

Press release: New timetable for State Pension changes to maintain fair and sustainable pension

The Department for Work and Pensions has today published its review into the State Pension age, proposing a new timetable for the rise to 68, to maintain fairness between generations in line with continuing increases in life expectancy.

Latest [projections from the Office for National Statistics](#) show that the number of people over State Pension age in the UK is expected to grow by a third between 2017 and 2042, from 12.4 million in 2017 to 16.9 million in 2042.

Under the proposed new timetable, the State Pension age will increase to 68 between 2037 and 2039, earlier than the current legislation which sees a rise between 2044 and 2046. The change will affect everyone born between 6 April 1970 and 5 April 1978.

Those affected by this proposed timetable will on average still receive more State Pension over their lifetime than generations before them.

When the modern State Pension was introduced in 1948, a 65-year-old could expect to spend 13.5 years in receipt of it – 23% of their adult life. This has been increasing ever since. In 2017, a 65-year-old can now expect to live for another 22.8 years, or 33.6% of their adult life.

Failing to act now in light of compelling evidence of demographic pressures would be irresponsible and place an unfair burden on younger generations. Keeping the State Pension age at 66 would cost over £250 billion more than the government's preferred timetable by 2045/46.

Secretary of State for Work and Pensions David Gauke said:

I want Britain to be the best country in the world in which to grow old, where everyone enjoys the dignity and security they deserve in retirement.

Since 1948 the State Pension has been an important part of society, providing financial security to all in later life. As life expectancy continues to rise and the number of people in receipt of State Pension increases, we need to ensure that we have a fair and sustainable system that is reflective of modern life and protected for future generations.

Combined with our pension reforms that are helping more people than ever save into a private pension and reducing pensioner poverty to a near record low, these changes will give people the certainty

they need to plan ahead for retirement.

Today's announcement agrees with the [timetable set out by John Cridland CBE](#) in March 2017, which proposed bringing forward the increase in State Pension age to 68 between 2037 and 2039.

Mr Cridland's review highlighted that under the previous timetable, by 2036/37 annual spending on the State Pension would have increased by 1% of GDP on 2016/17, equivalent to £20 billion in today's terms – or a rise in taxation of £725 per household.

A separate [report from the Government Actuary's Department](#) in March 2017 considered 2 alternative scenarios for the State Pension age, under the government's principle that an individual should spend on average up to one third of their adult life above State Pension age.

No one born on or before 5 April 1970 will see a change to their current proposed State Pension age.

The UK Government currently spends 5.2% of GDP on the State Pension. Without action this would rise to 6.5% of GDP by 2039/40. The government's proposed timetable reduces this to 6.1% of GDP by 2039/40 – saving each household £400, based on the number of households today, and in total saving £74 billion by 2045/46 compared to the currently legislated timetable.

The Pensions Act 2014 introduced a regular and structured method for considering future changes to the State Pension age in light of changes in life expectancy.

This is the first government review of State Pension. Any future changes to State Pension age would have to be approved by Parliament in legislation.

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