

Tuesday October 12, 2004

AGE CONCERN'S RESPONSE TO THE PENSIONS COMMISSION'S REPORT

Gordon Lishman, Age Concern's Director General said:

"The Government cannot drag its heels on pensions any longer and must finally commit to a complete overhaul of the system. One in five pensioners lives in poverty and half of all pensioners already qualify for means-tested support because their incomes are so low. The future awaiting tomorrow's pensioners is even worse than today.

"It's not just people on the lowest incomes who face a miserable retirement: many women, workers on average incomes and carers are particularly at risk. Increasing the basic state pension to £105 a week and moving away from means-testing is crucial. Many people on low and average incomes now make a rational decision not to save because they will be little or no better off for doing so.

"The Government must not increase the age at which people claim the basic state pension. Raising the state pension age would increase inequalities and would be a huge betrayal for lower income groups. Average life expectancy amongst male manual workers is just 71 and many would die before reaching state pension age.

"Helping older people to work for longer will ease the pensions crisis. The Government must help people to work for longer by challenging ageism, making work flexible and preventing employers from forcing people out just because of their age.

"If the savings gap cannot be plugged through voluntary savings then the Government should consider additional compulsion through the state system. This would be fairer for people on low and average incomes as many do not have access to private schemes or are not able to shoulder the extra cost and risk."