

Work to 75 – and give Britain £182bn boost

By Jack Hardy

RAISING the pension age to 75 would boost the economy by £182 billion, a new report has claimed.

Increases in life expectancy have meant British taxpayers face escalating costs unless people stay in work for longer, says a paper by the Centre for Social Justice (CSJ).

The pension age has remained unchanged for almost a century, when the average life expectancy was 50, meaning a growing portion of the population are reaching retirement.

‘Right now, the State Pension age doesn’t even closely reflect healthy working life expectancy’

This “major demographic shift” should lead to measures being put in place to limit the cost to the state, as half of UK adults will be over 50 by the mid-2030s, the think tank said.

It called for the State Pension age to be accelerated to 70 by 2028 and to 75 by 2035, aided by “improvements to workplace support and healthcare” for older employees. Getting more 55 to 64-year-olds into work would slash the costs of out of work benefits but also help boost GDP by around nine per cent, equating to £182 billion, it claimed.

The report, called Ageing Confidently – Supporting an Ageing Workforce, argues that employers should have greater responsibility for supporting older employees in work. Such a system would work similarly to the Disability Confident Scheme, that helps employers recruit and retain disabled people.

Andy Cook, chief executive of the CSJ, said: “Working longer has the potential to improve health and well-being, increase retirement savings and ensure the full functioning of public services for all.”

“Right now, we are not doing enough to help older people stay in work and the State Pension age doesn’t even closely reflect healthy working life expectancy. All generations deserve to be supported in their choices and the current lack of support for older members of the UK workforce is both socially inexcusable and economically short-sighted.

“By increasing the State Pension age, we can help people stay in gainful and life-enhancing employment while also making a sound long term financial decision.”