

UK Follow-Up to the Madrid International Plan of Action on Ageing (MIPAA) 2016

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Executive Summary

Since it last reported, there has been a change of Government in the UK. However, the challenges and opportunities faced by an ageing society continue to take high priority in Government policy and decision making.

This can be seen in the significant strategic reforms undertaken by this Government on:

- Abolishing the Default Retirement Age and thereby removing the traditional retirement age of 65;
- Confirmed an accelerated timetable for State Pension age being increased to 66, in recognition of the demographic changes and pressures on society;
- Equalising the State Pension ages between men and women (a revised timetable has been announced bringing forward equalisation);
- The State Pension, including introducing a triple guarantee that the basic state pension will be increased by the highest of earnings growth, price increases or 2.5% and exploring the introduction of a flat rate Single Tier Pension, currently worth £140 a week (in 2010/11 price terms) which would provide simplicity and clarity, making it

- Extended the Right to Request Flexible Working to all qualifying employees to agree a working pattern that suits them and their employer's business.

- Workplace pension reform, introduced automatic enrolment into a workplace pension scheme, allowing workplace pensions savings to be extended to many for the first time.

We are also in the middle of an independent State Pension age review, considering what a suitable State Pension age is, in the immediate future and over the longer term. The review must submit its report to the Secretary of State by January 2017.

Since 2007, the devolved nations (Wales, Scotland and Northern Ireland) have continued to work with central Government in developing policies that reflect the needs of their older people, with Wales and Northern Ireland appointing specific Commissioners for Older People.

In September 2011, the Age Action Alliance was established. The Alliance, a partnership of organisations from civil society and the public and private sectors, works together to find new ways to help improve the lives of the most disadvantaged older people and prevent deprivation in later life.

Government recognises the role employers can play, particularly in the retention and retraining of older workers. We will be publishing a Fuller Working Life strategy early in 2017, outlining our plans for Full Employment, for Health and Work, for Carers and for Fuller Working Lives, including lifelong learning and re-skilling in mid-career.

The UK Government is committed to achieving 3 million apprenticeship starts in England by 2020, as a crucial way of developing the skills employers and the economy need for growth. The employer-led apprenticeship standards are putting employers in the driving seat of apprenticeship reforms, including the creation of new apprenticeship opportunities that are attractive for older people

The UK Government is committed to increasing employment for people from **Black and Minority Ethnic (BME)** backgrounds, specifically to increase the level of BME employment by 20 per cent by 2020. Last year we estimated that a further 665,000 BME people would need to move into employment to meet the target; and to date around 207,000 have.

This is an issue that goes beyond government as there is also a cultural challenge, and a challenge for employers to ensure they adopt recruitment practices that result in a diverse workforce which reflects the communities in which they are based.

The Government is taking a positive approach to an ageing society and recognises the important role that both the state and the individual have in ensuring an enriched later life.

National Ageing Situation

The Future of Population Ageing in the UK

The UK population is ageing. In mid-2014, the median age of the UK population exceeded 40 for the first time, up from 33.9 years in 1974. The gradual increases in life expectancy and average age seen during the 20th century are projected to continue. Over 70% of UK population growth between 2014 and 2039 will be in the over 60 age group, an increase from 14.9 to 21.9 million people.

The two drivers of the ageing population – falling fertility and mortality rates – are both long-term trends. The UK has experienced almost 40 years of fertility rates below the replacement level of 2.1 children per woman. The long-term decline in mortality rates has been particularly strong among the oldest age groups. For example, the mortality rate of women in their early 80s declined from about 120 per thousand population in the 1950s to 75 by the 1990s, and fell from around 160 to 120.5 per thousand men in the same period.

The proportion of the working age population aged between 50 and the state pension age (SPA) will increase from 26% in 2012 to 35% in 2050 – an increase of approximately 8 million people. The productivity and economic success of the UK will therefore be increasingly tied to the productivity and success of its ageing workforce. Encouraging older people to remain in work will help society to support growing numbers of dependents, while providing individuals with the financial and mental resources needed for longer periods of retirement.

Lifelong learning has a number of benefits alongside those related to work. Many kinds of learning boost mental capital, which in turn increases individual resilience in later life. There are positive effects of learning on both physical and mental health, improving wellbeing and reducing pressures on family and community resources and services.

By 2037 there are projected to be 1.42 million more households headed by someone aged 85 or over – an increase of 161% over 25 years. Suitable housing can maximise the ageing population's positive contribution to the success and resilience of the UK, while unsuitable housing is the source of multiple problems and costs. Future homes will have an even greater effect on health and wellbeing as technologies develop that mean they are increasingly used as places of work and care.

Families are a central component of the drivers and implications of population ageing. Family decisions regulate the number of children born, and families are responsible for transferring money and support between the generations. Families also play a major role in providing care – 73% of disabled people over 65 receive some care from a spouse or other family members. The ageing population,

alongside a major increase in the diversity of family types, is likely to change the role of families, and challenge policies that rely on them.

Connectivity – the ability to use technology, access services, travel easily and socialise – will be particularly important as the population ages. Levels of connectivity can determine work, education, health and care outcomes. Beyond the ability to physically travel, new technologies and digital tools have an increasingly important effect on a person's ability to interact with the world around them. Barriers to physical and virtual connectivity create issues for individuals and society.

The Government Office for Science recently produced a report bringing together evidence about today's older population, with future trends and projections, to identify the implications for the UK. The report can be found online here: <https://www.gov.uk/government/publications/future-of-an-ageing-population>

Method

Successive governments have delivered a number of successful programmes to build an inclusive society which recognises the contribution of older people. These programmes acknowledge the importance of the social impact on ageing, need to build capacity in organisations and the importance of collaboration in the delivery of services, as well as the fiscal concerns.

Government wrote a policy on older people, updated in May 2015.

<https://www.gov.uk/government/publications/2010-to-2015-government-policy-older-people/2010-to-2015-government-policy-older-people>. To support these policy developments, Department for Work and Pensions continues to undertake a series of qualitative and quantitative surveys which are looking at people's quality of life and associated factors beyond 50 years old. English Longitudinal Study of Ageing is the first study in the UK to connect the full range of topics necessary to understand the economic, social, and psychological and health elements of the ageing process. Its report covers:

- health, disability, healthy life expectancy;
- the relationship between economic position and both physical and cognitive health;
- the determinants of economic position in older age;
- the timing and circumstances of retirement and post-retirement labour market activity;
- the nature of social networks, support and participation;
- household and family structure and the transfer of resources.

The **'Future of an ageing population'** project is providing state of the art scientific evidence to government. This evidence is intended to form the basis for a range of policies and actions to:

- maintain wellbeing throughout life, for all individuals regardless of their generation
- improve quality of life for older people and enable them to participate more fully in society
- ensure everyone can access the tools and facilities to help them live a long and healthy life

The project is informed by a number of independent evidence reviews, developed by experts from across academia, and peer reviewed by independent academics. These papers provide analysis of the future of an ageing population in the UK.

<https://www.gov.uk/government/collections/future-of-ageing>

Publications are downloadable from:

<http://www.ifs.org.uk/elsa/publications.php>

Other online resources:

ONS population stats for older people:

<http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Older+People>

https://www.ageuk.org.uk/Documents/EN-GB/Factsheets/Later_Life_UK_factsheet.pdf?dtrk=true

Goal 1: Longer working life is encouraged and ability to work is maintained

Fuller Working Lives – A Framework for Action

On 13 June 2014, the DWP published “Fuller Working Lives – A Framework for Action” which explained what we mean by 'working longer', the economic case for this at individual and societal level, and the role of Government in enabling the wider culture changes needed in society to understand, prepare for and realise a planned and secure retirement for all. It sets out a number of new actions we will take to help people have fuller working lives.

The Framework for Action provides evidence of the effects of early labour market exit and the compelling evidence of the demographic, labour market and economic challenge of an ageing workforce.

- The DWP works in partnership with a range of leading business stakeholders to develop and deliver it's strategy to:
 - encourage employers to realise the business benefits of employing and retaining older workers;
 - to address employer issues about employing older workers as part of a multi-generational workforce; and
 - to tackle the cultural shift needed to open up widespread opportunities for older people to work longer and phase their retirement.

Fuller Working Lives

Now that the Default Retirement Age (DRA) has been abolished, meaning it is unlawful to sack someone just because they reach age 65, most people can chose when to retire. Our concept of ageing in the workforce and retirement must move with the times as the population demographics change. We need people to save to ensure they have a secure retirement, and for this to happen we must ensure that people have the opportunity to work and save for as long as they wish and are able.

Employers also need a flexible labour market as the population ages and fewer people enter the labour market from education and training relative to those age 50 and above. By 2020 over 50s will comprise almost one third of the working age population. It is important for both individuals and employers that the labour market encourages more people to work and takes account of their circumstances as these change over time.

We particularly need to prevent unnecessary early exits from the labour market. For example an average earner retiring at 65 rather than 55 could have over £200,000 extra income and increase their pension pot by 60 per cent.

Key issues for this are career planning and re-skilling, support for balancing care with paid employment and preventing people giving up work unnecessarily due to health conditions which can be accommodated or managed.

In fact working longer can improve and maintain physical and mental health – evidence shows that making adjustments and changing working patterns can help older workers to manage health issues and stay in work.

The key players in this are employers and individuals, but government needs to play its part, and has introduced a number of measures to help reduce unnecessary early exits from work.

- We've extended the right to request flexible working beyond those with caring needs, meaning people can discuss with their employers options for allowing choice about how and when they retire
- We introduced the National Living Wage, which places a premium on the experience, skills and productivity which characterises many experienced workers, and an apprenticeships levy to encourage employers to build and adapt the skills of the workforce
- We introduced Universal Credit, to ensure that work always pays, and to allow us to retain contact with those in employment to help with career progression as well as with helping people take the first steps back into work.
- We introduced new rights for employment assessment for carers through the care act, increased the earnings limit in Carers allowance and are carrying out pilots on how to help employers and individuals balance caring needs with paid employment.

Fuller Working Lives Strategy

We will be publishing our plans for Full Employment, for Health and Work, for Carers and for Fuller Working Lives, including lifelong learning and re-skilling in mid-career in early 2017.

Business Champion for Older Workers

On 4th October, the Government announced the appointment of Andy Briggs, CEO of Aviva and Ireland Life, as Business Champion for Older Workers. Mr Briggs will be supported by the Business in The Community leadership team that he chairs, to spearhead the Government's work to support employers hiring and re-training older workers. They will actively promote the benefits of older workers to employers across England – influencing them both strategically and in terms of practical advice

Flexible Working

In June 2014 the Right to Request Flexible Working was extended to all employees with 26 weeks continuous service with their current employer (previously only parents and carers had a Right to Request Flexible Working). The Right to Request Flexible Working enables qualifying employees to agree a working pattern that suits them and their employer's business. Employers are able to refuse a request for flexible working if they have sound business reasons for doing so.

Working patterns are becoming increasingly more flexible: while 23.0 million people in the UK work full time, around 8.4 million people work part time. The extension of the Right to Request Flexible Working has doubled the number of employees who are able to make a request to over 20 million. The Department for Business estimated that this would lead to a further 80,000+ requests a year - leading to 60,000+ new working arrangements a year. We need to encourage employers to adopt flexible approaches to work and retirement to help those who want to work up to State Pension age and beyond to find suitable employment and stay in work.

Flexible working is good news for business and the economy as well as individual employees. Employers have access to the widest possible pool of talent, and the ability to recruit and retain this talent helps contribute to the UK's skilled and flexible workforce. It is now easier for employers to consider requests for flexible working. The more onerous statutory procedure was replaced by a duty on employers to consider requests 'in a reasonable manner' – supported by a statutory Code of Practice and Acas guidance. Employers are now able to use their own informal processes for considering requests, as long as they can show that the way they considered the request was 'reasonable' in the circumstances.

It is too early to evaluate the new regime but we would expect to see an increase in the number of requests for flexible working as a result of extending the right to more employees – particularly as survey data shows flexible working has increased independently of the legislation, with both business and employees reporting benefits. Being able to work flexibly is likely to help some groups into work, or to stay in work when the alternative would be to give up work. Academics think this may help boost labour supply through this effect.

We will review the new right to request by April 2019.

Goal 2: Participation, non-discrimination and social inclusion of older persons are promoted

Equality Act, 2010

A new Equality Act came into force on 1 October 2010. The Equality Act brings together over 116 separate pieces of legislation into one single Act. Combined, they make up a new Act that provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The Act simplifies, strengthens and harmonises the current legislation to provide Britain with a new discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.

All legislation in the UK is accompanied by the need for due regard to the equality impact of policy on protected groups – of which age is one. In line with Government's approach where we regularly consult organisations representing older people on specific pieces of legislation, other Government Departments also mainstream consultation within policy development. The broad purpose of the equality duty is to integrate consideration of equality and good relations into the day-to-day business of public authorities. The embedding of engagement in policy development rather than through quarterly meetings will build effective relationships between older people and officials to ensure policy is designed to have the intended effect.

Engagement with Older People

The UK Government places great value on constructive and productive engagement with all citizens, including older people, but there has been a change to Departmental engagement structures involving the UK Advisory Forum on Ageing (UKAFA) and the English Forums on Ageing (EFA). All Government Departments are required to reduce spending and whilst the sums spent on engagement may appear small the DWP believes that there are already opportunities for older people to engage with Government through existing mechanisms.

UKAFA, although closed in December 2015, has helped to make Government far more aware of the challenges and opportunities that an ageing society presents. The time was right to build on this good work and adapt how Government engages with older people to ensure it was complying with the Public Sector Equality Duty by integrating the consideration of equality into day-to-day business. It is now for each Department to build relationships between older people and officials to ensure that through effective engagement, policy is designed to have the intended effect.

UK Government continue to engage and consult with older people and stakeholders directly on its core policy areas, using existing mechanisms and Forums. We will continue to be open to new channels should other opportunities emerge.

State Pension Age Review

The purpose of the independent review of State Pension age is to make recommendations on future State Pension age arrangements using robust, evidence-based analysis of the current State Pension age timetable and its impacts. According to the Review's Terms of Reference, these recommendations should be affordable in the long term, fair to current and future generations of pensioners, and consistent with supporting fuller working lives.

The review will consider what a suitable State Pension age is, in the immediate future and over the longer term and whether the current system of a universal State Pension age rising in line with life expectancy best supports affordability, fairness, and fuller working lives objectives, and, if not, how State Pension age arrangements might better support these objectives.

Having regard to the variations between different groups, and that the views of organisations and individuals on factors will be taken into account during analysis and reaching recommendations. The consultation will ensure that it has considered the appropriate evidence and the range of views of interested parties.

In the interim report published on the 13th of October we considered the issue of fuller working lives with reference to the wider question of the ageing society and an appropriate pension system. The final report will consider how future state pension age arrangements would best promote the development and establishment of a fuller working lives culture.

The review must submit its report to the Secretary of State by January 2017. This report will be laid before Parliament and will inform the Secretary of State's final report on the outcome of the State Pension age review, which must be published before 7 May 2017.

<https://www.gov.uk/government/policies/state-pension-age>

Supporting Black and Minority Ethnic (BME) groups

This Government is committed to increasing employment for people from BME backgrounds, specifically to increase the level of BME employment by 20 per cent by 2020. Last year we estimated that a further 665,000 BME people would need to move into employment to meet the target; and to date around 207,000 have.

We are also continuing to make good progress on the overall employment gap between BME groups and the rest of the population: the latest annual figures show the ethnic minority employment rate is 63.8 per cent; the highest comparable figure since the series began in 2001. We recognise that people from BME backgrounds face many separate barriers to employment beyond age and gender. Language skills, cultural issues and a lack of community networks can all have an impact.

Our strategy for increasing BME employment is based on providing access to mainstream services that are designed to be flexible to meet local needs and circumstances, and addressing the 'trap' of worklessness and poverty through Welfare Reform.

We take this approach because there are big differences between disadvantages faced by different BME groups, and even within the most disadvantaged groups there will be many individuals who enjoy considerable labour market success.

Two cross-government reviews relating to BME employment are currently underway: the Baroness Ruby McGregor Smith review looking at issues faced by businesses in developing BME talent, and the Sir John Parker review into diversity on company boards.

In August 2016, the Prime Minister announced a Racial Disparity Audit of public service outcomes, which we are supporting by providing data on our services, and we will seek to understand and address any gaps in provision identified as a result.

This is an issue that goes beyond government as there is also a cultural challenge, and a challenge for employers to ensure they adopt recruitment practices that result in a diverse workforce which reflects the communities in which they are based.

Goal 3: Dignity, health and independence in older age are promoted and safeguarded

The new State Pension

The new State Pension is the biggest reform to the State Pension system for a generation. We are modernising the complicated State Pension system in a way which will let people in the future have a clear, simpler picture of what the State will provide, giving a better idea of what their State Pension might be when they reach state pension age – the full amount will be over £8,000 a year (£155.65 per week) - so they can build their own savings on top. From April 2016 onwards, everyone will build their State Pension at the same rate; and because it will be above the basic means-tested level, it will not penalise or discourage personal saving but help to support.

The new State Pension works alongside Automatic Enrolment, enabling millions more to save in a workplace pension. The reforms of state and workplace pensions, along with reviews of the State Pension age, are designed to form the main elements of a sustainable basis of retirement income in the decades to come.

The UK is gradually increasing its State Pension age (SPa) for women to equalise with men and then increasing the pension age for men and women to meet the demands of increases in longevity.

Around three-quarters of people who reach State Pension age under the new system in the first fifteen years will have a notionally higher State Pension than they would have had under the old system. (over 75% of females and around 70% of males gain). By 2030, over 3 million women stand to gain an average of £550 extra per year as a result of these changes. The cost will be no more than the current system, up until the 2040s, at which point it is projected to spend less. In addition, State Pension age changes will reduce national debt by 17% of GDP in the longer-term.

The most current average age of exit from the labour market for women is 63.1 – well above the previous women's SPa of 60. Independent analysis by the Institute for Fiscal Studies has shown that the rise in women's SPa since 2010 has been accompanied by increases in employment rates for the women affected.

To help older people to continue working the Government abolished the Default Retirement Age meaning most people can now retire when the time is right for them while taking responsibility for ensuring they are financially secure. The Government has also extended the right to request flexible working for all with 26 weeks continuous service which will help older workers to stay in the labour market up to SPa and beyond.

We are encouraging people – especially those age 50 and over – to check their own State Pension (and understand what the changes mean for them) by using our new online State Pension estimation service, called Check your State Pension.

Automatic Enrolment

Millions of people in the UK are not saving enough for retirement. The legislative changes set out in the Pensions Acts 2007, 2008 (and updated as part of the Pensions Act 2011 and 2014), and the packages of associated regulations, aim to increase private pension saving in the UK. They form part of a wider set of pension reforms designed to ensure that the UK has a pension system that enables individuals to save towards achieving the lifestyle they aspire to in retirement, while minimising the burden on employers and the industry.

The reforms require employers to automatically enrol eligible workers into a qualifying workplace pension scheme and pay a contribution, in addition to a government contribution in the form of tax relief. The automatic enrolment duties are being staged between October 2012 and February 2018 by employer size, starting with the largest employers. Workers will be eligible provided they: are aged at least 22 and under State Pension age (SPa); earn over £10,000 per year in 2015/16 terms (these thresholds are reviewed annually); normally work in the UK and do not currently participate in a qualifying workplace pension scheme. Currently total minimum contributions are 2 per cent of a band of workers' earnings, of which at least 1 per cent must come from the employer. This will rise to 8 per cent, of which at least 3 per cent must come from the employer, in October 2018.

Once fully implemented, automatic enrolment aims to increase the number of individuals newly saving or saving more in a workplace pension by around nine million, and increase the amount that is being saved in workplace pensions by around £15 billion a year, within a range of £14 billion to £16 billion.

Up to the end of September 2015, more than 5.47 million eligible workers have been automatically enrolled by over 60,000 employers. All large and medium sized employers have now staged. Small and micro employers are staging between June 2015 and February 2018. The Department for Work and Pensions (DWP) Employers' Pension Provision survey 2015 (EPP 2015) has found that up to the end of August 2015, 10 per cent of automatically enrolled workers have opted out.

Data on workplace pension participation, collected with reference to April 2014, showed that the number of eligible employees participating in a workplace pension had risen to 13.9 million, an increase of 3.2 million since 2012 when automatic enrolment began. The annual total amount saved in workplace pensions was £80.3 billion, an increase of £2.7 billion from 2013.

EPP 2015 has found that the median employer cost for implementing automatic enrolment was £500.

Levels of employer awareness and understanding of their automatic enrolment duties continues to remain high, showing appropriate progress towards them being able to comply with their duties.

The Department for Work and Pensions (DWP) is committed to fully evaluating the effects of the workplace pension reforms, as set out in its evaluation strategy³. Following on from the strategy, DWP published the baseline evaluation report⁴ which described the landscape before the implementation of automatic enrolment and set out the key indicators against which progress will be measured.

Evaluation reports are published on an annual basis as automatic enrolment is implemented from 2012 to 2018. The latest report for 2015 has been published, showing updates and progress against the baseline, using the latest available research and analysis from a range of information sources.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/477176/rr909-automatic-enrolment-evaluation-2015.pdf

Pensioner Poverty

Living standards for pensioners have been rising steadily for many years and especially through the development and delivery of Pension Credit, that figure has now fallen to 14%. In 2014/15, the proportion of this group living in a low income household is near the lowest on record – both in terms of proportions and numbers of pensioners. There are 100,000 fewer pensioners in relative poverty than in 2009/2010.

The UK is committed to providing a secure and dignified retirement for those pensioners who would otherwise find themselves without an adequate income. Pension Credit is an income-related benefit paid out of general taxation which targets help at the poorest pensioners. Pension Credit tops up a person's other income to a standard minimum amount – currently £155.60 for a single person and £237.55 for a couple. Higher amounts may be available for those with a severe disability, caring responsibilities or certain housing costs.

<https://www.gov.uk/government/collections/households-below-average-income-hbai-2>

Goal 4: Intergenerational solidarity is maintained and enhanced Regional cooperation

Select Committee Inquiry into Intergenerational Fairness

The UK Work and Pensions Select Committee launched an inquiry into Intergenerational Fairness in January 2016. This review sought to understand whether the current generation of people in or approaching retirement will over the course of their lifetimes have enjoyed and accumulated much more housing and financial wealth, public service usage, and welfare and pension entitlements than more recent generations can hope to receive. The Department for Work and Pensions provided evidence to this inquiry.

In November 2016 the committee reported their findings.

<http://www.publications.parliament.uk/pa/cm201617/cmselect/cmworpen/59/59.pdf>

DWP will be responding to the recommendations in the next two months.

Fuller Working Lives

Our concept of ageing in the workforce and retirement must move with the times as the population demographics change. We need people to save to ensure they have a secure retirement, and for this to happen we must ensure that people have the opportunity to work and save for as long as they wish and are able.

Employer Engagement

The landscape of our workforce is changing as we are living longer. Over the 10 years between 2014 and 2024 the number of people in the workforce aged 50 to State Pension age will have risen to 14 million and the number aged 16-49 will have reduced by 200,000. Employers will increasingly need to employ and retain the skills and experience of older workers longer to remain competitive and avoid skills and labour shortages.

Far from blocking jobs for younger workers, research shows that having more over 50s in work is actually associated with both lower unemployment and higher wages for the young. The reality is, there are not a fixed number of jobs in the economy, the more it expands the more jobs are created.

Now that the Default Retirement Age (DRA) has been abolished, most people can choose when to retire. Our concept of ageing in the workforce and retirement must move with the times as the population demographics change.

DWP has produced sector specific guidance to ensure employers have the guidance they need to support the on-going productivity of older workers and to adopt flexible approaches to work and retirement.

For the economy, adding just one year to people's working lives would add 1% to GDP per year; that would be like adding an extra £17bn to 2014 GDP. Many employers report the business benefits of employing older workers and actively employ workers of all ages, recognising the benefits of multi-generational working. For individuals, by retiring at 65 instead of 55, an average earner could have over £200,000 extra income and increase their pension pot by 60 per cent.

Automatic Enrolment

Millions of people in the UK are not saving enough for retirement. The legislative changes set out in the Pensions Acts 2007, 2008 (and updated as part of the Pensions Act 2011 and 2014), and the packages of associated regulations, aim to increase private pension saving in the UK.

The reforms require employers to automatically enrol eligible workers into a qualifying workplace pension scheme and pay a contribution, in addition to a government contribution in the form of tax relief.. Workers will be eligible provided they: are aged at least 22 and under State Pension age (SPa); earn over £10,000 per year in 2015/16 terms (these thresholds are reviewed annually); normally work in the UK and do not currently participate in a qualifying workplace pension scheme. Currently total minimum contributions are 2 per cent of a band of workers' earnings, of which at least 1 per cent must come from the employer. This will rise to 8 per cent, of which at least 3 per cent must come from the employer, in October 2018.

Once fully implemented, automatic enrolment aims to increase the number of individuals newly saving or saving more in a workplace pension by around nine million, and increase the amount that is being saved in workplace pensions by around £15 billion a year, within a range of £14 billion to £16 billion.

Career's Strategy

The UK recognises the valuable contribution made by carers who spend a significant proportion of their life providing unpaid support to friends and family members, including those who are ill or have disabilities. On the 1st of July 2015, the Secretary of State for Health announced the development of a new National Carers' Strategy that will look at what more can be done to support both existing and future carers.

The new National Carer's Strategy follows the 2014 – 2016 updated National Carers Strategy: Second Action Plan which outlines the main achievements in recognising and supporting carers.

We have ensured that carers are central to the Government's reforms to care and support, and there are stronger rights for carers in the Care Act, which came into force in April 2015. The Act extends carers' rights to an assessment which will be based on the appearance of a need for support and will include consideration of the impact of caring on the carer, and the outcomes they wish to achieve. The existing

requirement for an assessment that the carer must be providing 'a substantial amount of care on a regular basis' is removed.

Labour Market Support for carers

Most carers of working age want to retain a foothold in the labour market, not just for their financial well-being, but also to enhance their own lives and the lives of those for whom they care.

DWP continues to invest in supporting carers to return to work through Jobcentre Plus.

Support which may be available from Jobcentre Plus includes:

- adviser support;
- access to the Flexible Support Fund; and
- payment for replacement care, childcare, travel and course costs to allow the carer to undertake approved activity or interviews with Jobcentre Plus, providers or employers.

Conclusion

The House of Lords report “Ready for Ageing?” published in March 2013, asked ‘Is the Government ready for ageing?’

<http://www.publications.parliament.uk/pa/ld201213/ldselect/ldpublic/140/140.pdf>

In seeking to answer the question, it should be understood that no single department has overall responsibility to address all of the challenges presented by demographic shift faced by the UK or to capitalise on the opportunities this presents. Rather, the implications are spread across many departments, with policies implemented by one often having a direct or indirect effect on another.

These relationships mean that one department’s policies can potentially achieve others’ objectives. In some cases, the department that implements a policy will not be the one that benefits most from it, or the benefits will be shared between many departments. Moreover, some of those benefits may not materialise for many years. To ensure that these policies are properly considered, departments need to act co-operatively. More broadly, co-operation is needed with other sectors. Business and civil society can achieve things that government itself cannot, for instance developing new technologies and providing community services.

Advances in medical and social science have extended UK lifespan at a time when fertility rates have been falling. Much has already been done to help position the UK to manage the ensuing future challenges of an ageing population. Now, we have the opportunity to capitalise on this work, and live happier, healthier and more prosperous longer lives.

Annexes

Annex A.....Table of Major Achievements since 2012.

Annex B.....Detail of UK Demographic Change.

Annex C.....A list of acronyms and their meaning.

Major Achievements

New State Pension	Modernising the complicated State Pension system in a way which lets people have a clear, simpler picture of what the State will provide, giving them a better idea of what their State Pension might be when they reach state pension age.
Auto Enrolment	Most workers in the UK are automatically enrolled into a workplace pension scheme by their employer.
Flexible Working	From June 2014 the Right to Request Flexible Working enables qualifying employees to agree a working pattern that suits them and their employer's business.
Abolition of Default Retirement Age	Undertaken
State Pension Triple Guarantee	Guarantee issued.

UK Demographic Change

Demographic change in the UK

The age structure of the UK has been shifting towards an older population. Table 1 shows a projection of UK population being 62.6 million people in 2011, with 10.5 million people aged 65+. Therefore 17% of the total population is aged 65 or over. This proportion has risen from 15% in 1981, and is expected to rise further – reaching 26% in 2061.

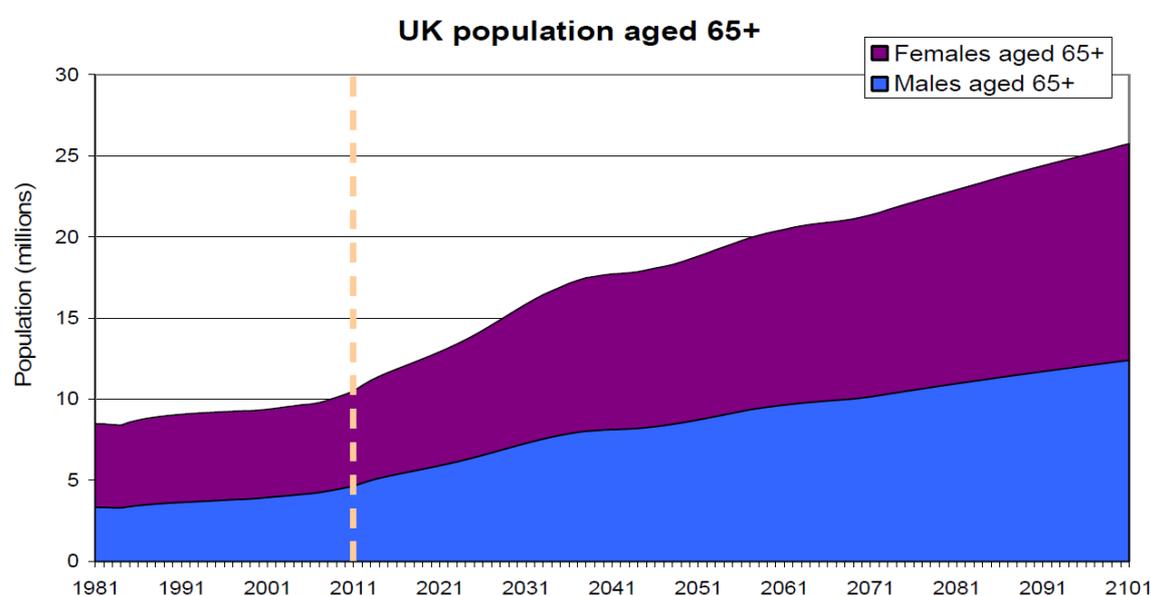
Furthermore the number of people in the UK aged 65 or over is expected to double, from 10.5 million in 2011 to 21 million in 2068.

Table 1: Past and projected future population trends for the UK (Millions)⁷

Age Group	1981	1991	2001	2011	2021	2031	2041	2051	2061	2071
Total population	56.4	57.4	59.1	62.6	67.0	70.9	74.2	77.1	79.7	82.3
65+	8.5	9.1	9.4	10.5	12.9	15.8	17.7	18.8	20.5	21.4
16 – 64	35.3	36.7	37.9	40.5	41.5	42.3	43.6	44.9	45.6	47.1
Children (0-15)	12.5	11.7	11.9	11.6	12.5	12.8	12.9	13.4	13.7	13.9

One factor driving this demographic shift is increases in life expectancy.

Chart 1: Cohort life expectancy at age 65 in the UK⁸



⁷ Data from ONS, 2008-based, mid-year population estimates and projections.

⁸ Data from ONS, 2008-based, life expectancy tables for the UK. Figures used are the mean life expectancy within cohorts.

Acronyms and their meaning

ACAS	Advisory, Conciliation and Arbitration Service
ASSG	Ageing Society Strategy Group
AA	Attendance Allowance
BEIS	Department for Business, Energy & Industrial Strategy
CBI	Confederation of British Industry
DCLG	Department for Communities and Local Government
DEFRA	Department for Environment, Food and Rural Affairs
DFG	Disabled Facilities Grant
DLA	Disability Living Allowance
DoH	Department of Health
DRA	Default Retirement Age
DWP	Department for Work and Pensions
EFA	English Forums on Ageing
ESA	Employment and Support Allowance
FAS	Financial Assistance Scheme
FE	Further Education
GDP	Gross Domestic Product
GEO	Government Equalities Office
GPs	General Practitioners (Doctors)
HAPPi	Housing Ageing Population fund for Innovation
HIA	Home Improvement Agencies
IACL	Informal Adult and Community Learning
JSA	Jobseekers Allowance
MIPAA	Madrid International Plan of Action on Ageing
MP	Members of Parliament
NEST	National Employment Savings Scheme
NHS	National Health Service
NGO	Non-Government Organisation
OBR	Office of Budget Responsibilities
PIP	Personal Independence Payment
PPF	Pension Protection Fund
PSA	Public Service Agreement
RIS	Regional Implementation Strategy
SME	Small Medium Enterprises
SJC	Committee on Social Justice
TAEN	The Age and Employment Network
TPR	The Pensions Regulator
TUC	Trade Union Congress
UKAFA	United Kingdom Advisory Forum on Ageing
UNECE	United Nations Economic Commission for Europe