



BUDGET: State pension age increase accelerated

22 June 2010 | By [Helen Pow](#)

Chancellor George Osborne has announced that the coalition Government will accelerate the increase in state pension age to 66 years.

The Government has also revealed that it will begin phasing out the default retirement age from April next year.

In his Budget speech today, Osborne also confirmed John Hutton has been tasked to review public sector pay and pensions.

He will report initially in September to inform the spending review and then more fully before next year's Budget.

The Budget document states: "Given the challenges posed by an aging society, the Government will review when the state pension age will rise to 66. This will be supported by a call for evidence to be launched shortly.

"The review will be conducted quickly in recognition of the urgent need to press ahead with implementing these changes fairly. The Government will also consider future increases to state pension age and how best to manage the ongoing challenges posed by increased longevity.

"To ensure that those who wish to work beyond 65 are able to, the Government will consult shortly on how it will quickly phase out the default retirement age from April 2011."

Readers' comments (10)

- Anonymous | 22 Jun 2010 5:03 pm

the absence of any clear timetable for this is unacceptable. Many of us nearing the current age of retirement cannot make any plans with regard to taking private pension top ups to retire early if we don't know at what age we will receive a State pension. While we stay in jobs, others will be unemployed.

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- Robert Donaldson | 22 Jun 2010 5:52 pm

If your state pension is to move to age 66, one year out and is say £5,200 per annum, I would hope that any advisor worth his salt can put his hands on that sort of money without too much of a problem. If not then your financial planning is all too cock!

My worry is seeing overweight lorry drivers and suchlike having to work on to age 66 and age 68 (eventually) because they have poor pension plans and in many cases nothing at all but state pension.

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- Anonymous | 22 Jun 2010 5:52 pm

I recently took early retirement on the basis that I would receive the state pension in January 2016. How am I meant to fund the year if the pension arrives a year later?

- Anonymous | 22 Jun 2010 8:03 pm

why cant you young people of this country get off their arses and get a job so the pensioners,who have probally worked all their lives can have a decent retirement.

- Anonymous | 22 Jun 2010 10:52 pm

I am 57 year old woman and would love to give up my job to someone younger and spend precious time with my retired husband. How can I live without a basic state pension. Surely this will not cost as much as a family on benefits. When will any government realise its the younger people that need to get out to work not someone like me who has worked and contributed for the last 42 years.

- Anonymous 2 | 23 Jun 2010 7:58 am

To Anonymous at 22 June 8:03pm

Not sure you've got your factual telescope the right way around. The "problem" isn't young people sitting, it's the lack of them compared to the "no longer working" aged population. Are you aware that there are more people over the age of 65 than under the age of 18 ?

The problem therefore is: The aged being greater in number than those who can pay into the system, even if ever single one of the "young people got off their arses".

Either financial planning needs to improve and more advisers focus their client's minds on post work income, or we need to introduce the Logan's Run approach - which would you prefer ?

- Crazy gang IFA member | 23 Jun 2010 10:37 am

Why is it that civil servants in their Classic Occupational Scheme (which includes the vast majority of them) pay only 1.5% of their salary in pension contributions (which pays for the widows and orphans pension) and in return they get an index linked pension and cash. This free gravy train must stop NOW and they should be forced to make a reasonable contributiun to their pension like every one else in the country. totally unacceptable in todays environment. When are they going to tackle this, the answer is never, as they are all in the same scheme!!

- john ramsbottom | 23 Jun 2010 11:04 am

Is if definite then that state pension entitlement will rise to 66 in 2016? As I was born in 1951 this would affect me directly...

- John Whipple | 23 Jun 2010 12:21 pm

John

IT certainly is shaping up that way. In return they are to link the state pension back to average earnings - which if you are in reasonable health and do not fall under that proverbial bus - will be better for you in the long run as they intend to let inflation go for as long as they can get away with it while keeping interest rates as low as they can for as long as they can get away with it to help dilute the debt.

- Anonymous | 23 Jun 2010 2:16 pm

haven't we spent years equalising retirement ages under sexual discrimination laws, and now they won't men to have their state pension from age 66 in 2016 amd women 2020
