

THE SIXTIES: PENSIONS, PREJUDICE AND GRANDPARENTHOOD

Minutes



Date	27 February 2024
Time	17:00 – 18:00
Venue	Portcullis House Meeting Room R and via Zoom
Chair	Jess Phillips, Co-Chair of the Women and Work APPG and MP for Birmingham Yardley
Speakers	Hetty Hughes, Manager, Long Term Savings Policy, The Association of British Insurers Sally Tsoukaris, General Secretary, Civil Service Pensioners Alliance (CSPA) Dr Vivien Burrows, Senior Research Fellow (Economics of ageing), International Longevity Centre UK Carol Easton, Chief Executive, The Centre for Ageing Better
Theme/ Background information	<p>Facing a rising pension age, crippling lack of childcare and cost of living crisis, many women are finding that work, paid and unpaid, is still a significant part of their lives post 60. Recent government efforts to encourage workers out of retirement and back into the labour force have emphasised that retirement is shifting later into life. And yet, despite their vital contributions in this area working women in their sixties are still met with condescension and even contempt.</p> <p>This session will explore:</p> <ul style="list-style-type: none">• The gender pension gap• Ageism• Childcare responsibilities in later life

Jess Phillips

Jess Phillips commenced the meeting by extending a warm welcome to all attendees and introducing the meeting's topic: "The Sixties: pensions, prejudice, and grandparenthood." She initiated the discussion by addressing the pensions gap for women and sharing insights from her family's experiences.

Jess welcomed Hetty and invited her to start speaking.

Hetty Hughes

The Association of British Insurers employs 3,000 people throughout the UK. Women face a lot of challenges due to gender pension inequality, typically due to nature of their work – which is disproportionately low-paid, part time and public sector. Last month, the pensions policy institute found the gender pension gap to be £136,000. Without any policy change, she said there will be no gap change. With everything made equal by 2060, the gap would only decrease by 3%.

Pension sharing on divorce needs to be given more recognition to ensure fair splitting of assets. With people living longer, people need to save more. Figures from June show people are working for longer.

6 things women in their 60s can do for their pensions

1. Continue to be in paid work. This tops up your National Insurance (NI) credits (you need 35 years for the full state pension), and all employers have to put pension contributions into your pension if you earn over £10k.
2. You can defer or delay receiving your State Pension if you could afford to, and that means when you do receive it, you'll receive more. Typically an extra 1% every 9 weeks of deferral.
3. There is a grandparent NI credit – you can have your family members NI credit transferred to you if you're caring for their child.
4. Pension credit – an underclaimed benefit but significant if you're eligible (if you are already in State Pension Age), and have income below a certain level.
5. Your partner or family can help you put money into your pension if you're not in paid work – you can save up to £3.6k into a pension.
6. Think carefully about what retirement products you/your partner is purchasing. ABI data shows that the vast majority of annuity products are bought as a “single life” – which means they stop paying out when one partner dies, leaving nothing for the dependent.

A report by SAGA revealed a quarter of working grandparents struggle to balance work with childcare. The gender pay gap is bad, but the pension gap is not as well known but worse.

Jess Phillips

Jess highlighted the importance of addressing the pensions gap and proposed that the government should allow an increase from £3,600 to be put into the pension fund when in paid work. She emphasised the significance of this policy change in improving financial security for women in retirement.

Lord Davies of Brixton:

Lord Davies raised the issue of unpaid care, which is heavily gendered and requires urgent attention. He emphasised that the current pension system relies heavily on employer contributions, posing challenges for individuals, who are typically women, who engage in unpaid care work.

He proposed introducing a system where the government offers credits for caring contributions (carers allowance). It was suggested that the government should assume the medium wage to facilitate this system effectively. Furthermore, he noted that implementing such a system would be more politically feasible for a future treasury to pay now, rather than bearing the costs in the future. These suggestions were discussed as potential strategies to address the intersection of unpaid care work and pension system challenges.

Sally Tsoukaris:

The Civil Service Pensioners Alliance (CSPA) represents over 40,000 civil servants, and works under the banner 'protect what you've earned'. They advocate for the triple lock, ensuring pensions rise with inflation. She highlighted that the average civil servant pension currently sits below £12,000. In 2023, it was noted that a single person would need £14,000 for a basic lifestyle, assuming they do not have house rent, mortgage, or car expenses. For a high-level lifestyle, the required amount would be £42,000. Concerns were raised regarding the frozen tax threshold, which has led to a significant increase in pensions being subject to taxation. Furthermore, disparities in pension payouts between genders were discussed. Men receive three times more in pensions compared with women, with the typical pension pot for women being £69,000 and for men, £205,000.

An example was provided from the mid-1990s where the pension policy of the company Sally worked for did not include part-time workers, who were predominantly women. Additionally, it was noted that 38% of retirees have never received their state pension forecast, which can be obtained through GOV.UK. As a result, many retirees found out about their pension shortfall only after retirement, leading to financial challenges. Her contribution concluded with the observation that many women now feel compelled to stay in paid employment due to these pension disparities and financial uncertainties.

Jess:

The issue of parents using their pension to buy their children houses creates an issue for the intergenerational argument of a triple lock pension.

Women are the ones typically doing this, so even though they have a smaller pension, they give more away.

Vivien Burrows

Vivien addressed the issue of gender disparities in pension wealth, with a focus on the challenges faced by women. She noted that, on average, women accumulate lower levels of pension wealth, with their total wealth being approximately £100,000 less than men's. Research findings were presented indicating that women tend to have lower lifetime earnings compared to men, primarily due to lower employment rates. Women are more likely to take career breaks to care for children, which impacts their ability to accumulate pension savings. Additionally, the amount women contribute to pensions is lower, resulting in overall lower pension savings. Although women and men now receive more equal state pensions, it was acknowledged that the state pension alone is often insufficient to sustain the same quality of life. Furthermore, research highlighted that women with lower financial capabilities face challenges in managing their pensions effectively.

A proposal was made for the implementation of a credit system for family carer top-up, aiming to compensate women who take career breaks for caregiving responsibilities. This system was suggested as a potential solution to address the pension wealth gap experienced by women.

Jess Phillips:

Jess highlighted the significant contribution of unpaid care work by women in the UK, which has been estimated to equate to £3 trillion, demonstrating the immense value of unpaid care work and its impact on society. She raised concerns surrounding the disparities between men and women as freelance workers, particularly noting that freelancing has become more common than before. It was observed that high-earning freelancers are not adequately investing in their pensions, which could have long-term financial implications.

She then spoke about the misconceptions surrounding houses as pensions. Despite the changing dynamics in the housing market, where houses are no longer a reliable source of retirement income, many individuals still perceive their homes as pensions. The significant hike in house prices was noted to be giving a false sense of security to homeowners. Furthermore, she highlighted that individuals who are not homeowners will likely have to pay rent during their retirement, adding to their financial burden.

Carol:

Carol discussed ageism in the workplace and its disproportionate impact on women. She noted that 460,000 women in the age range of 60-64 are currently out of work, with ageism being identified as one of the significant barriers they face. A recent survey highlighted concerning

attitudes towards ageism, revealing that over a third of individuals aged 50-59 believe ageism is not affecting their employment prospects. Additionally, 40% of respondents admitted to never considering ageism as a factor, while 1 in 10 individuals believe ageism does not exist. The Centre for Ageing Better has launched a campaign titled 'Age without Limits' aimed at raising awareness of the detrimental effects of ageism in society. It was emphasized that phrases such as 'you can't teach an old dog new tricks' perpetuate harmful stereotypes and have negative consequences for society, health, and the economy. Carol highlighted the importance of embracing cross-generational diversity in businesses, noting that businesses are most successful when they foster an inclusive environment that values individuals of all ages.

The discussion concluded with a commitment to address ageism in the workplace and support initiatives like the 'Age without Limits' campaign to promote diversity and inclusion across generations.

Jess:

Jess concluded the meeting with closing remarks focusing on the discrimination faced by older women, particularly in the context of domestic violence. She noted that older women, especially those over the age of 60, are the group most discriminated against, with 25% of cases involving women over 65. Additionally, she emphasised that older women are often overlooked in discussions surrounding domestic violence, highlighting a concerning omission in addressing their needs. Ageism was identified as a contributing factor, creating indirect discrimination against older women.

Jess expressed her gratitude to everyone for their attendance and their enthusiasm for instigating change. She acknowledged that addressing these issues may require long-term aspirations and efforts but thanked the attendees for their commitment to creating positive change.