JUST.

NEWS RELEASE

Thursday 9th March 2023

Millions will be hit by acceleration of State Pension Age, Just Group

- **Chancellor could sign off accelerated State Pension age increase to 68 in next week's Spring Statement**
- **Increase is expected to be brought forward from the legislated period of 2044-2046 to 2037-2039, impacting around 5.8 million people**
- **Further acceleration would see nearly a million people hit for each year the State Pension is delayed**

An expected acceleration of the State Pension Age (SPA) increase to 68 by 2037-39 will affect around 5.8 million people, according to analysis by **retirement specialist Just Group**.

But the government may next week announce plans to hasten the shift in SPA even more quickly than it has so far indicated, impacting over 910,000 people for each extra year the rise to 68 is brought forward.

The State Pension Age is currently set for a phased increase to 67 over the next five years before a legislated rise to 68 due to be phased in between 2044 and 2046 under the Pensions Act 2007.

A review in 2017, led by John Cridland, recommended an acceleration of the increase in State Pension age to 68 between 2037-2039[1]. At the time, the government signalled its intentions to follow this proposal and bring forward the increase by seven years, commenting: "This is the fair thing to do."[1]

There is speculation that this action will be confirmed in next week's Spring Statement, with the consequence that a little under 5.8 million people[2] would see the age at which they claim their State Pension pushed back a year. These people would then face the choice of working an extra year or bridging the gap before the State Pension kicks in with their own savings

On top of this, the government may go even further and bring forward the increase to the mid-2030s. Accelerating the rise in SPA by a decade to 2034-36 would impact a further 2.7 million people – around 910,000 people every year – taking the total number of people effected to 8.5 million.

Stephen Lowe, group communications director at retirement specialist Just Group, commented: "Increasing the State Pension Age forces a radical shift in people's retirement planning.

"It means people face a fundamental choice of financing an extra year before they receive their State Pension, which is the bedrock of retirement income for many people, or working longer.

"Even though the increase to 2037-39 has been mooted for a long-time there are still likely to be millions of people unaware that the increase is likely. While that date may still seem a long way off for many, some people will have limited time to adjust their plans and cut their cloth accordingly.

"It is vital the government supports any change in the State Pension Age with a comprehensive and effective communications campaign. We've seen in the recent past what serious difficulties it can cause people if they are not aware of a change to their own State Pension Age.

"Lower-income groups are likely to be most severely impacted as they typically have lower financial resilience in the form of savings, pension pots or income to support them through another year. We urge the government to take due care that any changes to State Pension are understood by this group.

"We'd encourage anyone who is aged 50 or older and has a defined contribution pension to make use of the government's free, independent and impartial guidance service Pension Wise. It's a great place to start to get to grips with your retirement options."

Enquiries

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Notes to Editors:

Footnotes

1. **DWP**, State Pension Age review, July 2017: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/630065/state-pension-age-review-final-report.pdf
2. **ONS**, Estimates of the population for the UK: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland

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