

Pension boost protected by new bill

Press release

The Government has moved to avoid a State Pension freeze.



Work and Pensions Secretary, Thérèse Coffey, has introduced a technical Bill in the House of Commons that will give the Government the ability to increase the State Pension next year.

Under current legislation, the State Pension can only be increased if there has been a rise in average earnings in the relevant period of the preceding year.

Due to the challenging economic circumstances, average earnings are expected to show no growth in that period. This Bill makes technical changes which allow ministers to deliver on their commitment to the Pensions Triple Lock next year, even if there is no growth in earnings in the relevant period, ensuring that State Pensions can still be up-rated.

Commenting on the Bill, Thérèse Coffey said:

The Government has worked hard to protect all age groups during the pandemic, strengthening the welfare safety net, introducing furlough and income protection schemes, as well as supporting those who have lost their jobs back into work.

It is only right, then, that we also ensure pensioners can see their incomes protected as we build back better.

In these difficult times, I want to give pensioners peace of mind about their financial health.

Previous Governments have taken the same approach in similar challenging

economic circumstances – for example, in the Welfare Reform Act 2009.

In accordance with the usual process, the Work and Pensions Secretary will undertake a review of social security rates shortly, and will report to Parliament on the outcome of the review in November 2020.

Since 2011, the Triple Lock has ensured that the State Pension is uprated by the highest of earnings growth, price inflation or 2.5%.

Further information

- The Social Security (Uprating of Benefits) Bill was introduced to the House of Commons on 23 September 2020.
- This Bill is necessary to ensure that pensioners can be supported with an increase in State Pension and Pension Credit rates for 2021/22. Survivors' benefits in Industrial Death Benefit are also included in the scope of the Bill. Without this legislation, that would not be possible since the decline in the average earnings data means that the Secretary of State would have no ability to increase these rates. This Bill gives her that ability.

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Published 1 October 2020