their employer paid a reduced rate of National Insurance. The new State Pension introduced in April 2016 for people reaching State Pension age after that date, has one tier rather than two. When it was introduced, transitional arrangements included deductions from the full amount of the new State Pension to reflect the fact that they had been contracted-out during working life.

Source: House of Commons Library Briefing Paper, The new State Pension - background (section 5.1)

255 One More Year: Are people ready for a State Pension age of 67? Standard Life Centre for the Future of Retirement, 31 March 2026
256 Centre for Ageing Better (SPA0020)
257 Dr Ricky Kanabar (SPA0033)
258 Department for Work and Pensions, A state pension for the 21st century, CM 8053, April 2011, Foreword
259 'HMRC fixes nine-year state pension error after Telegraph investigation', Telegraph, 13 February 2026

140. The Minister for Pensions explained that some forecasts had not included a deduction that should have been applied to reflect periods in which they had been contracted-out of the State Second Pension. He did not know how many people had accessed the online forecast model and therefore been affected. It applied mainly to people who had been contracted out between 2016 and 2021. He did emphasise that changes had been made to prevent this happening in future.[260]

141. **CONCLUSION**
We are concerned to hear that around one in five of those with a State Pension age of 67 may not have accurate awareness of this in time to make informed decisions about their retirement. We are also concerned at evidence that awareness is lower for certain groups—women, people with lower qualifications or lower levels of wealth, the self-employed and people not in paid work—many of whom are likely to be disproportionately affected by the rise. DWP has recent experience of what can go wrong when changes such as these are not well communicated. It is therefore disappointing that this element, which the Minister said has been their focus, is not achieving more impact. The department should have learned lessons but has yet to implement the action plan it has developed with the Parliamentary and Health Service Ombudsman.

142. **RECOMMENDATION**
DWP should commission research to find out more about these low levels of awareness and whether there are practical steps that it could take to improve outcomes (for example, in relation to benefit take-up).

143. **CONCLUSION**
We are concerned that some individuals will have received inflated State Pension forecasts because these did not show deductions for contracting out. Some of them may have lost the opportunity to do things differently, for example, to continue working for longer or to save more. Individuals are asked to take responsibility to save for retirement and it is essential that the government plays its part by communicating accurately and in a timely manner. It is deeply concerning to find another instance where the department's communications appear to have fallen short.

260 Q177

144. **RECOMMENDATION**
We recommend that DWP report on the decisions which led to some people receiving inflated State Pension forecasts, what it has learned from this and the actions it will take to prevent a repetition. The report should also set out how many people were affected by the error, its plans for compensation and how it will communicate these to affected individuals. In its response to this report the department should set out a clear timetable for completing these actions.

Parliamentary and Health Service Ombudsman (PHSO) action plan

145. In March 2024, in a report on DWP's communication of State Pension age increases to women born in the 1950s, the Parliamentary and Health Service Ombudsman (PHSO) stressed the need for changes to policies, procedures, systems and staff training to ensure maladministration was not repeated. The evidence pointed to "a systemic failure in how DWP responded to what research and feedback were telling it." It recommended that Parliament ensure that DWP take steps to "demonstrate continuous improvement in the service it provides."[261]

146. On 17 December 2024, the then Work and Pensions Secretary, Liz Kendall MP, told Parliament that DWP would "work with the Ombudsman to develop a detailed action plan out of the report so that every and all lessons are learned".[262] We viewed this as a golden opportunity for DWP to demonstrate its willingness to learn from its mistakes, and were therefore alarmed to hear that the PHSO had concerns on two counts, the qualified nature of the department's acceptance of its recommendations, and delays with the action plan.

147. On the first point, PHSO, Paula Sussex said that while she welcomed the department's acceptance of the PHSO's finding of maladministration, she remained disappointed that this was qualified by the way in which it characterised what the PHSO said about the effectiveness of letters.[263] The department's position was that the PHSO had not properly considered how effective an earlier letter would have been.[264] However, as Deputy

261 Parliamentary and Health Service Ombudsman, Women's State Pension age: our findings on injustice and associated issues, March 2024, para 509–13
262 HC Deb 17 December 2024 c167
263 Letter from the Parliamentary and Health Service Ombudsman, 5 February 2026
264 Department for Work and Pensions, Government's new decision: Women's State Pension age communications, January 2026

Ombudsman, Karl Bannister told us in January 2025, the core of the PHSO's argument was that DWP had delayed in acting on what it, itself, had decided was the best course of action.[265]

148. On the second point, Paula Sussex explained that she had serious concerns about the significant delays in the implementation of actions and in the communication with her office. In particular, she was concerned that work on the action plan had been paused to prioritise support for Ministers in retaking the decision on whether to offer compensation.[266] She did not agree that a pause was necessary, and work on the action plan was an opportunity to demonstrate the department's commitment to avoiding maladministration in future.[267] The department recommenced work on the plan following the decision by the current Secretary of State, the Rt Hon Pat McFadden MP, in January 2026 to confirm the decision taken by his predecessor, which was to not to accept the PHSO's approach to injustice on the grounds that "the majority of 1950s born women would not have read and recalled the contents of an unsolicited pensions letter, even if it had been sent earlier".[268]

149. The Minister told us he took seriously the role of the PHSO and was committed to publishing the action plan as soon as possible.[269] The PHSO told the Public Administration and Constitutional Affairs Committee on 24 March 2026, that she was disappointed we were not further forward two years on. It would need "sustained senior engagement" to get the action plan implemented.[270]

150. **CONCLUSION**

It is vital that the Department develop a culture of learning from its mistakes. Indications that it has not yet done that include the Department's response to the Parliamentary and Health Service Ombudsman's recommendations on 1950s women, repeated problems with communications about changes to the State Pension and the delay in progressing the action plan.

265 Oral evidence on 22 January 2025, (Q79)
266 Correspondence with the Parliamentary and Health Service Ombudsman, 8 January 2026
267 Correspondence with the Permanent Secretary, 4 February 2026
268 HC Deb 29 January 2026 c1072
269 Q176
270 Evidence to Public Administration and Constitutional Affairs Committee, 24 March 2026, Qq54–56

151. **RECOMMENDATION**
In response to this report, the Department should set out how it will work in partnership with the Parliamentary and Health Service Ombudsman to implement the action plan and to monitor and evaluate its effectiveness. This should include which elements of the action plan will ensure effective administration of the current State Pension age increase.

Conclusion

152. This is a pivotal time for pensions. The population is ageing, contributing to rising State Pension costs. That the State Pension age is rising at the same time as inequalities in health and life expectancy are widening mean that the impact of this is increasingly unfair.

153. We welcome the work of the Second Pensions Commission, expected to make recommendations on a framework for a future pensions system that is fair, sustainable and adequate. It is vital that as part of this work it makes a recommendation on an adequacy objective for the State Pension. We welcome also its recognition of the importance of the government being able to review the pensions system holistically over the longer term and look forward to hearing more in its final report about how that might work.

154. We welcome the remit of the third independent State Pension age review to make recommendations for a framework for future rises, balancing consideration of fairness and sustainability, and the Minister's statement that the Secretary of State will consider health and poverty impacts in his own review, due by March 2029. However, if it takes place then, it will be too late for many reaching State Pension age in the next few years and affected by the increase to 67. We therefore recommend immediate consultation for providing additional social security support to those unable to keep working as pre-pensioners.

Conclusions and recommendations

Introduction

1. We welcome the fact that the government asked Dr Suzy Morrissey to balance fairness and sustainability in her independent review of the State Pension age and set up a Second Pensions Commission to make recommendations on broader questions of adequacy, fairness and sustainability to guide the long-term future of the pensions system. The range and scale of challenges outlined in the Commission's interim report, make clear that pensions policy is at a pivotal point. (Conclusion, Paragraph 9)

2. The risk is that outcomes from these important reviews come too late for many reaching State Pension age in the next few years. The impacts of the rise to 67 will be very uneven. For many unable to keep working, particularly on low incomes and in the most deprived areas, it will mean hardship as they wait longer for a State Pension. Their shorter life expectancy means that they can then expect to receive it for a shorter time than those in the least deprived areas. We know that the last increase—from 65 to 66—resulted in absolute poverty rates among 65-year-olds more than doubling. In response to our Pensioner Poverty report, the government declined to conduct a further impact assessment before the end of 2025, or to explain its considerations regarding options to mitigate the impact. Concerned that much had changed since the impact assessments in 2011 and 2013 and that there were gaps in the government's understanding, we launched this inquiry. Our conclusion is that additional social security support is needed to support the transition. (Conclusion, Paragraph 10)

The State Pension

3. We recognise that there are challenges ahead, with an ageing population meaning rising costs in a tight fiscal environment. In future decisions, on the State Pension and other state entitlements for pensioners, it will be important for the government to balance sustainability, adequacy and fairness. The government refers to the State Pension as a foundation for

private pension saving and says its 'revealed objective' is for a slightly higher level of State Pension than now, delivered via its commitment to the triple lock for the rest of this Parliament. However, this offers no guarantee of adequacy for those solely or mainly reliant on the State Pension. As things stand, the Second Pensions Commission said the State Pension does not necessarily deliver adequacy by itself. (Conclusion, Paragraph 27)

4. We agree with the Second Pensions Commission that current policy is not grounded in clear objectives for adequacy and that it would help guide future policy to define what 'adequate' means in a way that accurately represents pensioners' financial resources across the income distribution. An adequacy objective would help guide future policy decisions, for example, as to how the State Pension is uprated. (Conclusion, Paragraph 28)

5. The government must work towards a sufficiently clear adequacy objective to guide its future decisions on State Pensions and state entitlements. It should say whether a State Pension that tries to avoid poverty but does not necessarily deliver adequacy, represents the extent of its ambitions. (Recommendation, Paragraph 29)

Increase in the State Pension age

6. The State Pension age started to rise to 67 in April 2026. However, many people are not in work by that age. In 2025, by age 65, only 42% were in work and by age 66, this had fallen to 29.3%. Reasons for leaving work reflect inequality, with, typically, wealthier people choosing to retire, and poorer people leaving due to ill-health or with caring responsibilities. (Conclusion, Paragraph 46)

7. Financial resources, work capacity and good health are all factors that help protect individuals as the State Pension age increases. However, people reach their pre-pension years with very unequal levels of all of these. People who have typically worked in lower income roles, had periods out of the labour market and not been able to access housing wealth, experience cumulative disadvantage that builds over time. There is a geographical dimension as well, with ill-health and disability concentrated in the most deprived areas, where there are fewer economic opportunities and the work that is available is more likely to be of poor quality and insecure. In this context, an increase in the State Pension age will be felt very unevenly. People in ill-health or with caring responsibilities, and without access to savings will find it much harder to bridge the gap created by increasing the State Pension age. (Conclusion, Paragraph 47)

8. We welcome the Minister's statement that it is possible to take both fiscal constraints and the consequences of State Pension age increases seriously. We acknowledge that he takes responsibility for the increase to 67, a policy he inherited, and which is happening now. Also welcome is the government's emphasis on balancing fairness and sustainability in the terms of reference for the third independent State Pension age review. (Conclusion, Paragraph 48)

9. The government must:

- confirm that a core task for the Secretary of State's State Pension age review, due by March 2029, will be to consider those groups on whom State Pension age increases have a disproportionately negative impact and the measures that are needed to mitigate that; and
- publish the report of the third independent State Pension age review by July 2026, so that there can be public debate and critical evaluation of the findings and proposed recommendations before final decisions are made. (Recommendation, Paragraph 49)

The transition to State Pension age

10. We agree with the Minister that it is important to consider the distributional effects of State Pension age increases. The results are felt unevenly. We know that the last increase resulted in a more than doubling of poverty for 65-year-olds. The Minister told us that the government's approach to the increase to 67 was focused on communication and supporting later working. However, he had no data to show that this would be effective in preventing a similar increase in poverty this time around. The fact that those affected will be a year older, leads us to fear that the impact may be even greater this time. (Conclusion, Paragraph 59)

11. A further effect of the rise from 65 to 66 was an increase in employment, with the largest effects for those with the lowest educational attainment and those living in the most deprived areas. We were concerned to hear that, while later working is generally good for health when it is voluntary, this is not the case when it is due to financial necessity, particularly for people having to continue to in physically demanding jobs. In addition, almost a quarter (24%) of the poorest pre-pensioners were working while frail or pre-frail and so vulnerable to significant deterioration in their physical and cognitive functioning. (Conclusion, Paragraph 60)

12. In response to this report, the department should commission research on the health impacts of later working from the State Pension age increase from 65 to 66. (Recommendation, Paragraph 61)

13. The Minister for Pensions explained that the department's plans to support the transition to State Pension age for the rise to 67 was to support older workers in the labour market, through initiatives such as WorkWell, Pathways to Work and the Mayfield Review. He did not have data on the likely impact of such measures. Since the impact assessments in 2011 and 2013, we have seen the emergence of new challenges, particularly an increase in work-limiting health conditions, so experience may not be a good guide. (Conclusion, Paragraph 70)

14. We heard that many older workers struggle to continue in demanding jobs, sometimes to the detriment of their health. The 'double jeopardy' of ageism and disablism may mean they hesitate to request support and if they leave one job, may struggle to find another. For unpaid carers, the demands of that role can lead to them exiting employment in their fifties, and increasingly so from age 60. Adult social care, which could provide much-needed support, is not always available. (Conclusion, Paragraph 71)

15. We acknowledge government initiatives to address these challenges, including the Mayfield Review. However, as the Second Pensions Commission concluded, success will require a concerted effort across government and industry. We welcome the Minister for Pensions' recognition that a cross-government approach is needed. This will take time and come too late for many affected by the rise in State Pension age to 67. Furthermore, to be effective in improving work and retirement outcomes, such interventions probably need to reach people in their fifties. (Conclusion, Paragraph 72)

16. Based on the evidence we have received, there is a clear justification for providing additional social security support for those unable to keep working in the years approaching State Pension age. While pension age rises have been justified on grounds of fairness between generations—each generation should expect to spend a similar proportion of adult life contributing to and receiving the State Pension—fairness within generations is also important. As things stand, the impact is very uneven. People who are unable to keep working, often due to ill-health, disability or caring responsibilities, will have to wait another year for their State Pension. For many, this will be a year of hardship, on inadequate working age benefits, potentially depleting savings they were relying on to support them in retirement. Once they get their State Pension, they are likely to receive it for a shorter time than their wealthier counterparts. This is a direct and foreseeable impact of State Pension age policy, for which the government is responsible and which it should act to prevent. (Conclusion, Paragraph 78)

17. We agree with the Minister that there are consequences to State Pension age increases which can, and should, be taken seriously. There is evidence that the longer wait for their State Pension will harm 66-year-olds unable

to keep working till 67. Government support for the transition must include introducing additional social security support for people unable to keep working to State Pension age. (Conclusion, Paragraph 89)

18. We heard widespread support for this but less consensus on what form it should take. On balance we support increasing the level of Universal Credit (UC) for all recipients in the year before State Pension age because it has a greater impact in reducing poverty and hardship. We recommend it as a short-term approach, to mitigate the impact of the increase to 67, which has already started. We propose using UC on the basis that it should enable support to be provided quickly. We recognise that the impact on work incentives is a consideration. However, the proposal is for a modest increase in support in the year before State Pension age. Those out of the labour market at this point in their lives are very unlikely to return to it. In our view, the overriding priority must be to reduce the hardship that would otherwise be a predictable result of government policy. (Conclusion, Paragraph 90)

19. We are disappointed that the Minister seemed disinclined to consider specific additional support to pre-pensioners. We are also disappointed at the lack of evidence-based policy-making that has been driving this and policy making more generally in the DWP. We recommend that the government think again and, as a minimum, consult on the proposal for an uplift in the level of UC in the year before State Pension age with the aim of introducing additional support by the end of 2026. As part of this, it should: explain how it thinks conditionality rules should apply in the year before SPA; and produce its own assessment of the impact and overall costs. (Recommendation, Paragraph 91)

20. We acknowledge that this proposal would not go far enough to improve health outcomes for people who have had to leave work due to ill-health or caring responsibilities in their mid-60s. We should not be in this position. If the government had acted on the recommendation in our 2025 Pensioner Poverty report to update the impact assessment, this would have focused minds earlier on what was needed. (Conclusion, Paragraph 92)

21. The Secretary of State's own State Pension age review should consult on a longer-term approach to additional social security support for those unable to work to State Pension age. This should model the costs and benefits of different options, taking account of factors such as work incentives and the 'downstream' impact on demand for health and social care services. We suggest that the options for consultation could include:

- Increased levels of UC for a period of three years, for those unable to work up to State Pension age due to ill-health, disability or caring responsibilities; and

- Phased increases in the UC standard allowance from age 60 to reach the level of the Pension Credit Guarantee at State Pension age. (Recommendation, Paragraph 93)

22. It is concerning that people approaching State Pension age may need to draw on their pension savings to bridge the gap before they get their State Pension, rather than those savings being available into old age. There is a worrying lack of data to help understand the decisions those pre-pensioners on the lowest incomes are taking and the impact on their income in retirement. (Conclusion, Paragraph 100)

23. DWP should commission research on: the extent of pension and non-pension savings held by pre-pensioners on Universal Credit and how they are drawing on them; and the extent to which pre-pensioners who are eligible for Universal Credit are not claiming it and the reasons for this. (Recommendation, Paragraph 101)

Government decision-making

24. The 2011 and 2013 impact assessments of the increase to 67 are outdated and insufficient. They do not reflect recent increases in work-limiting ill-health or deepening inequality in healthy life expectancy. The previous government decided to proceed with the increase in 2023 but said it would keep the position of people unable to continue in work under review. No official review had been conducted by the 2024 general election. The current government does not plan to do its own evaluation until after the increase is complete in April 2028. This means there is a significant gap in the government's understanding of the impact and that an opportunity to consider what action should be taken has been missed. This is poor policymaking. (Conclusion, Paragraph 108)

25. The Secretary of State should make a statement confirming that healthy life expectancy is a relevant factor for State Pension age reviews under section 27 of the Pensions Act 2014. (Recommendation, Paragraph 109)

26. We welcome the undertaking that the Secretary of State will take a broad and holistic approach to assessing the impact of State Pension age rises in his own review, due by March 2029. If this undertaking is met it will be an improvement on past practice and approaches. It will also be a demonstration of the culture change that we have said is badly needed in the Department. (Conclusion, Paragraph 112)

27. The government should explain how it will take a holistic approach to assessing the impact of State Pension age increases in future. This should include its plans to:

- take into account the views of pensioners;
- consult the Chief Medical Advisor on health impacts;
- invest in more granular, accurate cohort data on life expectancy;
- estimate the likely increase in poverty rates in time to take action to mitigate this before the increase happens. (Recommendation, Paragraph 113)

28. State Pension age rises risk exacerbating existing inequalities in health and lifetime earnings. This should be reflected in impact assessments on State Pension age rises but is not. (Conclusion, Paragraph 116)

29. The department should consider how to take account of the cumulative impact of policies on individuals in its assessment of State Pension age rises; for example, whether it will base its assessment on longitudinal data reflecting differences in factors such as employment history, occupational class, health status, caring history, income decile and protected characteristics. (Recommendation, Paragraph 117)

30. We welcome the Minister's recognition that the different parts of government—including DWP and the NHS—are 'in this together.' As we said in our Pensioner Poverty report, a whole system approach to prevention is needed if the government is to achieve its goal of building a health and social care system that is sustainable for future generations. (Conclusion, Paragraph 123)

31. In response to this report, the department should explain: whether it accepts that pre-pensioner and pensioner poverty have a downstream impact, for example, on demand for health and social care services; how it will reflect this in its impact assessments and what discussions it has had with HM Treasury to ensure that its policies and its approach to managing spending take the fullest account possible of downstream effects. (Recommendation, Paragraph 124)

Other changes

32. We remain concerned about the impact of the mixed age couple rule. There are gaps in our understanding of its impact on the living standards and health of the 70,000 households affected and how this might change as the State Pension age rises to 67. (Conclusion, Paragraph 129)

33. More than 15 years on from its introduction, the government should commission and publish analysis of the impact of the mixed age couple rule on those affected and how this will change as the State Pension age rises to 67. This analysis should include: their risk of poverty; the

impact on their health and wellbeing; the extent to which they take up the elements in Universal Credit for which they are eligible, including for caring responsibilities, ill-health and disability. (Recommendation, Paragraph 130)

34. The Crisis and Resilience Fund could play a vital role in targeting additional support at Universal Credit claimants affected by the increase to 67. However, as things stand, local authorities have access to only 35 to 40% of the data, leaving a visibility gap in relation to some 60% of Universal Credit recipients. (Conclusion, Paragraph 133)

35. The government should confirm that it has committed the resources needed to deliver on plans for a wider Universal Credit data share with local authorities in 2027. It should publish regular updates on progress. (Recommendation, Paragraph 134)

36. We are concerned to hear that around one in five of those with a State Pension age of 67 may not have accurate awareness of this in time to make informed decisions about their retirement. We are also concerned at evidence that awareness is lower for certain groups—women, people with lower qualifications or lower levels of wealth, the self-employed and people not in paid work—many of whom are likely to be disproportionately affected by the rise. DWP has recent experience of what can go wrong when changes such as these are not well communicated. It is therefore disappointing that this element, which the Minister said has been their focus, is not achieving more impact. The department should have learned lessons but has yet to implement the action plan it has developed with the Parliamentary and Health Service Ombudsman. (Conclusion, Paragraph 141)

37. DWP should commission research to find out more about these low levels of awareness and whether there are practical steps that it could take to improve outcomes (for example, in relation to benefit take-up). (Recommendation, Paragraph 142)

38. We are concerned that some individuals will have received inflated State Pension forecasts because these did not show deductions for contracting out. Some of them may have lost the opportunity to do things differently, for example, to continue working for longer or to save more. Individuals are asked to take responsibility to save for retirement and it is essential that the government plays its part by communicating accurately and in a timely manner. It is deeply concerning to find another instance where the department's communications appear to have fallen short. (Conclusion, Paragraph 143)

39. We recommend that DWP report on the decisions which led to some people receiving inflated State Pension forecasts, what it has learned from this and the actions it will take to prevent a repetition. The report should also set out how many people were affected by the error, its plans for compensation and

how it will communicate these to affected individuals. In its response to this report the department should set out a clear timetable for completing these actions. (Recommendation, Paragraph 144)

40. It is vital that the Department develop a culture of learning from its mistakes. Indications that it has not yet done that include the Department's response to the Parliamentary and Health Service Ombudsman's recommendations on 1950s women, repeated problems with communications about changes to the State Pension and the delay in progressing the action plan. (Conclusion, Paragraph 150)

41. In response to this report, the Department should set out how it will work in partnership with the Parliamentary and Health Service Ombudsman to implement the action plan and to monitor and evaluate its effectiveness. This should include which elements of the action plan will ensure effective administration of the current State Pension age increase. (Recommendation, Paragraph 151)

Annex - Roundtable notes

Roundtable with participants from Age UK County Durham's Chapter 50 programme

As part of its visit to Durham on Monday 2 February, the Committee was grateful for the opportunity to talk to participants of Chapter 50–Future You'. This is a service delivered by Age UK County Durham in Weardale and in Newton Aycliffe. This lottery-funded work involves supporting people aged 50+, aimed at helping them prepare for later life, live healthier and happier longer lives, with finances being a part of that. These notes are an anonymised summary of our discussions.

Importance of flexible working opportunities

Participants said the most important thing they needed from their employer was the ability to take time off at short notice. However, whether you could get flexibility depended partly on the sort of work you did.

Those working in moderately paid, physically or emotionally demanding roles, especially in education, health, social care, and similar public sector professions, found it increasingly difficult to continue working into their late 60s.

Older employees in the group reported poor managerial support, particularly during times of crisis. For example, one participant working in the public health sector described how their manager refused a request for leave when their partner suffered a stroke.

There was a consensus that policies on carers leave, flexible working and special leave exist on paper but are inconsistently applied across the public sector. Participants cited poor management and inflexibility as a factor in their decision to retire earlier than planned. On the plus side, some local authority and third sector employers offered good flexibility e.g. working from home adjustments and flexible working arrangements. One Participant explained that there was work underway in County Durham to provide training and support offered for carers and older workers, to pursue work which would fit better around their personal circumstances.

Reasons for leaving work–caring responsibilities

Some participants–women who had worked for years in the public sector - mentioned having left work to care for children or elderly parents. Lack of support with social care was a contributory factor to this decision. The low level of Carers' Allowance was mentioned. One carer had reduced their working hours, leading to rent arrears and financial strain. One participant noted feeling "completely trapped", unable to downsize or change work patterns to accommodate family circumstances.

After some years out of work, they found themselves with a shortfall between their income and living costs until their State Pension came into payment. They were considering returning to work but felt their skills and references were out of date.

Reasons for leaving work–Ill-health

There was a strong sentiment that you can't do physical or mentally intense jobs until 67 and that there needed to be a fairer pension system that takes into consideration high intensity jobs. One man had enjoyed work until the employer had started to impose challenging targets on the workforce, regardless of age. He left his work but experienced a period of mental ill-health.

Retirement planning

All the participants mentioned the low level of understanding about pensions among the entire pre-retirement population, not just younger people. Terminology needed to be simplified (SERPS, for example) and there needed to be campaigns to encourage people to start thinking about their pension in their 40s.

Some had anticipated being able to get their State Pension earlier than turned out to be the case. Others had small public sector pensions but found themselves struggling to make ends meet. Having to pay tax on their State Pension was not something they had anticipated. Participants said people they know are often 'too proud' to ask for help and were then likely to take out loans or find unsustainable sources of income.

Some were saving but did not feel confident about investment decisions. Others wished they had had the information to plan better earlier but partly blamed themselves. One woman had not realised the importance of getting a share of her husband's pension when she divorced. Some felt they would have to continue working longer than they would like and still doubted that they would be able to afford a particularly comfortable retirement.

Pensions advice and guidance

Some participants had sought pensions guidance. Some found it helpful; others found what was on offer to be generic, not taking account of individual circumstances or looking at the whole person. The array of different sources from which guidance was available was confusing.

Experience of looking for work

Age UK County Durham saw a lot of people, mainly women, who had stopped work for caring purposes, then when the need for that came to an end, found it difficult to find work. They feared age discrimination if they applied for jobs:

I'm not sure how I'm going to find work, but I need to. I can't do what I could at age 30. I don't have the energy. I'm in competition for jobs with younger people and worried that employers will think I am too old. I am up against younger people and feel subject to ageism.

Some also spoke of a lack of confidence, and vulnerability due to ill-health. A woman who had been out of teaching for seven years worried that her skills were out of date and that the people she would have turned to for a reference had retired. She felt she did not have time to retrain as her savings would run out at the end of this year. She needed work now.

People also felt the jobs market had changed a lot. They were concerned as to whether they would have transferrable skills if they needed to find alternative employment. Training is not provided to refresh skills, especially for clerical and administrative work. Older workers needed accessible training to re-enter or remain in work. One suggested that employers should invest in apprenticeship schemes, where older workers could train newer ones.

Participants also thought many employers didn't like employing older workers, assuming they wouldn't stay long. They felt employers got rid of more expensive older workers and replace them with younger workers, paid less and with inferior terms and conditions.

A lack of opportunities for working flexibly or part-time in the North-East was raised as an issue.

Teaching was an occupation in which part-time work was a challenge. Taking lower paid work (for example, working as a teaching assistant or in a supermarket) although an option, would mean having to work more hours than they were comfortable with. There was care work available but there is a lot of lifting involved in that.

Support from Jobcentres

People had different experiences of Jobcentres. One said her job coach had been very helpful. She had two-weekly Zoom interviews, in which the coach made helpful suggestions such as local authority training courses. Another, who had previously been made redundant, described their experience as 'horrendous.' They said that some staff were very rude and abrupt, and made them very uncomfortable and as though they were trying to 'milk the system.' The lack of privacy in Jobcentre appointments made some feel uncomfortable.

Employment support schemes needed to understand specific needs in particular areas. Better digital literacy for Jobcentre staff would help.

Cost of living

Participants reported being forced onto benefits like Universal Credit and PIP because they cannot work until the State Pension. Participants in their late 50s/early 60s described as "living on a knife edge" financially, especially those with health conditions and caring duties. Some participants drew on occupational pensions early, losing thousands in lifetime income and creating anxiety about long-term financial security. One participant criticised the use of CPI for the triple lock, saying it did not represent the actual cost of living for most pensioners. He said inflation for them was much higher.

Several participants feared homelessness if SPA continues to rise, because their health means they can no longer physically continue working, especially in demanding, manual jobs. The participants were asked how they were planning for the cost of living in retirement. One participant said she would downsize but mainly she would need to reduce her outgoings.

The cost of heating was a concern. Some tried to use appliances at the cheapest times and only to heat one or two rooms. There were also risks associated with moving constantly between hotter and colder rooms. Turning off the heating was something people felt they had control over. The point was also made that older people tended to be 'stickier' customers and so often paid too much for utilities.

Claiming benefits

Some participants said they found they were not entitled to Universal Credit because they had a small occupational pension.

One participant said they knew what they were entitled to, as they had already checked, but the person from Age UK County Durham said there was a lot of misunderstanding on this point, and in particular people did not realise how easily their circumstances, and therefore their entitlement, could change. Age UK County Durham had helped people in the county to claim £8 million in benefits the year before. Whilst older pensioners were often 'too proud' or unwilling to claim, younger pensioners and pre-pensioners were much happier to claim what they were eligible for.

One participant said they had not realised they could not claim Carers Allowance and the State Pension at the same time. This had hampered their ability to retire and made them feel their contribution through caring was unacknowledged.

Some individuals could not claim PIP or disability benefits, despite significant health issues, leaving them without income.

Multiple participants explained how they knew of situations where those in financial need were not getting support to navigate claims processes, which they found inaccessible. One explained how those who are most vulnerable often did not know how to best explain their life situation on a claim form, which meant failed applications. One participant noted that within the form those applying feel like they must "fight for everything." Another spoke of someone who had lied on the form to get financial support.

There was a strong consensus that raising the State Pension age shifted costs onto disability benefits rather than saving money and calls for Carers Allowance to be improved to save money. February 2026.

Formal minutes

Wednesday 24 June 2026

Members present:

Debbie Abrahams (Chair)

Damien Egan

Patrick Hurley

John Milne

Transition to State Pension Age

Draft Report (*Transition to State Pension Age*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 154 read and agreed to.

Annex and Summary agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Wednesday 1 July 2026

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Wednesday 10 December 2025

Jonathan Cribb, Deputy Director, Institute for Fiscal Studies; **Chris Curry**, Director, Pensions Policy Institute, Institute for Fiscal Studies Q1–21

Andrea Barry, Deputy Director for Work, Retirement and Transition, Centre for Ageing Better; **Ben Franklin**, Deputy Chief Executive, International Longevity Centre; **Patrick Thomson**, Head of Research Analysis and Policy, Standard Life Centre for the Future of Retirement Q22–37

Wednesday 28 January 2026

Morgan Vine, Director of Policy, Grants and Influencing, Independent Age; **Fabian Chessell**, Central Government Lead, Policy in Practice; **Phil Mawhinney**, Poverty, Income and Work Policy, Age UK Q38–64

Dr Daniella Jenkins, Member of Policy Advisory Group and Incoming Executive Director, Women's Budget Group; **Justin Wray**, Interim Assistant Director, Head of Long-Term Savings Policy, Association of British Insurers; **Tiffany Tsang**, Head of DB, LGPS and Investment, Pensions UK Q65–87

Wednesday 25 February 2026

Sarah Vickerstaff, Professor Emerita of Work and Employment, University of Kent; **David Finch**, Assistant Director, Health Foundation; **Quinn Roache**, Policy Lead – LGBTQ+ and disabled workers, TUC; **Professor Wendy Loretto**, Professor of Organisational Behaviour, University of Edinburgh Business School Q88–103

Emily Holzhausen CBE, Director of Policy and Public Affairs, Carers UK; **Joe Levenson**, Assistant Director of UK Advocacy and Health Intelligence, Arthritis UK; **Charles Cotton**, Senior Advisor for Pay and Reward, Chartered Institute of Personnel Development; **Jon Richards**, Assistant General Secretary, UNISON Q104–125

Wednesday 18 March 2026

Torsten Bell MP, Minister for Pensions, Department for Work and Pensions; **Nicholas Warrington**, Deputy Director, Keep Britain Working, Department for Work and Pensions; **Cathy Payne**, Deputy Director, State Pension policy, Department for Work and Pensions Q126–181

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

SPA numbers are generated by the evidence processing system and so may not be complete.

1	Advanced Care Research Centre, University of Edinburgh	SPA0012
2	Age UK	SPA0034
3	Age UK	SPA0015
4	Agency worker	SPA0013
5	Arthritis UK	SPA0005
6	Association of British Insurers	SPA0029
7	Association of Consulting Actuaries (ACA)	SPA0025
8	Buziuk, Hleb (Independent policy researcher and human-rights advocate, FairGo CIC)	SPA0001
9	Carers UK	SPA0028
10	Centre for Ageing Better	SPA0020
11	Citizens Advice South Warwickshire	SPA0017
12	Department for Work & Pensions	SPA0027
13	Fabian Society	SPA0026
14	Falkingham, Professor Jane (Professor of Demography and International Social Policy, Director ESRC CPC-CG, ESRC Centre for Population Change - Connecting Generations, University of Southampton); Evandrou, Professor Maria (Professor of Gerontology, Director of Centre for Research on Ageing, Co-Director ESRC CPC-CG, ESRC Centre for Population Change - Connecting Generations, University of Southampton); and Vlachantoni, Professor Athina (Professor of Gerontology and Social Policy, ESRC Centre for Population Change - Connecting Generations, University of Southampton)	SPA0003

15	Glaser, Professor Karen (Professor of Gerontology , King's College London); Price, Professor Debora (Professor of Social Gerontology , The University of Manchester); and Di Gessa, Dr Giorgio (Senior Research Fellow , University College London)	SPA0008
16	Independent Age	SPA0035
17	Independent Age	SPA0019
18	Kanabar, Dr Ricky	SPA0033
19	Later Life Ambitions	SPA0006
20	Marie Curie	SPA0036
21	My Pension Expert	SPA0004
22	NIHR Policy Research Unit in Healthy Ageing	SPA0037
23	Pensions Policy Institute (PPI)	SPA0018
24	Pensions UK	SPA0024
25	People's Partnership	SPA0031
26	Policy in Practice	SPA0022
27	Scotcher, Mrs Sam	SPA0007
28	Social Policy Association Pensions Policy Group; and University of Birmingham	SPA0009
29	Standard Life Centre for the Future of Retirement	SPA0021
30	The Health Foundation	SPA0016
31	Trades Union Congress	SPA0023
32	UK Women's Budget Group	SPA0010
33	UNISON	SPA0011
34	University of Warwick	SPA0030
35	public, Member of the	SPA0032

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2026–27

Number	Title	Reference
1st	Employment support for disabled people: Connect to Work	HC 77

Session 2024–26

Number	Title	Reference
7th	Employment support for disabled people: Disability at Work	HC 1227
6th	The appointment of Emma Douglas as Chair of the Pensions Regulator	HC 1610
5th	Get Britain Working: Creating a new jobs and careers service	HC 1286
4th	Get Britain Working: Reforming Jobcentres	HC 653
3rd	Get Britain Working: Pathways to Work	HC 837
2nd	Pensioner Poverty: challenges and mitigations	HC 465
1st	Safeguarding Vulnerable Claimants	HC 402
7th Special	Get Britain Working: Creating a new jobs and careers service: Government response to the Committee's Fifth Report	HC 1494
6th Special	Get Britain Working: Reforming Jobcentres: Government response to the Committee's Fourth Report	HC 1493
5th Special	Pensioner Poverty: challenges and mitigations: Government Response	HC 1384

Number	Title	Reference
4th Special	Get Britain Working: Pathways to Work: Government Response	HC 1385
3rd Special	Safeguarding Vulnerable Claimants: Government response	HC 1248
2nd Special	Defined Benefit Pensions Schemes: Government Response	HC 870
1st Special	Statutory Sick Pay: Government Response	HC 787