

British government steps up attacks on state pensions

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The ruling Conservatives are preparing the ground to scrap safeguards to the British state pension known as the “Triple Lock.”

The Triple Lock was introduced by the 2010 Conservative/Liberal Democrat coalition under then Prime Minister David Cameron. It sees pensions rise in April of each year in line with one of three previously set criteria—a rise in inflation, an increase in average earnings or a set increase of 2.5 percent if the other two are less than this figure. Historically, pensions were linked to inflation rather than earnings, resulting in a steady decline of a state pension that was always set at a meagre amount.

A pro-austerity government was forced to adopt the Triple Lock under conditions of growing concern over pensioner poverty and the reliance of the Tories on an aging voter base. The lock was retained and formed part of the Conservative election manifesto for 2015, which promised to extend the Triple Lock until 2020.

Earlier this month, Parliament’s Work and Pensions Select Committee unanimously concluded that the retention of the Triple Lock, which it noted cost an additional £98 billion in the last tax year, was “unsustainable and unfair on younger families.” They advised the government to scrap the lock and tie any future increases to a single annual rises in average earnings.

The committee is chaired by right-wing Labour Party MP Frank Field. Labour has a further three members on the committee, the Conservatives six and the Scottish National Party one.

The attacks on pensioners are being cynically advanced as necessary in order to develop policies in support of “working families.” Field said the younger generation could not continue to support pensioners who have “fared relatively well in recent years.”

“They’ve accepted that unfairness so that we could largely eliminate pensioner poverty,” he asserted. “Fairness now means that the pendulum swings back in favour of working families, so they do not continue to have cuts—real cuts—in living standards, while we further advance the interests of pensioners.”

Baroness Lady Altmann, the Conservative peer and former pensions secretary, who worked with all three main political parties in the past on pensions issues, including the implementation of the Triple Lock, resigned within days of Theresa May taking over as prime minister from Cameron. In what was described by the media as “a secret memo”, she called for the Triple Lock to be scrapped. The memo stated that the pension guarantee had fulfilled its purpose and with the government moving to enforce Brexit, following June’s referendum vote to leave the EU, it would “not be affordable if the economy hits trouble.”

In reply, a government spokesman said it was still committed to the Triple Lock until at least 2020. However, under conditions of major economic crisis and dislocation as a result of Brexit, attacks on what remains of the social gains of the population will be intensified.

In his Autumn Statement, Chancellor Phillip Hammond said in relation to the state pension, “As we look ahead to the next parliament, we will need to ensure we tackle the challenges of rising longevity and fiscal sustainability.” While warning that cuts are on the agenda, Hammond maintained that pensions would be ring-fenced until 2020.

However, this is just for public consumption, with many indications that the government is preparing attacks on the state pension well ahead of that date.

On Sunday, Pensions Minister Damian Green refused to commit to the Triple Lock long-term. “We’ll need to

see what happens to the economy between now and 2020, apart from anything else,” he told ITV’s *Peston on Sunday*.

Tory MP Stephen Crabb, another former work and pensions secretary, said last week, “What we need to spend the next three years doing is explaining very carefully what the fiscal impacts, the spending challenge will be arising from continuing with the triple lock throughout the next parliament and seeing whether actually we can achieve some kind of consensus in society about changing it.”

Crabb pointed out that lowering the increase of the Triple Lock to 1.5 percent would slash billions from the pension budget. The pensions bill accounts for £108 billion annually—around 42 percent of the welfare budget.

Other leading Tories promoting the ending of the Triple Lock include Iain Duncan Smith, a former party leader and former welfare secretary, and Lord Willetts.

On Monday, it emerged that the Department for Work and Pensions is seeking to significantly increase the age at which people are eligible for the state pension.

DWP documents suggest that people currently aged 22-30 would only qualify for a state pension at the age of 70. The document said a “more aggressive” timetable on the state pension age (SPA) was required. Even before such proposals, that would adversely affect millions of workers aged under 55, the SPA is due to rise to 66 between 2018 and 2020, to 67 between 2026 and 2028, and then to 68 between 2044 and 2046.

These attacks are being demanded by the media mouthpieces of the ruling elite. In an editorial, “Time to pick the triple lock on British pensions,” the *Financial Times* advised, “The best reform is probably to drop the 2.5 percent part of the lock.”

The implications for pensioners are disastrous if the recommendations of the Work and Pensions Select Committee are imposed. A report published by the Trades Union Congress in July of this year disclosed that between 2007 and 2015 real wages in the UK fell by 10.4 percent, a figure equalled only by Greece. If that fall in wages was the criteria used to compile pension increases—under the system recommended by the Works and Pensions Select Committee—pensioners would have gone without any rise in the last eight years.

The Age Concern charity rejected Altmann’s claim

that the Triple Lock had served its purpose. Director Caroline Abrahams stated, “It is necessary to see the bigger picture, research shows that the state pension is still the largest source of income for most older people in the UK... 1.6 million older people still live in poverty in the UK.”

The claim that pensioners have been safeguarded at the expense of sections of workers is a fraud. Millions of pensioners still live in dire poverty. The Triple Lock does not apply to benefits relied on by an increasing number of pensioners: Pension Credit, Attendance Allowance or the winter fuel payment. In April this year, Age UK found that:

- One in seven pensioners (1.6 million or 14 percent) live in poverty, having incomes of less than 60 percent of median income after housing costs.
- A further 1.2 million pensioners have incomes just above the poverty line (more than 60 percent but less than 70 percent of median income).

Over the last decade, successive governments have impoverished millions of workers of all ages to impose the burden of the post-2008 bailout of the banks and super-rich on their shoulders. This has included robbing them of the hard-won rights to a decent pension and secure retirement. Last week, the Pensions and Lifetime Savings Association reported that nearly 14 million workers are facing a shortfall in their retirement income.

In 2011, two million public-sector workers struck against government’s attack on their pensions. Within a few days of a mass demonstration in London most of the unions capitulated and every other union soon after.

In the steel industry, the unions have given away their members’ hard won pension entitlements as part of a package that included job losses and inferior working conditions at plants across the country. This is the norm in every industry.



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