

*These notes refer to the Pensions Act 2007 (c.22)
which received Royal Assent on 26 July 2007*

PENSIONS ACT 2007

EXPLANATORY NOTES

SUMMARY AND BACKGROUND

State Pensions Measures

Increase in state pension age

Changes

65. In the White Paper, the Government proposed raising the state pension age in the context of a growing pensioner population resulting from increasing longevity and falling birth rates.
66. The Act provides for state pension age to increase by one year per decade between 2020 and 2050, with each change phased in over two consecutive years in each decade.
67. The first increase, from 65 to 66, will be phased in between April 2024 and April 2026; the second, from 66 to 67, will be phased in between April 2034 and April 2036; and the third, from 67 to 68, between April 2044 and April 2046. These changes will therefore affect anyone born after 5 April 1959 – that is anyone below the age of 47 on 5 April 2006 (who will therefore reach the age of 65 on or after 6 April 2024).
68. A number of social security benefits either become payable or cease to be payable when state pension age is reached. The Act provides for these age thresholds to rise in line with rising state pension age. The benefits to which this applies include jobseeker's allowance, incapacity benefit (and the new employment and support allowance which is intended to replace incapacity benefit¹), bereavement benefits and state pension credit.
69. In the case of attendance allowance and disability living allowance, the age threshold is currently set at 65. By 2020, it will therefore have become aligned with pensionable age for both women and men. The Act replaces the reference to age 65 with pensionable age with effect from 6 April 2024, so that the minimum age for entitlement to attendance allowance and the upper age at which a person may qualify for disability living allowance will increase in line with rising state pension age.

1 See section 1 of the Welfare Reform Act 2007.