

# UK Labour government refuses to pay pension compensation to millions of women

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Sir Keir Starmer's Labour government has reneged on promises made in opposition that the party would compensate women born in the 1950s who lost up to tens of thousands of pounds due to pension changes under previous governments.

During Prime Minister's Questions on December 17 Starmer, backed by Chancellor Rachel Reeves and Secretary of State for Work and Pensions Liz Kendall, refused Parliament a vote on a compensation package for the cohort—known as WASPIs (Women Against State Pension Inequality)—proposed by the Parliamentary and Health Service Ombudsman.

Starmer said, "The taxpayer simply cannot afford the tens of billions of pounds in compensation when the evidence does show that 90 percent of those impacted did know about it [changes to pensions]. That is because of the state of our economy."

While Kendall admitted to parliament there was a 28-month delay informing women of the pension changes, in the same breath she said there was "considerable awareness" of the changes, that timely letters would have made no difference and there was no evidence of "direct financial loss."

Labour politicians including Starmer, his Deputy Angela Rayner, Reeves and Kendall, and many other Labour MPs, all professed sympathy for the plight of the WASPI campaign group in the past. This included photo ops with WASPI women at every opportunity for years.

However, with Labour having an almost unassailable lead over the Tories in the year leading up to the July 2024 general election, the matter was getting too close for comfort for the party—pledged to "iron" fiscal discipline—and nothing on the WASPI issue appeared in its 2024 election manifesto.

The 1995 Pensions Act brought in by the Conservatives, led then by Prime Minister John Major, increased the state pension eligibility age (known as the state pension age),

for women from 60 to 65 years, on the cynical grounds of achieving equality with men who retired at 65. The change was phased in from 2010 for women born between 1950-55.

These changes were accelerated by the 2011 Pensions Act under another Tory Prime Minister, David Cameron, encompassing women born between 1950-1960. The state pension age for women increased to 65 by November 2018, and for women and men to 66 by October 2020. The WASPIs argue they were not given adequate notice of the changes by the DWP to enable them to adjust their future financial arrangements accordingly. Many retired without realising their state pension age had risen.

It was only from 2009 to 2013 that the DWP wrote to the women affected about the pension changes in 1995 and 2011.

How this worked out in practise is exemplified by the experience of retiree Hilary Simpson, whose story is told by the *Guardian*.

She retired early from employment in local government aged 55 to take on childcare responsibilities for her daughter, having calculated she could manage on the lump sum from her workplace pension until she could claim her state pension at 60. The new legislation, however, upended her plans, meaning the lump sum would now have to be stretched over eight years until she was 63. When the changes were accelerated with the 2011 Act, eight years became 10-and-a-half years.

Simpson challenged the claims by the government that 90 percent of the women affected knew about the changes. "The DWP have said they don't know how many letters they sent out and to whom," she said.

Further attacks on the pensions of men and women followed. The Pensions Act 2014 further raised the state pension age from 66 to 67, to be in place by 2026-28. An earlier Pensions Act 2007 established a rise in the State Pension Age from 67 to 68 by 2044-2048. The Pensions

Act 2014, however, introduced five-yearly reviews and it is expected the state pension age of 68 will be in place much sooner.

A petition organised by the WASPIs has passed the necessary threshold of 100,000 votes for a parliamentary debate to be considered—to discuss a compensation scheme for the WASPI women. To date, approaching 151,000 votes from the public have been registered.

The package proposed by the Ombudsman amounts to £10.5 billion for the 3.5 million women affected, which works out at a meagre payment of £1,000-2,500 for each woman.

This should be measured against the state pension totals which might have been paid but were stolen from WASPI women by the changes in legislation. For example, a woman born in 1952, who paid in the qualifying 30 years National Insurance contributions and retired at the State Pension Age of 62, would have lost two years Full State Pension—at the then weekly amount of £169.50—and robbed of £17,628 in total.

Someone whose State Pension Age rose to 65 would have been purloined of five years' pension, or a staggering £44,070, as well as five years of well-earned retirement.

How paltry this settlement is exposed in the fact that in the run-up to the 2019 general election, Labour, then headed by the nominally left Jeremy Corbyn, pledged £58 billion—over five year—to compensate the WASPI women. The then Shadow Chancellor John McDonnell said Labour in government would make individual payments of an average of £15,380 to the 3.7 million women affected, with some payouts reaching £31,300. Had Corbyn won the election, there is no doubt he would have ditched this pledge—in line with his constant capitulations to the Labour right that saw him politely hand the party leadership over to Starmer, after losing the general election.

Notwithstanding the laughable pittance that the Ombudsman suggested, ignoring its recommendations is highly unusual and created further embarrassment for the government. The Ombudsman is appointed by the Crown at the prime minister's recommendation to investigate complaints against public bodies. It is independent of the government and answers complaints to Parliament.

In the UK, the income of pensioners comes from one or more of the following sources: the state pension financed by National Insurance contributions, a workplace pension, a personal pension—or personal wealth. The poorest who survive on the state pension alone must claim welfare

benefits to top up their income.

Not only is the state pension being eroded, but so are workplace pensions, with workers in the public who previously received better terms than the average in the private sector being levelled down, now having to work longer and pay higher contributions to receive smaller pensions.

This is above all due to the betrayals of the trade union bureaucracy in the public sector, which sold out the mass pension struggles by teachers, civil servants and workers in higher and further education among other sectors. The largest pension strike on November 30, 2011, involved 2.5 million workers in 20 unions.

This continued into the present decade. Central to the betrayal in 2023 by the University and College Union of its members during a strike wave over falling living standards that erupted in 2022-23 was a sellout pension deal.

Starmer's refusal to pay compensation to the WASPI women is another signal to the ruling class—after its October budget was attacked by big business—that Labour will deepen its assault on the working class, no holds barred. It follows the sharp restriction of winter fuel allowance payments—previously worth between £100 and £300 for all retirees, including 1.8 million of the poorest—and comes alongside an announcement kicking any action on the social care crisis into the long grass.

A recent study of the sector painted a “dire” picture of provision, the lack of which had a “profound human cost and economic consequences” for the elderly and their families. Thanks to Labour, a “review” will report at the scheduled end of Labour's first term in office, in 2028.



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