

## Old Grey Matter article for publication April 1st in the EADT

### The Cridland Pension Review

The National Pensioners Convention (NPC) offers ten minute briefing papers on issues of concern and today's OGM is drawn from one of these that can be seen on the NPC website at [www.npcuk.org](http://www.npcuk.org). Under the Pensions Act 2014, the government has the right to conduct a review of the State Pension Age (SPA) every five years. The first of these has been undertaken by the former CBI leader, John Cridland entitled 'Smoothing the Transition' and our OGM article outlines aspects of the review with some immediate analysis. These are some of the main recommendations of the Cridland Review:

\*The State Pension age should rise to age 68 over a two year period starting in 2037. This brings forward the existing timescale by seven years (2044-46) and affects people currently aged 45 or younger.

\*The SPA should not increase more than one year in any ten year period.

\*The triple lock on the state pension should be replaced after 2020 by a simple link to earnings.

\*Access to the means-tested Pension Credit should be set one year below SPA from the point at which the increase to 68 is introduced for a defined group of people who are unable to work through ill health or because of caring responsibilities.

\*Those who defer their state pension should have the option to be rewarded through a lump sum once they start drawing it and people over SPA should be able to part drawdown their State Pension – leaving the balance to benefit from the deferral arrangements.

The NPC say that the Cridland review correctly identifies a number of real problems, but fails to draw the right and fair conclusions in some cases such as these below:

\*Raising the SPA inevitably has the greatest impact on those with shorter life expectancies, often in lower paid jobs, doing manual or stressful work, in poorer health and in the more deprived areas of the country. Therefore linking a future SPA to average life expectancy is unlikely to help those whose longevity is already low. There should therefore be no further increase in SPA beyond 66 in 2020.

\*The significant variations in life expectancy among the population mean that the politically driven 'one third' policy has a more regressive effect on those who have a shorter life span, and a fairer alternative would be to base retirement policy around the number of years of healthy life expectancy.

\*Not everyone will be able to continue working up to SPA through ill health and they could be out of work before they reach SPA and unable to get another job in the meantime. An ever rising SPA means this period of unemployment and associated poverty will inevitably widen.

The NPC reiterates that Britain is just one of three OECD countries (the others being Ireland and the Czech Republic) that has legislated for a SPA of 68 by 2050. The government has said it will make a decision on the future of the SPA in May, but between now and then, we say that pensioners and younger generations must make a clear stand for a retirement system that is more flexible and generous than that which the Cridland review suggests.

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