



Work and Pensions Committee

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From the Chair

8 March 2017

Martin Clarke
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Martin Clarke

State pension age

Thank you for your letter of 3 March which made important clarifications regarding life expectancy.

The comparisons made in the Committee's press release were to illustrate the important point that any increase in state pension age will necessarily exclude people from the state pension altogether compared with the counterfactual position, and that those affected will disproportionately be from more deprived backgrounds.

For expenditure on the state pension to be remotely sustainable, there is necessarily a trade-off between the generosity of its uprating and the state pension age. This is often lost in political discussions (not least by my own Front Bench) but is rightly an explicit component of John Cridland's consultation, which asks:

Considering the main drivers of State Pension expenditure, which ones are more important to the policy intent, if they were presented as a trade-off? Maintaining early access, a generous increase annually or ensuring that most people can achieve the full rate of the new State Pension? Which of these delivers fairer outcomes?

The triple lock is often promoted as a weapon against pensioner poverty, but if long-term retention of the triple lock necessitates larger increases in state pension age than would otherwise have been required to maintain affordability, then this makes it ill-targeted as an anti-poverty measure given the association between relative deprivation and shorter life expectancy.



You rightly highlight that you expect further, welcome improvements in life expectancy. In the 2013 Autumn Statement, the then Chancellor set out the principle that people should expect to spend, on average, "up to one third of their adult life in receipt of the State Pension". In asking you, in your instructions for work to support the Cridland Review, to consider a scenario in which 32% of the average adult life is spent in receipt of the State Pension (alongside calculations based on 33.3%), the Government has indicated its willingness to consider increasing state pension age at a rate outstripping life expectancy as a means of promoting fiscal sustainability. I would regard reconsidering the arbitrary and very generous triple lock a fairer place to start.

With thanks and best wishes,

A handwritten signature in black ink, appearing to read "Frank Field", written in a cursive style.

Rt Hon Frank Field MP
Chair