

# Women and Pensions

## *If we get it right for women, we'll get it right for everyone*

### Women's pensions entitlement is lower than men's...

- Women's median income in retirement is just 57% of men's.
- Only 16% of recently retired women are entitled to a full basic state pension in their own right.
- One in five single women pensioners face poverty in retirement.

### *... because women are more likely to undertake unpaid parenting and caring commitments throughout their lives...*

- Of mothers of under-fives, 52% were in employment, and two-thirds of those working as employees were part-time.
- In 2001, unpaid adult care was carried out by 5.7 million people in Great Britain. 11% of men and 14% of women aged 16 or over provided care.
- Nearly one in 20 adults are spending 20 or more hours per week on caring tasks. 61% of these are women.
- A quarter of all women aged between 45 and 64 are carers, with a quarter of those also caring for children.

### *... with periods out of paid employment and periods in part time, often low paid employment...*

- Two-fifths of women in employment in Britain work part-time, compared with only 11% of men.
- 78% of all part-time workers are women.
- Women working part-time earn 40% less per hour than men working full-time – about the same as 30 years ago – and tend to work in a small number of low-paid sectors where part-time working is common.

### State provision does not fully recognise and reward this contribution...

Home Responsibilities Protection (HRP) for parents and credits for carers give only limited and inflexible recognition of parenting and caring contributions, no longer reflecting the realities of people's lives. Many people slip through the net.

- HRP coverage is only available for complete tax years.
- Only carers providing at least 35 hours a week care recognised for state pensions.
- Those with less than 25% of the number of National Insurance Contribution years required for a full state pension, receive no state pension at all.
- Earnings from multiple jobs are not added together for National Insurance purposes, excluding those undertaking multiple low-paid jobs.



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## ... and private provision is linked to paid employment...

- The percentage of mothers making additional private pension provision never rises above 40%, regardless of age of child.
- 88% of lone mothers with a child under-five have no additional private pension provision, and the proportion never gets much above 30% for any lone mothers, regardless of age of child.
- The lowest-skilled (who are likely to take longer breaks from paid employment) can lose 40-80% of their pension entitlement if they have children.

*Without all this unpaid labour the adult care costs would fall on the state.*

## Family and partnership patterns are changing making independent provision essential for all...

- By 2020, it is estimated that there will be almost as many divorced women between age 65 and 75 as widows – about one in five women will enter later life divorced.
- The number of cohabiting couples estimated to be 1.56 million in 1996 is projected to almost double over the next 25 years.
- Almost two-thirds of divorced and separated older women (63 per cent) have no private pension income at all.

## Working patterns are becoming more diverse, with more men undertaking caring responsibilities, working part time therefore...

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### The EOC is building a consensus calling for a pensions system that:

- puts independence and equality at its heart - everyone should accrue a pension in their own right
- ensures women's entitlement to the basic state pension
- properly recognises unpaid caring work
- achieves certainty and simplicity in the state pension to ensure stability, simplification and transparency in the pensions system as a whole, encouraging saving and planning for retirement
- closes the pensions gap between women and men in state, private and occupational pensions
- works for current and future generations of women pensioners
- meets the needs of all women and particularly addresses the lack of representation in the state pension for BME women.

## What can you do?

- Contact the EOC Pensions Policy Manager  
[christina.barnes@eoc.org.uk](mailto:christina.barnes@eoc.org.uk)
- Write to your MP to ask them what they are doing about women's pensions.

### **Equal Opportunities Commission Helpline 0845 601 5901**

(Calls charged at local rates)

Interpreting service available to callers of the Helpline

Typetalk service available on 18001 0845 601 5901

Arndale House, Arndale Centre, Manchester, M4 3EQ

To find out more about us visit [www.eoc.org.uk](http://www.eoc.org.uk)



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