



Contact: Gillian Crosby, 0207 553 6500 email gcrosby@cpa.org.uk

25 June 2010

THE CENTRE FOR POLICY ON AGEING'S RESPONSE TO GOVERNMENT PROPOSALS TO RAISE THE STATE PENSION AGE

The Coalition Government unveiled plans for 'reinvigorating retirement' on 24 June 2010. The state pension age is to rise much faster than proposed by the previous government – to 66 for men by 2016. Faced with the challenges of increased longevity coupled with the problems of declining saving levels the Coalition called for radical reforms to the pension system¹ and a better balance between work and retirement.

Gillian Crosby, the Centre's Director, said: 'The government must carefully consider the consequences of raising the state pension age so quickly for all sections of the older population. Many older people may be adversely affected by having to wait longer and longer for a state pension, such as those excluded prematurely from the labour market, manual workers, those in poor health and with low incomes. The self employed do not qualify for the state second pension and research shows that 53 per cent of self-employed men and 67 per cent of self-employed women are not contributing to any private pension scheme, partly due to unpredictable earnings and requirement to reinvest in their business.'

'We need to know how the government, along with employers, will help older people work through their late sixties. Encouraging more training, skills development and flexible working practices would be a start.'

'CPA's work focuses on the impacts of an ageing society and the Centre holds a wealth of information² to help guide decision making at national and local levels. There is already a huge body of evidence on the needs and aspirations of older people and concrete proposals on how to achieve better outcomes for them. We hope that the government will draw on this existing evidence as well as consulting widely with older people themselves.'

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Centre for Policy on Ageing
25-31 Ironmonger Row, London EC1V 3QP
Telephone +44 (0) 20 7553 6500
Facsimile +44 (0) 20 7553 6501
Email cpa@cpa.org.uk
Website www.cpa.org.uk

Notes

1. The Coalition's actions on pensions include: restoring the link between the state pension and earnings from 2011; a call for evidence from the public and interested parties on raising the state pension age to 66; consulting on how to phase out quickly the Default Retirement Age; an independent review of how to make auto-enrolment work, reporting by end September 2010 (panel: Paul Johnson; David Yeandle OBE; Adrian Bolding). www.dwp.gov.uk/policy/pensions-reform/latest-news

Ex-Labour cabinet minister John Hutton has been appointed to head a commission into public sector pensions. The commission will undertake a fundamental structural review of public service pension provision by Budget 2011. It will produce an interim report in September 2010 ahead of the Spending Review.

2. The Centre aims to raise awareness of issues around all aspects of ageing. A key element of this work is making knowledge on ageing issues widely accessible to share learning and underpin policy initiatives to support older people. The Centre's information service disseminates research evidence and good practice for users in all sectors through a unique group of customised services. CPA has built up a vital source of knowledge on ageing issues and it is currently the only organisation in the UK systematically collating this data. Reliable information is essential to sustain more effective ways of working and better outcomes for older people. Access further details of CPA's information services at www.cpa.org.uk/information/information_services.html
3. Visit the Centre's online resource 'Policies on Ageing' for further information and links to documents and initiatives around ageing www.cpa.org.uk/cpa/policies_on_ageing.html