

**Jim McMahon OBE MP**



**HOUSE OF COMMONS**

**LONDON SW1A 0AA**

Dr Carolyn Wilkins  
Level 3  
Civic Centre  
West Street  
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Our Ref: OMM/WILK01005/01170077

10 February 2017

Dear Carolyn

Please find enclosed a reply from the Minister in relation to the December council motion.

Yours sincerely

A handwritten signature in black ink that reads "Jim McMahon".

Jim McMahon OBE MP  
Member of Parliament  
Oldham West & Royton

*Serving the Communities of Chadderton, Royton and Oldham*

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Your ref: SB/OMBC01002/01160996

Jim McMahon OBE MP  
House of Commons

Our ref: POS(3)11559/14

9 January 2017

Dear Jim

Thank you for your letter of 21 December 2016 to the Secretary of State on behalf of Dr Carolyn Wilkins OBE, Chief Executive of Oldham MBC, Level 3, Civic Centre, West Street, Oldham about increases in women's State Pension age. I am replying as the Minister for Pensions.

The gradual equalisation of State Pension age at 65 for both men and women was first set out in the Pensions Act 1995 (and the increase to 66 set out in the Pensions Act 2007) following our obligations under a directive from the European Union on gender discrimination. Rather than simply increase State Pension age overnight, rises were introduced incrementally by various governments – Conservative, Labour and the Coalition Government.

People living healthier, longer lives, however, also meant that the Coalition Government could not ignore the pressure that this placed on the State Pension system and, in 2011, brought about State Pension age equalisation and the rise to 66 sooner. Our European counterparts such as Germany, Denmark, and Greece have already equalised State Pension age for men and women – much earlier than us.

The Department for Work and Pensions wrote to all those individuals affected, informing them of the change to their State Pension age. We have also legislated for a regular review of State Pension age, the first of which will conclude next year and take into account the latest life expectancy data. Independent analysis by the Institute for Fiscal Studies has shown us that the rise in women's State Pension age has been accompanied by increased employment for the women in this group.

Even after equalising women's State Pension age with men's, women will spend on average around two years more in receipt of their State Pension

because of their longer life expectancy. Women reaching 65 in 2018 are expected to live until 88.9 years whilst the figure for men is 86.7 years. Crucially, the equalisation of State Pension age brought the average proportion of time spent in retirement by men and women more in line with one another, with women spending slightly longer in retirement due to a higher life expectancy. Without equalisation, women would spend on average 41 per cent of their adult lives in retirement, compared to men at 31 per cent.

It should be noted that estimates provided to the Work and Pensions Select Committee in February showed that the costs of undoing current legislation for women are greater than £77 billion up to 2020/21, and that costs would continue to build after that point.

It is also important to note that parliamentary process was fully followed during the passing of the Pensions Act 2011. This change occurred following a public Call for Evidence and extensive debates in Parliament. As you might be aware, a substantial concession worth over £1 billion was made, meaning that no individual will face an increase to their State Pension age of more than 18 months, relative to the Pensions Act 1995 timetable. There are no plans to make further transitional arrangements for this group.

Furthermore it is important to point out that women who have had their State Pension age increased will have the same eligibility to working-age in work, out of work and disability benefits as a man with the same date of birth. Those who are not in work can make initial enquiries about what support may be available to them by calling the Department's claim line on 0800 055 6688, or by checking the information on claiming benefits on the Government website at [www.gov.uk](http://www.gov.uk).

In addition, the Government has reformed the State Pension system to make clearer what people can expect from the State when they retire.

From April this year, we have introduced a simpler State Pension that will give people a clear picture of what the State will provide so that they can build their own savings. The new State Pension will let people know exactly how much they earn for each qualifying year and, furthermore, it will be above the level of the basic means test in Pension Credit, helping to support private saving and, will give 650,000 women reaching State Pension age, in the first ten years, an increase on average of £416 a year due to the new State Pension valuation.

Automatic enrolment will also complement the new State Pension by helping to ensure that as many people as possible can build a private pension on top of the amount they receive from the State. This will give around 11 million people the opportunity to save into a workplace pension and we expect this to lead to 10 million people newly saving or saving more.

The combination of the new State Pension, automatic enrolment, the protection of benefits and giving people power over their pension pots will ensure pensioners and future pensioners have security in retirement whilst making pensions sustainable for decades to come.

I hope this helps to explain the position.

*Yours ever*

*Richard Harrington*

**RICHARD HARRINGTON MP  
MINISTER FOR PENSIONS**

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JIM McMAHON MP  
WESTMINSTER OFFICE