

CABINET – 1st MAY 2018**STATE PENSIONS FOR WOMEN BORN IN THE 1950s****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to respond to the decision of the County Council on 21st March to ask the Cabinet to consider the concerns raised by the pressure group, Women Against State Pension Inequality (WASPI), who argue women born in the 1950s have been hit particularly hard by significant changes to their State Pensions Age which has been imposed with a lack of appropriate notification and they therefore call for “fair transitional state pension arrangements.”.

Recommendations

2. It is recommended that:-
 - a) The position as outlined in the report, in particular the consideration of this matter in Parliament and by the Government be noted;
 - b) The position statement made to the County Council meeting in March by Mrs Posnett CC which outlines the discussions she has had with representatives of the local WASPI group and the practical support that the County Council has providing to the Group and women in the Local Government Pension scheme to gain a better understanding of pensions and pension taxation, be noted;
 - c) As a practical and constructive way forward, the County Council informs the All-Party Parliamentary Group on State Pension Inequality of its support for the reconsideration of transitional arrangements and compensation for women born in the 1950s affected by changes to the state pension age, and of its support for the All-Party Group in bringing about legislative change to that effect.

Reasons for Recommendation

3. State Pensions is a matter for national Government and local authorities have no locus in such matters. However, decisions on state pensions impact on local people and their wellbeing. The recommendations recognise the grievance of WASPI women as a result of the failure of the Department of Works and Pensions (DWP) to provide timely information on changes to aid pension planning.

Timetable for Decision (including Scrutiny)

4. This matter has been debated by the Council on two occasions and the Council has asked the Cabinet to consider the matter. As such there is no need for this matter to be reported elsewhere

Policy Framework and Previous Decisions

5. The County Council at its meeting on 6th December considered this matter as a Notice of Motion. The decision of the Council is set out in Appendix A to this report.
6. At the Council meeting on 21st March 2018 Cabinet Member, Mrs Posnett, made a Position Statement to the Council following a meeting she had had with the local WASPI Group. A copy of her Statement on this issue is set out as Appendix B to this report.

Resource Implications

7. None

Circulation under the Local Issues Alert Procedure

8. As this item was referred to the Cabinet by the County Council, a copy of this report has been circulated to all Members through the Members News in Brief Service.

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PART B

Background

9. The Pensions Act 1995 provided for the State Pension age (SPA) for women to increase from 60 to 65 over the period April 2010 to 2020. The Coalition Government legislated in the Pensions Act 2011 to accelerate the latter part of this timetable, starting in April 2016 when women's SPA was 63 so that it will now reach 65 in November 2018. The equalised SPA will then rise to 66 by October 2020. The reason for this change was increases in life expectancy since the timetable was last revised.
10. The Government initially intended that the equalised SPA would then rise to 66 by April 2020. However, because of concerns expressed at the short notice of significant increases for some women (as much as two years compared to the timetable in existing legislation) the Government made a concession when the legislation was in its final stages. This limited the maximum increase under the Act at 18 months, at a cost to the taxpayer of £1.1 billion.

WASPI

11. Some women born in the 1950s argue they have been hit particularly hard, with significant changes to their SPA imposed with a lack of appropriate notification. The campaign group 'Women Against State Pension Inequality (WASPI)' is calling for "fair transitional state pension arrangements," which they say translates into a 'bridging pension' paid from age 60 to SPA. Its petition, on the Parliament website calls for:

'[...] a non-means tested bridging pension for women born on or after 6/4/1950 who are affected by the 1995 and 2011 Pension Acts and compensate those at risk of losing up to around £45,000, to also give proper notification for any future changes'.
12. WASPI has also produced information to support women who think they were not adequately informed and wish to complain to DWP about maladministration.

Consideration of this issue in Parliament

13. In a March 2015 report on Communication of State Pension age changes, the Work and Pensions Select Committee concluded that "more could and should have been done" to communicate the changes and called on the Government to "explore the option of permitting a defined group of women who have been affected by state pension age changes to take early retirement, from a specified age, on an "actuarially neutral basis".
14. The issue has been debated in Parliament on a number of occasions and an all Party Parliamentary Group on State Pension Inequality for Women has been set up to "hold the government to account on the issue of transitional arrangements to compensate 1950s women who are affected by changes to

the state pension age and to campaign on issues around the state pension age.”

15. Two Private Members Bills have also been presented to Parliament on the issue in the current Parliamentary Session:
 - Carolyn Harris MP presented the *Pensions (Review of Women’s Arrangements) (No. 2) Bill 2017-19* to Parliament on 7 September 2017, on behalf of the All Party Parliamentary Group on State Pension Inequality for Women. Scheduled to have its Second Reading on 27 April 2018, its purpose is to: “establish a review of pension arrangements for women affected by changes made by the *Pensions Act 1995* and the *Pensions Act 2011*; to require the review in particular to undertake costings for a compensation scheme and consider the operation of section 1(4) of the *Pensions Act 2011*; and for connected purposes.”
 - Peter Bone MP presented the *Pensions (Review of Women’s Arrangements) Bill 2017-19* to Parliament on 5 September 2017. This is scheduled to have its Second Reading on 15 February 2019.
16. Most recently, on 30 November 2017, the House voted by 288 votes to 0 to approve an SNP motion calling on the Government to improve transitional arrangements.
17. It has recently been reported that the All-Party Parliamentary Group (APPG) on State Pension Inequality is producing a report which will support the aims of WASPI and with a view to the introduction of legislative change through a Private Members’ Bill.

The Government’s position

18. The Government argues that the changes in the 2011 Act were debated at length and a decision made by Parliament, which included a concession to limit the impact on those most affected. The Government has said that it will “make no further changes to the pension age or pay financial redress in lieu of a pension.”
19. The statement of the Government’s position was made on 8 February 2018. Pensions Minister, Guy Opperman MP concluded this by saying:

‘The key choice a Government face when seeking to control state pension spend is to increase state pension age or pay lower pensions, with an inevitable impact on pensioner poverty. The only alternative is to ask the working generation to pay an even larger share of its income to support pensioners. I believe that successive Governments have made appropriate but difficult decisions to equalise and increase the state pension age. A significant concession was made in 2011 so that no woman will see an increase to her state pension age of more than 18 months, relative to the 1995 Act timetable. To renege on our decisions and further increase costs to the public, especially the working population, would be unfair and unaffordable’.

Background Papers

Decision of the Council on the Notice of Motion considered on 6th December 2017 and the Position Statement considered on 21st March. – copies attached as Appendices.

Parliamentary briefing paper and report on Increases in the State Pension Age for women born in the 1950s.

<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7405>

Appendices

Appendix A – Decision taken by the Council on the notice of motion submitted on 6th December 2018

Appendix B – Extract from the Position Statement from Mrs Posnett concerning the meeting with the local WASPI Group.

Equality and Human Rights Implications

As this is a matter for national Government an EHRIA has not been undertaken.

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