

General Election 2024

Manifestos and later life provision



Introduction



GENERAL
ELECTION
2024

This Briefing Paper is part of a series of papers sponsored by People's Partnership, setting out some of the pensions policy areas that are likely to receive active discussion during the 2024 General Election campaign.

This third Paper examines the policy measures set out in the party manifestos that relate to matters particularly important to later life provision. This includes State Pension, private pensions, housing, social care and some wider issues that have particular knock-on effects for pension savings.

The Paper begins by setting out the policy pledges made by each party before addressing the policies, offering commentary and explaining the effects that policies could have on the pension system and outcomes.

The PPI was formed on 22 January 2001, so that a permanent expert organisation would undertake rigorous research from an independent, long-term perspective.

The retirement, pensions and later life market are undergoing fast-paced changes brought about by legislation, technology, and the economy. We do not lobby for any particular issue or reform solution.

Our work facilitates informed decision making by showing the likely outcomes of current policy and illuminating the trade-offs implicit in any new policy initiative. We are proud that our research is used frequently by Government, Parliament, industry, consumers, academics, trade bodies, consumer groups and the media to improve policy and individual outcomes.

This Briefing Paper is authored by John Adams, Senior Policy Analyst.

The PPI is grateful for the input from Tim Gosling of People's Partnership, in the production of this paper.

Editing decisions remain with the author, who takes responsibility for any remaining errors or omissions.

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Manifestos and later life provisions

Manifestos

Each party in their manifesto has made pledges on topics that are either directly or indirectly associated with pensions and later life outcomes. The pledges vary in terms of detail, with some being specific policies while others are intentions to investigate a policy area and make recommendations for future action (Table 1). These key topics set out in the table are:



State provision: Pledges relating to State Pension, benefits and taxation of pensions. This includes the uprating of State Pension and other benefits as well as specific policies such as the treatment of compensation for the women born in the 1950s who were unaware their State Pension age was increasing.



Pension savings: policies relating to pension savings are those that relate to the whole system of private pension provision. This includes the requirements on employers to provide pension access for employees, the contributions made to those pensions, investment criteria for pension funds, access to pension savings for self-employed, addressing any issues that may create systemic under-saving, and policies to improve transparency and outcomes for savers.



Social care: The policy pledges here are those that relate to the question of how to overhaul the social care system in England.



Housing: Housing is very important in terms of outgo in retirement. Renting in retirement can be a significant cost, particularly those who rent in the private sector rental market. Rates of home ownership for younger people are significantly lower than for those currently in retirement, suggesting that as they reach retirement, the next generation of pensioners may face higher housing costs in retirement than current pensioners. Therefore, policies on housing, and the rental market could have significant implications for future pensioners.



Wider topics with impact on pensions: These are pledges that, while not directly related to any of the preceding topics, may have an impact on pension saving or provision. This could include measures that would alter the profile of the workforce or change incentives to save in a pension scheme.

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Table 1 - Summary of pension related pledges in party manifestos

	Conservatives	Labour	SNP	Liberal Democrats	Green	Reform UK
State provision for older people	<p>Maintain the triple lock</p> <p>Triple lock the Personal Allowance for people over SPa</p> <p>Considering the report into WASPI compensation</p> <p>Keep all other pensioner related benefits</p>	<p>Maintain the triple lock</p>	<p>Maintain the triple lock</p> <p>Introduce a “wellbeing pension”</p> <p>Compensation for the WASPI women</p> <p>Oppose any acceleration or further increases in State Pension age</p> <p>Reverse the cut to Pension Credit</p> <p>Maximise Pension Credit uptake</p>	<p>Maintain the triple lock</p> <p>Increase the Personal Allowance for all people when finances allow</p> <p>Compensation for the WASPI women</p> <p>Helplines for underpayments</p>	<p>Uprate pensions in line with inflation and keep pace with wage increases</p>	<p>Increase the Personal Allowance for all</p>
Pension Savings		<p>Workplace pension reform for “better outcomes”</p> <p>Consolidation of schemes to increase scale</p> <p>Investment in line with Paris Agreement on climate change</p>		<p>Measures to address the gender pension gap</p> <p>Investment of pension schemes in line with Paris Agreement on climate change</p> <p>Review pensions to ensure those in the gig economy don't lose out</p>	<p>Tax relief on pension schemes at the basic rate</p> <p>Removal of fossil fuel assets from their investment portfolios</p>	<p>Pension funds to invest to own 50% of utilities with the government owning the other 50%</p> <p>Review the pension system to improve returns, reduce costs and complexity with the aim of improving uptake</p>
Social Care	<p>Implement the White Paper including Care Cap</p>	<p>Introduce a National Care Service</p> <p>Reduce gap in healthy life expectancy between regions</p>		<p>Free personal care based on Scottish model of care services</p> <p>Create National Care Agency</p> <p>Appoint commissioner for older people and ageing</p>	<p>Free personal care based on Scottish model of care services</p>	<p>Launch a Royal Commission of Inquiry into social care system</p>
Housing	<p>1.6 million new houses over the parliament (320,000 a year)</p> <p>Help to buy scheme for first time buyers</p> <p>Stamp duty threshold kept at £425,000 for first time buyers</p>	<p>1.5 million new homes over the parliament (300,000 a year)</p>		<p>Up to 380,000 new homes a year of which 150,000 are social housing</p> <p>Council land buying reform</p> <p>Give local authorities the power to end Right to Buy in their areas</p> <p>Rent to own purchase assistance</p>	<p>150,000 new social homes a year</p> <p>Ending right to buy</p> <p>Empower local authorities to introduce rent control</p>	<p>Fast track new housing on brownfield site</p>
Wider Topics with impact on Pensions	<p>Reduction in university courses</p>	<p>Reduce Pay gaps (gender and ethnic) by increasing reporting</p>	<p>Take action to close gender pay gap</p>		<p>Pay gap protections extended to all protected characteristics</p>	

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Comparison

The following comparison sets out the areas where pension and later life pledges have been made by the parties in their manifestos and set out some context around the issue. In many cases the manifesto pledges are statements of intent of tackling an issue rather than fully detailed policies of how they are going to tackle the issue. The policies are taken at their word, no comment is made on the feasibility or cost of the pledges.

State Pensions

The most common issue that the parties address relating to State Pensions is the **triple lock** for uprating pensions.^[1] That is that State Pensions will continue to be uprated in line the maximum of inflation growth, earnings growth or 2.5%. Maintaining the triple lock is in the manifestos of the Conservatives, Labour, the Scottish National Party and the Liberal Democrats. The Green party have a pledge that State pensions are "uprated in line with inflation and keep pace with wage rises" this is a double lock, without the ratcheting 2.5% of the triple lock. Reform makes no comment on State Pension uprating. In the months before the election there had been a lot of discussion as to whether the triple lock would be maintained by each of the major parties. The Conservatives and Labour were reticent to make a commitment to the triple lock as late as the time of the spring budget. The current commitments may quiet questions around the triple lock for now, however it will likely remain the subject of contention between those who see the triple lock as having fulfilled its purpose, those who see it as a key protection of State Pension value and adequacy as well as a policy that resonates with a lot of voters who are directly affected by the uprating of their State Pension.

The second most common State Pension related issue is that of treatment of the **WASPI** (Women Against State Pension Inequality) women. WASPI women are those who were born in the 1950s and affected by the equalisation of men and women's State Pension Age pension age at age 65 taking place between 2010 and 2018, without direct communication of the changes. A substantial number of these women who did not know about the change in State Pension age expected to retire on their 60th birthday (which had been the State Pension age for women since 1940), arranging their affairs in accordance. This led to a campaign for compensation for such women, some of whom were in the position of being out of a job without adequate income and using up what assets they had in order to get by until reaching their revised State Pension age. A report by the Parliamentary Ombudsman in March 2024 recommended compensation for the affected women. The Conservative government had not acted on the conclusions of the report by the time of the dissolution of Parliament. In their manifesto the Conservatives say they will consider the report into WASPI compensation without giving clarity on what that consideration may lead to. The SNP and Liberal Democrats both say they will ensure that WASPI women are compensated. The other parties have not commented on the WASPI issue in their manifestos.

Other issues in relating to State Pensions in the manifestos include:

The **personal allowance** for pensioners: the Conservatives in government froze the levels of tax allowances at the level from 2021/22. This means that as levels of income grow, the amount that is outside the scope of tax remained constant, so a larger proportion of income is taxable. Additionally, the level of the new State Pension was approaching the level of the personal allowance potentially drawing pensioners with only State Pension incomes into paying income tax. As of April 2024, the level of the personal allowance is £12,570 a year, compared to the new State Pension at £11,502 a year. With the possibility that the new State Pension may exceed the personal allowance the Conservative manifesto pledges to keep the State Pension out of reach of tax by increasing the Personal Allowance for those over State Pension age in line with the triple lock, calling the measure Triple Lock Plus. This would mean that the Personal Allowance would continually stay just over the level of the new State Pension, though people who retired under the pre 2016 system with a basic State Pension and additional SERPS or State Second Pension could find that their total State Pension is over level of the Personal Allowance with some portion subject to income tax. The Liberal Democrats and Reform UK pledge to increase the Personal Allowance for everyone.

The SNP plan to extend their Wellbeing Economics program to a **Wellbeing Pension**. Wellbeing economics is centred around an economic strategy that pays attention to a framework of wellbeing indicators rather than concentrating on traditional economic measures such as GDP.

[1] For more coverage see the first Briefing Note in this series Pensions Policy Institute (2024) [General Election 2024 Briefing paper 1 - The Triple Lock](#)

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The idea of a wellbeing pension is that it is at a minimum income standard level so that all pensioners would have enough income to avoid falling into poverty. The amount is not set out in the SNP manifesto, however the level suggested by independent campaigners for a wellbeing pension is £241.50 a week.^[2]

The SNP also have further pledges on State Pensions. They intend to oppose any further unannounced increases to the **State Pension age**, and to oppose any acceleration of the timetable currently in place for the planned changes. The SNP also pledges to reverse the changes to **Pension Credit** where couples with one person over State Pension age and one person under State Pension age are now eligible for Universal Credit instead of Pension Credit. Pension Credit is significantly more generous than Universal Credit. They also aim to increase uptake of Pension Credit. Pension Credit is a means tested benefit and around 30% of people who are eligible do not claim it. The SNP aim to roll out a similar benefit take up strategy as they introduced in Scotland, which consists of funding anti-poverty advice, interactive resources and a financial wellbeing campaign.

Private Pensions

Private pension savings are a key part of attaining an income that enables people to maintain their standard of living in retirement. There has been a lot of discussion in the industry concerning the level of minimum mandated contributions into pension schemes under the automatic enrolment to increase the likelihood of people achieving an adequate level of income in retirement. Another pressing issue in workplace pension provision is the implementation of key recommendations from the "Automatic enrolment review 2017" which suggested among other things reducing the minimum eligibility age from 22 to 18, and removing the lower earnings limit on band earnings meaning that employer and employee contributions are from the first pound of income. The former government unveiled a number of policy ambitions for pensions in 2023 known as the "Mansion House Reforms" these included DC schemes allocating at least 5% of funds to unlisted equities, a Value for Money Framework to deliver transparency of costs and efficiency for DC schemes, dealing with small pots in the past and how to stop small pots arising in the future, exploring whole life Collective DC schemes and the role of the Pensions Protection Fund in productive finance.

The automatic enrolment policies and Mansion House reforms are not addressed in any of the manifestos.

One of the more common issues in the manifestos is **investment**. The former government has been encouraging of pension schemes investment in infrastructure, viewing pension schemes as an important resource for funding such projects. In practice only suitably large pension schemes are able to partake in such investment. The former government were also encouraging of consolidation of pension schemes. The Labour manifesto includes a desire for pension scheme **consolidation** to increase scale.

The Labour, Liberal Democrat and Green parties all include manifesto pledges regarding investment by financial institutions including pension schemes in **environmentally sustainable assets**. With Labour and the Liberal Democrats both pledging investment in line with the Paris Agreement on climate change, and the Green Party pledging the removal of fossil fuel assets from investment portfolios.

Reform UK pledge a new ownership model for critical national infrastructure which would partly re-nationalise utilities, with 50% of utilities brought into public ownership and 50% owned by pension funds.

In terms of wider pension reforms, the Labour manifesto pledges a review into workplace pensions with the aim of introducing reforms that lead to better outcomes. The Liberal Democrats intend to review pensions to ensure that those in the gig economy do not miss out. Reform UK also wish to review the pension system and look to Australia as a model.

The Conservative and SNP manifestos do not directly address any workplace pension issues.

[2] Wellbeing Pension Campaign <https://wellbeingpension.org/>

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Adult Social Care

The funding of social care in England is an issue that has been active for many years without much movement and is an issue which affects a great many older people. Adult social care is distinct from health care; social care services are the responsibility of Local Authorities with overall policy centralised in Westminster. Social care is the responsibility of the devolved governments. The Dilnot Commission on Social Care Funding in England reported in 2011 that people are exposed to risks of high care costs without a meaningful way to protect against the risk. That people find the system confusing and are often unaware of the potential costs of care. They concluded that it was difficult for people to adequately plan to prepare for their care needs. Dilnot made recommendations including a higher capital limit for assets before individuals face the costs themselves and a cap on the amount of costs that people pay such that extreme care costs are not borne by the individuals. Since then, Governments have made some policy investigations without putting much into effect to address the key issues raised by the Dilnot inquiry or to implement the recommendations made.

In 2021 the Johnson Government announced that they would introduce a care cap and increase the means test capital limits so that more people would be eligible for support. A care cap puts a limit on what individuals might have to pay for personal care but does not include all costs, excluded items include the residential costs of living in a care home. The cap and the increases are not as high as Dilnot recommended in real terms. These measures have not yet been implemented. The Conservative Manifesto pledges to implement the measures set out in the 2021 policy paper.

The Liberal Democrats and the Green Party both pledge to introduce a system based on the care system in Scotland. This would mean introduction of free personal care, covering nursing care, mobility hygiene and medication. However, residential costs are again not included and would still require a contribution to the costs from the individual.

The Liberal Democrats pledge to create a National Care Agency to set minimum national standards of care. Labour pledges to introduce a National Care Service with a similar aim of delivering consistent care across the country but delivered locally. When talking about a potential National Care Service in 2022, Labour described it as delivering care on the same terms as the NHS including free at the point of use, however the manifesto does not go into any detail on how it would operate and whether an NHS analogous service is still the ambition.

Housing

Current levels of home ownership are high among people over State Pension age at just below 78%, but for the generation below who are approaching retirement age the figure is 63%.^[3] Renting in retirement significantly reduces disposable income especially for those in the private rental sector requiring renters to have a higher income in retirement to achieve the same standard of living as a homeowner. Housing is therefore closely linked to outcomes in later life and many younger people may get to retirement with higher incidences of rent in retirement than current pensioners, or may have made a choice to prioritise home ownership over pensions and have a home but low levels of pension saving.

All of the UK wide parties in the analysis have pledged that there will be a significant number of new homes built over the parliament. The Conservatives promise around 320 thousand a year, Labour 300 thousand a year, and the Liberal Democrats pledge 380 thousand a year. The Liberal Democrats and Green party explicitly set out that 150 thousand a year will be new social housing homes. An increase in social housing may enable people to move from private renting to social renting in retirement, helping them reduce their housing costs. Reform do not give a number but pledge to fast-track new housing on brownfield sites.

The Conservatives pledge to keep the Stamp Duty threshold at £425,000 for first time buyers and to introduce an improved "help to buy" scheme also aimed at first time buyers purchasing a new build home with a 20% equity loan. They also plan to fight any local authorities ending Right to Buy.

The Green Party pledge to end Right to Buy, and to empower local authorities to introduce rent controls on private landlords to increase the affordability of renting.

The Liberal Democrats pledge to give local Authorities the power to end Right to Buy. They also plan to introduce a Rent to Own model for social housing where tenants get an increasing stake in their housing, owning outright after 30 years to help those who cannot raise a deposit.

[3] Pensions Policy Institute (2023): [Renting in Retirement - The Fault Line Below the UK Pension System](#)

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Wider topics with impact on pensions

The topic of pay gaps in working life has been raised by several of the manifestos. The Labour, Liberal Democrat and Green manifestos all mention reducing **wage or pension gaps**. However the issue with pay gaps isn't entirely about pay levels. Pay gaps tend to arise from a complex interaction of access to opportunity and career development within a job, and societal pressures/expectations. The gender pay gap is rooted in labour market inequalities. Women have lower levels of labour market participation than men, often as a result of societal norms or pressures to be carers. Horizontal segregation, where some job roles or industries are dominated by women (e.g. healthcare) and others by men (e.g. technology and finance), those dominated by men tend to have higher levels of pay. Vertical segregation refers to whether women achieve high level roles within the same sector or company, men are more prevalent at the higher paid positions. These are not necessarily the result of any active discrimination but are instead the result of societal norms and the values placed on particular roles which would need to be addressed to bring meaningful change.^[4]

Pay gaps in the workforce may be amplified in the level of pension saving individuals build up, producing pension gaps. Lower incomes lead to lower contributions and in turn lower pension funds at retirement. Access to pensions may also be an issue, some workers, particularly part time workers, may not reach the minimum income requirement to be eligible for automatic retirement, meaning that they may be cut out of workplace pension savings altogether.

The Conservatives have pledged to reduce the number of university courses and increase apprenticeships. This would increase the number of younger people in the workforce and could put pressure on for the reduction in the minimum age limit for automatic enrolment to be dropped from age 22 to age 18.

Conclusions

The pledges in the manifestos relating to pensions do not represent a significant change as set out.

State Pensions would keep the triple lock for another parliament and there could be pressure for compensation for WASPI women.

Whichever party that forms the next government there is very little information on what might become of private pension provision. This election may be one where people feel confident in predicting the winner, but it may be more difficult to predict what pension policies may change with any new government.

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