

# Freedom of Information request 870/2015

Received 3/3/15

Published

## Information request

I have some questions with relation to the changes proposed to the setting of the State Pension Age, which I believe a GAD report will feed into. I therefore wonder if you have any information you can share on the following:

- 1) The rationale behind the 33.3% being chosen
- 2) How the formula and panel will operate in practice? For example, will the panel be given the resulting SPA as derived from the formula to then assess how it should be adjusted for 'other factors' or will the two elements be independent?
- 3) Is there now any further info as to who the panel will consist of?

## DWP response

1) The SPa review is underpinned by the assumption that successive generations should spend the same proportion of their adult life in retirement. This provides a control on future spending and a degree of fairness between generations, in line with the Pension Commission's recommendations. It is for the Government of the day to specify what proportion of adult life they think appropriate and to define the point at which adult life starts.

This Government believes that people should expect to spend, on average, up to one third of their adult life in receipt of State Pension. This is broadly in line with the proportion of adult life spent in retirement over the last decade (assuming retirement age of 65 for men and women) and with the proportion of time people would have expected to spend in retirement when the original State Pension age timetable was set in 2007, given life expectancy projections at the time (2004 ONS principal cohort projections).

2) The review has three distinct components.

1. The government of the day will specify the percentage of life to be spent in retirement and instruct GAD to determine what State Pension age would be required in the future to achieve this proportion, given the latest life-expectancy data.
2. The independently-led review ('person or persons') will consider other relevant factors, to be specified by the government of the day. The GAD report and report on other specified factors are independent of one another.

3. The final decision of each review will remain with Ministers. Government will take into account all the available evidence before coming to a decision on what, if any, State Pension age changes should be made and publish this in a report to be laid before Parliament. The legislation does not specify how the evidence provided in the two reports feeding into the review should be weighted. Like now, any future changes to State Pension age will have to be put into primary legislation and receive the approval of Parliament before becoming law.

3) The legislation states that the 'Secretary of State must, for the purposes of a review, appoint a person or persons to prepare a report for the Secretary of State on other specified factors relevant to the review'. As it is for the Secretary of State of the day to determine who will carry out the review ('person or persons'), along with the scope of the review ('specified factors'), we do not have any further information on this.