

# NATIONAL LOBBY OF PARLIAMENT

## A decent State Pension for all generations

### Wednesday 22 October 2008

#### Information to use when lobbying your MP:

- Pensioner poverty has risen in the last year by 300,000, taking the total to 2.5m older people living on less than 60% of median population income before housing costs (the same figure as in 1997/8). For a single pensioner this equals £151 a week.
- About two thirds of those pensioners living in poverty are women. The Government admits that women's pensions are a 'national disgrace', with the overwhelming majority of existing women pensioners receiving less than a full basic state pension. Many were badly advised about the 'small stamp' or were unable to pay their national insurance contributions because of caring for their families, and being in low paid or part-time employment.
- Between 1997 and 2006, the number of people living in severe poverty – defined as living on less than 40% of median population income – increased by 600,000. The poorest quarter of pensioner households saw their incomes rise by less than 1% last year, well below inflation. The poorest single pensioners saw their real incomes drop by 4%.
- Around 62% of pensioner couples have an annual income of £10,000 or less, and 50% of all single pensioners have an annual income of £6000 or less.
- In a recent EU survey, only pensioners in Latvia, Spain and Cyprus are more likely to fall into poverty than those in the UK. The Institute for Fiscal Studies concludes that the proportion of pensioners below the poverty threshold will remain at its current level for at least the next decade, despite government reforms.
- If the link between the state pension and earnings is restored in 2012, 3m existing pensioners will have already died. Even those who actually get a pension in 4 years' time will only receive £1.40 a week more than they would have got anyway under the present system, because the level of the state pension will be so low.
- By 2012/13, the National Insurance Fund will have an estimated balance in excess of £114bn - which the Government continues to use for other purposes.
- Nearly half of all pensioners now retire subject to means-tested benefits, yet they remain complicated and unpopular amongst many older people. 1.8m pensioners eligible to claim the Pension Credit do not do so. Even the government has dropped its target for maximising the take-up of Pension Credit.
- A recent survey by Scottish Widows found that 1 in 3 future pensioners will not have sufficient income to avoid poverty when they retire. Up to 12m workers currently have no other pension provision than that which will be provided by the state when they retire, and even those who currently have a final-salary pension scheme are now under threat.
- Means-tested benefits and private pension schemes are no substitute for a decent state pension set above the poverty level of £150 a week, linked to earnings and paid to all men and women as of right.