



Reforming the state pension age

➤ **Former Secretary of State for Work and Pensions, Chloe Smith, considers how state pension age reform should be a profound debate**

Les Reformes des Retraites saw France on fire. With hundreds of arrests and injuries, a town hall ablaze, and our own King Charles postponing a state visit across the Channel amid strikes and violent protests, pension reform is suddenly a hot topic.

Other countries, like Spain, are embarking on reform too. So how should a nation consider reform to state pensions, without “descend(ing) into a madness that might take hold of the country, with violence and resentment”, as one French trade unionist put it? The UK’s government has just published its review of the state pension age; what should we do with it?

This review has had to balance tough factors. The government has concluded there isn’t a case for change to the rises to 67 and 68 that are already legislated for and will look again in two years.

Taking the long view, since pensions were first introduced, of course people are generally living and working longer. And work is changing too: Technology enables more and more, and flexible working is on the rise as well, which is the top workplace solution that over-50s say they want. The Chancellor’s recent Budget rightly focused on how to re-engage older people in work. All this points to pensionable age generally continuing to rise.

However, life expectancy data appears to have dipped, which has driven the government to caution. There are

concerns in parliament about patterns in excess deaths, and deep anxiety about the lasting toll on the health service from Covid-19.

The government should certainly address those concerns, using the Covid enquiry process, as well as closely monitoring and explaining data now. Our constituents desperately need the NHS back on its feet so it’s right that should be a top priority in itself for the Prime Minister.

However, pensions policy must be shielded from individual controversies. Pensioners, taxpayers, employers and society need a clear and predictable path ahead. Denmark, Finland, Portugal and more have tried an automatic mechanism linking pension age to longevity predictions or other characteristics, removing political intervention.

The major trend of longer, healthier lives and the need for fairness between generations means that we in Britain cannot avoid scrutinising and securing our system. We should use the next few years to debate pensions properly.

To get the safety net right without short-termism or the violence seen in France, the government should do two things.

First, it should continue to respect a process like that set out in the Pensions Act 2014, requiring the state pension age to be reviewed regularly. Better alignment with census data would be a good idea. Parliamentary and public debate should follow on a similar rhythm, although (as France reminds us) if you decide to change then successful legislation may take time. A resilient process

like this guards against waiting unduly for any particular trend or pausing for a preferred moment.

Second, ministers should avoid the debate becoming party political. Of course, this is a terrible tightrope to tread: Act without fear or favour to older voters or anyone else, seek consensus without inciting controversy, yet in the second half of any parliament an election looms. So, there should be debate, profound debate, but the tone must reflect the national interest.

A policy for which taxpayers pay billions of pounds a year must be rooted in support. A democratic mandate to act is desirable and important. This can be achieved from a national debate, in which people, Parliamentarians like me and *Pensions Age* readers like you all have an important role.

Baroness Neville-Rolfe was right to probe fairness between those who are working and paying and those retiring, asking what share of national earnings could be spent on retirement. I believe she was right to consider the experiences of people who’ve spent their lives in very physical work or for a very long stint; I’m struck that the French reforms include special provision for people who began to work before they were 20.

We have an opportunity and a duty now to debate the fundamental questions of fairness between generations in a time of great change.

➤ **Written by Norwich North MP, and former Secretary of State for Work and Pensions, Chloe Smith**