

Case Study



Title: Pensions & Health

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Author: Peter Chadborn

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Women born 04/1952 to 07/1953 re Flat Rate pension

I read with dismay that women born between April 1952 and July 1953, which includes me, will receive a lower rate of pension of £133, when we retire. 430,000 women will lose out on state pension worth an average of £312 p.a. Can you explain why we will lose out and whether we can do anything about it?

There is more than one way of looking at this issue and it depends on which story you read.

Whilst it is true that an estimated 430,000 women will miss out on the reform to the new flat rate pension in 2017, those born between April 1952 and July 1953, they will still be better off than men of the same age who will qualify.

In equalising the state pension age for men and women, the government of the day could not just defer women's state retirement age overnight and so it was phased-in over a number of years. An ill thought-out aspect of the introduction of the flat rate pension is that it will be introduced before the equalisation of state pension ages has completed, and as such some women are still due to retire earlier than men of the same age.

So although women born between April 1952 and July 1953 may receive a lower state pension and therefore appear to be worse off, they will still be receiving it between 15 months and three years earlier than men of the same age and this accumulated earlier income will add up to a tidy sum, and so overall are in fact likely to be better off.

Ref:

<http://www.which.co.uk/news/2013/03/women-better-off-under-old-state-pension-313379/>

<http://www.dailymail.co.uk/news/article-2291912/Almost-half-million-women-lose-hundreds-pounds-year-Governments-state-pension-revolution.html>

Plan Money Ltd. Bentley House, Gt Bentley, Colchester CO7 8GD

Telephone: 01206 257501 **Email:** peter.chadborn@plan-money.co.uk **Web:** www.plan-money.co.uk

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