

Rise in death rate may

let people retire earlier

By Andrew Oxlade

A PLANNED rise in the state pension age to 68 could be delayed by five years due to unexpected falls in life expectancy, analysis for *The Telegraph* shows.

The Government has indicated that Britons should spend a third of their adult lives in retirement, under a formula that was expected to force millions aged under 50 to retire later.

But life expectancy projections due to be published by the Office for National Statistics next month will predict

a fall in longevity. These data are used to calculate the timetable for rises in retirement ages.

The change would affect anyone aged today between 42 and 48. Those aged between 43 and 47 would retire a full year earlier while those aged under 30 would benefit from a delay in the retirement age rising to 69.

The projections were compiled by Towers Watson, one of the UK's largest pension consultancies, using ONS data and methodology. "People born in the late Sixties and early Seventies could

now be on course to get their state pension from 67 rather than 68," said David Robbins, senior consultant at the firm.

Stephen Caine, a mortality specialist at Towers Watson, said: "The number of deaths each year has fallen steadily since 1990 but over the last four years there's been something of an unprecedented rise with no clear explanation."

He said the data could be volatile and could even be affected by the efficacy of winter flu vaccination programmes.

A programme for increasing the state pension age was written into law in

2007. The Coalition accelerated the changes so that under the current timetable the state pension age will rise from 65 to 66 between 2018 and 2020 and to 67 between 2026 and 2028.

The rise to 68 officially remains at 2046 but under the Government's "third of life" formula announced by George Osborne, the Chancellor, in 2013, it would happen by 2036.

A decision will be made by the Government in 2017. It will then be reassessed every six years with the proviso that workers will be told of changes at

least 10 years before they retire. Steve Webb, a former pensions minister, said: "If it is the case that life expectancy is falling, then the state pension age should also fall. This was never meant to be something that was an upward ratchet. If it goes the other way, people should feel the benefit."

A spokesman for the Department of Work and Pensions said: "State pension age will be reviewed each Parliament from 2017, taking into account the latest available life expectancy statistics and any other relevant data."

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