

Unite response to the Third State Pension Age Review Call for Evidence – 24th October 2025

Introduction

This response is submitted by Unite the Union, the UK and Ireland's largest trade union representing over one million members across all sectors of the economy including transport, manufacturing, financial services, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not-for-profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our Union.

Unite has facilitated and negotiated pension benefit changes, agreed between members and employers, for many schemes. It is a key part of our role to balance the benefits provided, cost of that benefit provision and the risk that the scheme can afford to take, recognising the impact that this has on the funding level, investment strategy and affordability.

The most important consideration is pensions adequacy, which should drive decisions relating to pensions investment. The Government should enact policies to support the re-opening of Defined Benefit (DB) schemes (and the reinvigorating of DB provision) which in turn would affect their investment strategies. Workers must have at least equal representation to employers in the governance of all pension funds. Investment policies adopted by pension funds must have an explicit pro-worker approach, supporting unionisation at investee companies and assets.

Unite's *68 is Too Late* campaign was launched when the Government in 2023 indicated plans to speed up the planned rise to 68.

- Unite policy states that the State Pension Age should, at most, be 65.
- The campaign has been launched by Unite's Retired Members National Committee, together with the National Pensioners Convention and the Scottish Pensioners' Forum.



4. Call for Evidence: Questions

4.1 Life Expectancy

a. What are the advantages and disadvantages of linking State Pension age to life expectancy?

Linking State Pension age to life expectancy is open to political bias and we have seen that in recent years where politicians have ignored the slowing and, in some cases, decreasing life expectancy but have still gone head with plans to increase state pension age.

- The latest UK estimates of period life expectancy at birth show a fall of as much as 0.5 years for males (to 78.8 years) and 0.2 years for females (to 82.8 years), when comparing 2017–19 with 2021–23.
- In the decade leading up to the COVID-19 pandemic, a long-term trend of improving mortality rates stalled. This is illustrated by a slowdown in period life expectancy gains. If the pre-2012 trend had continued, by 2023, period life expectancy at birth in the UK could have been 3.7 years higher for males and 2.7 years higher for females.
- The gap in life expectancy between local areas in the highest and lowest deciles in Great Britain grew from 5.0 years in 2011–13 to 5.8 in 2021–23. More-deprived local authorities and local authorities in the north of England and Scotland tend to have the lowest life expectancy.
- Although people born today are still expected to live for longer than older cohorts, they are not expected to live for as long as previously thought. People born in 2023 were expected to live to 94 years in 2010-based projections and are now expected to live to just 88 years in 2022-based projections – lower than in 2004-based projections.
- The UK's life expectancy lags behind many other advanced nations, leaving plenty of room for improvement. Strategies to boost life expectancy should include addressing health inequalities to close life expectancy gaps between different areas and ensuring people's health is maintained through their lifetime by investing in the building blocks of health, including adequate incomes, decent housing and good work.

b. How would linking State Pension age to life expectancy impact upon intergenerational fairness?

If we continue to raise state pension, then it would be unfair and widen intergenerational fairness.

- Life expectancy for people aged over 50 has started to fall, with a corresponding impact on the number of years spent in good health.
- Changes to the health and life expectancy of people over 50 will have a significant impact on the economy. The fall in healthy life expectancy will result in more people dropping out of work earlier than anticipated.
- Life expectancy for fifty-year-olds is now 2.3 years less than it would have been had the pre-2010 trend of continuous improvement in life expectancy continued.
- Every year of lost life expectancy results in 2.6 years less spent in good health.
- A UK man dying at age 80 could expect to spend on average 64.5 years in good health, but if his life expectancy is only 78, he will spend less than 60 years in good health.

The UK has continued to experience an apparent excess of deaths long after the peaks associated with the COVID-19 pandemic.

- Many countries, including the UK, have continued to experience an apparent excess of deaths long after the peaks associated with the COVID-19 pandemic in 2020 and 2021.

- Numbers of excess deaths estimated in this period are considerable. The UK Office for National Statistics (ONS) has calculated that there were 7.2% or 44,255 more deaths registered in the UK in 2022 based on comparison with the five-year average (excluding 2020).
- This persisted into 2023 with 8.6% or 28,024 more deaths registered in the first six months of the year than expected.
- The Continuous Mortality Investigation (CMI) found a similar excess (28,500 deaths) for the same period using different methods.
- Several methods can be used to estimate excess deaths, each with limitations which should be considered in interpretation, however the overall trends tend to be consistent across the various methods.
- The causes of these excess deaths are likely to be multiple and could include the direct effects of COVID-19 infection, acute pressures on NHS acute services resulting in poorer outcomes from episodes of acute illness, and disruption to chronic disease detection and management.

4.2 Sustainability

c. What role, if any, should State Pension age have for managing the cost of the State Pension in the longer term?

The last review of the State Pension Age (SPA) has been creative with the meaning of “one third” in relation to the proportion of their adult life the average person should spend drawing a State Pension:

- John Cridland’s first periodic State Pension Age Review in March 2017 proposed that people should spend on average up to one third of their adult life drawing a State Pension.
- To most people, one third would be 33.3%.
- However, Baroness Neville-Rolfe’s second periodic State Pension Age Review published 30 March 2023 said that 31% should be used, supposedly basing it on the average experience of those reaching the male SPA between 1996 and 2000.
- This Review also suggested the Government should set a limit on State Pension-related expenditure of up to 6% of GDP.
- Unite’s view is that 6% is arbitrary and sounds like a recipe for continuing pensioner poverty.
- Average spending on the state pension among OECD countries is much higher than 6% - it's more like 8%. Countries like the USA (7.5%) and Germany (10.4%) are spending a lot more than 6%. (OECD, ‘Pension Spending’).

	2010	2015	2019
Greece	11.1	13.7	13.1
Italy	10.0	11.7	12.8
Portugal	9.6	10.8	12.4
France	11.3	12.0	12.0
Austria	9.5	10.3	10.9
Spain	6.1	7.7	10.8
Slovenia	6.1	6.7	9.9
Germany	8.2	7.9	9.8
Finland	8.1	10.1	9.6
Poland	6.9	7.9	9.4
Belgium	7.6	8.4	9.1
Japan	8.2	8.1	8.9
Czechia	6.7	6.9	7.9
Hungary	6.8	7.0	7.6
Turkey	6.0	5.5	7.5
Luxembourg	4.2	4.9	7.2
Slovak Republic	5.5	6.1	7.1
United States	5.8	6.3	6.6
Latvia	8.7	6.6	6.5
Lithuania	6.5	5.4	6.4
Estonia	6.4	4.9	6.4
Norway	4.7	6.1	5.9
Denmark	7.1	8.0	5.8
Colombia	5.5	5.9	5.7
Sweden	6.5	6.5	5.4
Switzerland	5.5	5.9	5.1
Costa Rica	..	4.5	5.1
United Kingdom	4.9	5.1	4.7

- OECD international comparison of state pensions spending as a percentage of gross domestic product shows the UK providing a lower level of pension than most other advanced economies.
- So, the Triple Lock is vitally important because without it we will be subject to political influence but on its own it is not going to bridge the gap to other countries.

d. What are the advantages and disadvantages of using State Pension age to manage the cost of the State Pension in the longer term?

Unite believes this would be totally inappropriate.

- Again, Unite's view is that 6% is arbitrary and sounds like a recipe for continuing pensioner poverty.
- Average spending on the state pension among OECD countries is much higher than 6% - it's more like 8%. Countries like the USA (7.5%) and Germany (10.4%) are spending a lot more than 6%. (OECD, 'Pension Spending').
- OECD international comparison of state pensions spending as percentage of gross domestic product, shows the UK providing a lower level of pension than most other advanced economies.
- So, the Triple Lock is vitally important because without it we will be subject to political influence but on its own it is not going to bridge the gap to other countries.

e. What other factors relating to sustainability should the Government consider when determining State Pension age? What are the advantages and disadvantages of using these factors?

The cost of working longer. Many roles are physically and emotionally demanding. The expectation that individuals will be able to work longer therefore does not align with the lived experience of many employees. This is particularly true of those in lower-paid roles who are more likely to experience health deterioration earlier.

In addition, from an employer perspective, having a workforce that lacks the capacity to perform its assigned tasks may:

- Result in resources being used supporting older individuals.
- Result in higher levels of sickness absence, making it harder to manage rotas and plan work.
- Reduce the number of roles available for younger individuals who might be better able to cope with the physical demands of the work.
- Result in a higher number of individuals working reduced hours, again requiring additional work in organising work schedules.
- Result in more requests for ill-health early retirement which require local HR input.

It is also worth noting that dealing with requests for ill-health early retirement is administratively burdensome and an increase in these cases will put pressure on the administrators at a time when organisations are already under significant operational pressure.

4.3 Automatic Adjustment Mechanisms

f. What are the advantages and disadvantages of using Automatic Adjustment Mechanisms to make changes to State Pension age (i.e. if a certain factor changes, State Pension age is automatically increased or decreased as a result).

An automatic adjustment mechanism will still be open to political manipulation and isn't appropriate. Please see below:

Recent reviews of the state pension have stated that the average person should expect to spend up to one third of their adult life drawing down their state pension. Although Unite does not necessarily agree with the one third formula, we have used it to illustrate the impact of declining life expectancy and regional variations in life expectancy on the state pension age.

In 2020-22, the State Pension Age was 66. Based on the latest life expectancy data, however, an average

female in the UK reaching 66 in 2020-22 could only expect to spend 29% of their adult life drawing down the state pension, and an average male 27%. The table below illustrates what the State Pension Age would have needed to be for an average person reaching the State Pension Age in 2020-22 to spend one third of their adult life drawing down the state pension.

Unite have used both Baroness Neville-Rolfe's 31% "definition" of one third and the common sense 33.33% definition of one third.

<i>Local authority</i>	If "one third" = 31%		If "one third" = 33.33%	
	<i>Female</i>	<i>Male</i>	<i>Female</i>	<i>Male</i>
Newham	64	62	64	59
Oldham	64	63	64	59
Sandwell	64	62	64	59
Gloucestershire	66	64	64	64
Southwark	64	64	64	60
Wandsworth	66	64	64	62
Glasgow City	64	59	61	59
Derbyshire	64	64	64	62
Devon	67	64	64	64
Surrey	67	64	64	64
Hampshire	67	64	64	64
UK-wide	64	62	62	60

g. What factors could be considered for use in an Automatic Adjustment Mechanism, and why?

Again, Unite believes an automatic adjustment mechanism will still be open to political manipulation and isn't appropriate.

4.4 Factors for setting State Pension Age

h. What other factors do you think the government should consider when making decisions regarding State Pension age? What are the advantages and disadvantages of using these factors?

Equalities considerations. Unite would like to highlight the absolute necessity for an Equality Impact Assessment (EIA) to be undertaken should any changes to the State Pension Age be proposed – this is not mentioned in the call for evidence. This is imperative due to the link between State Pension Age and Normal Pension Age in the Public Sector Pension Schemes.

Any change to the State Pension Age will have a direct impact on Public Sector Pension Scheme members. Unite is already concerned that members retiring on inadequate incomes will be those in lower-paid roles who are more likely to have protected characteristics, particularly gender and ethnicity. Any increase to the State Pension Age would result in these members receiving even lower benefits if they retire at the same age: a magnification of the problem which could indirectly discriminate against particular groups of members. Alongside the concerns about those in lower-paid roles, women are more likely to have taken a career break and therefore have less pension built up. Increasing the age at which Public Sector Pension Scheme members can access their pension benefits unreduced would disproportionately affect such members and may lead to indirect discrimination.

i. Which of these factors (life expectancy, sustainability and other factors) do you think are most important for the Government to consider when making decisions regarding State Pension age, and why?

Unite Research found that the majority of workers do not believe they can continue in their current role until current State Pension Age. A Unite survey of 10,000 members across four key sectors found that:

- 86% of health workers do not believe they can mentally continue to undertake their current roles beyond the age of 66, while 83% of them could not physically continue in their roles beyond the same age.
- Three quarters (75%) of construction workers stated they can't work physically beyond 66, while nearly two thirds (64%) said the mental demands of the job would become too much by 66 at the latest.
- Figures for road haulage and warehouse workers are equally stark with 76% saying that they will not be able to physically work beyond 66, while 70% said the mental demand of the job will become too great by that age.
- Amongst passenger transport workers (the majority of whom are bus drivers), two thirds (67%) said the mental demands would become too great by 66, while the job would become too physically demanding by then for 57% of them.
- These findings are a best-case scenario. For example, in health 31% of respondents say that they will be forced to leave their jobs due to mental pressure before 60, while in the same sector almost a quarter (24%) warn the physical demands will become too great before their sixtieth birthday.

j. How might changes to State Pension age impact people differently? Which groups of people, regions or nations may be most impacted by changes to the State Pension age, and why?

There is significant regional variation in life expectancy in the UK.

Unite completed an analysis of the latest life expectancy data from the Office for National Statistics and the National Records of Scotland, using the local authorities of Work and Pensions Select Committee members to illustrate both the overall decline in life expectancy and the significant regional variations in life expectancy.

The headlines from this analysis were:

- For the average female reaching the State Pension Age in 2020-22 to expect to spend one third of her life drawing down her state pension, the State Pension Age would have needed to be 62. For her to expect to spend 31% of her life drawing down her state pension, the State Pension Age would have needed to be 64.
- For the average male, the State Pension Age would have needed to be 60 for him to expect to spend one third of his life drawing down the state pension, or 62 for him to expect to spend 31% of his adult life drawing it down.

What recent changes in life expectancy have there been for people aged 65-69, between 2017-19 and 2020-22?

<i>Local authority</i>	<i>2017-19</i>		<i>2020-22</i>		<i>Change</i>	
	<i>Female</i>	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>	<i>Male</i>
Newham	20.54	17.94	19.74	16.44	-0.8	-1.5
Oldham	19.79	17.86	19.06	16.78	-0.73	-1.08
Sandwell	20.06	17.07	19.28	16.49	-0.78	-0.58
Gloucestershire	21.7	19.46	21.58	19.06	-0.12	-0.4
Southwark	21.98	17.7	20.84	17.39	-1.14	-0.31
Wandsworth	21.72	18.8	21.57	18.31	-0.15	-0.49
Glasgow City	18.2	15.67	17.87	15.16	-0.33	-0.51
Derbyshire	20.87	18.57	20.42	18.26	-0.45	-0.31
Devon	22.24	19.64	22.34	19.78	0.1	0.14
Surrey	22.5	20.12	21.96	19.53	-0.54	-0.59
Hampshire	22.21	19.87	22.04	19.67	-0.17	-0.2
UK-wide	20.22	17.90	19.93	17.48	-0.29	-0.42