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Chief Executive  
Equality and Human Rights Commission  
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Dear Rebecca

### **Public sector equality duty assessment re gender pension gap**

I am writing to ask the Equality and Human Rights Commission to undertake an assessment of the extent to which the Secretary of State for Work and Pensions has complied with her duty to advance equality of opportunity by minimising the disadvantages suffered by women as a result of the gender pension gap.

- Evidence of the existence of the gender pension gap

The existence of the gender pay gap has been well established and there are clear government policies for tackling this issue. As occupational pension provision is generally directly related to earned income, the gender pay gap will also feed into a gender pension gap in relation to retirement income.

However, there are other factors contributing to a gender pension gap that mean it will generally be even higher than the gender pay gap. These include a known difference in the level of state pension income by gender of nearly 20%<sup>1</sup> and the significant impact that women's disproportionate share of caring responsibilities has on their working lives.

Last year Prospect produced an estimate of the gender pension gap based on an analysis of the datasets of responses to the Family Resources Survey. This showed that the overall gender pension gap in the UK in 2016-17 (the latest year data was available for) was 39.5%<sup>2</sup>. Our report provided many other data sources that support the hypothesis that the gender pension gap is significantly higher than the gender pay gap.

- Disadvantages suffered by women as a result of the gender pension gap

A difference in income has no less impact if it arises in retirement rather than during a working career. A gender pension gap of 39.5% will cause retired women even more suffering than the gender pay gap causes women of working age.

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<sup>1</sup> <https://www.which.co.uk/news/2018/04/revealed-the-state-pension-gender-pay-gap/>

<sup>2</sup> <https://library.prospect.org.uk/id/2018/01522>

In some ways the gender pension gap is even more detrimental than the gender pay gap because by the time it starts to impact women, there is less they can do about it.

- Lack of action by the Secretary of State in relation to the gender pension gap

There are policies in place to tackle the gender pay gap and these will also have an impact on the gender pension gap in the future. However there are separate causes of the gender pension gap besides the gender pay gap, so even if the gender pay gap was resolved there would still be a sizeable and persistent gender pension gap if these other causes are not addressed.

There is no evidence that the Secretary of State is even aware of the level of the gender pension gap. Her department does not publish any estimate of its size or analysis of its causes. Without this most basic level of information, it is impossible to begin to tackle the gender pension gap and the disadvantages it causes to women in retirement.

The Secretary of State has not taken even the most basic of steps to minimise the gender pension gap.

- Decisions by the Secretary of State that exacerbate the gender pension gap

Far from taking the initiative in order to advance equality of opportunity, the Secretary of State has actually missed specific opportunities to tackle the gender pension gap.

The last review of automatic enrolment showed that women are disproportionately excluded from membership of occupational pension schemes by the earnings trigger. Table 5.3 of the report showed that if the trigger was reduced to the level of the Lower Earnings Limit then 1.2 million employees would be brought into occupational pension scheme membership and 78% of them would be women<sup>3</sup>. This would be a positive step towards advancing equality of opportunity but the Secretary of State decided not to take it.

There is clear evidence that carers, people in receipt of child benefit and people with multiple jobs under the Lower Earnings Limit are in danger of missing out on qualifying years for state pension. These groups are all disproportionately women but the Secretary of State has not taken any action to tackle these issues.

There are known problems with the application of tax relief for low earners who are members of pension schemes that operate 'net pay'. Again this issue disproportionately impacts women but there is no evidence that the Secretary of State has intervened to push HMRC to resolve it.

- Case for a public sector equality duty assessment

The gender pension gap affects millions of women and will persist for decades because of the time lag between taking action in relation to pension income and seeing results when people retire.

This is clearly an issue of the utmost importance and it deserves the attention of the Commission.

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<sup>3</sup> <https://www.gov.uk/government/publications/automatic-enrolment-review-2017-analytical-report>

The clear failure of the Secretary of State to take any action in relation to the gender pension gap is an abdication of her duty to advance equality of opportunity.

A public sector equality duty assessment would have the benefit of putting appropriate focus on this hugely important issue and forcing relevant officials to consider its impact on women. There are many relatively simple steps that an assessment could demonstrate would have enormous value in tackling the gender pension gap.

I hope you agree that there is a strong case for the Commission to undertake a public sector equality duty assessment in relation to the Secretary of State's lack of action on the gender pension gap. Please let me know if you would like any further information about this issue. I look forward to your reply.

Yours sincerely,

**Sue Ferns**  
Senior Deputy General Secretary