



HM Treasury

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Neil Walsh  
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28th March 2024

Ref: FOI2024/03869

Dear Neil Walsh,

## Freedom of Information Act 2000

Thank you for your enquiry of 25 February 2024, which we have considered under the terms of the Freedom of Information Act 2000 (the FOI Act).

On 24 January 2024, you asked for the following information which we logged under reference FOI2024/01301:

*“The main public sector pension schemes have published information showing very high gender pension gaps (ie that male pensioners receive much higher pension income on average than female pensioners).*

*Can you share:*

*Any analysis of this problem that Treasury has produced. Any plans for tackling this problem that Treasury has proposed. Any details of when ministers were briefed about this issue by Treasury officials and when this was discussed by Treasury officials.”*

We responded to you on 21 February 2024, advising you that we required clarification in order to process your request, set out the areas which required clarification, and additionally advised that your request as currently worded was very broad, and to keep in mind the ‘appropriate limit’ under section 12 of the Act.

On 25 February 2024, you asked for the following information, which we logged under reference FOI2024/03869:

*“Dear Sir / Madam,*

*Many thanks for your response to my recent FOI request asking for clarification of the scope of my query. I have tried to provide the clarification requested in the order raised in your response:*

*1. Are you only interested in explicit references to the “gender pension gap” or “gender pensions gap”?*

*Yes, my request is focussed specifically on issues around the gender pension gap (or “gender pensions gap”).*

*2. Are you only interested in material related to potential changes to pension schemes themselves, rather than broader factors impacting lifetime pension accrual by sex?*

*I am specifically interested in any information you can provide about potential changes to pension schemes themselves.*

*3. Is your query referring only to the gender pension gap between pensioner members, or also to how this may change for future cohorts of pensioners?*

*As there is little that policymakers can do about outcomes for current pensioners, I am particularly interested in any information you have about the gender pension gap for future cohorts of pensioners.*

*4. Does your request refer to*

*a. public service pension schemes, such as the NHS Pension Scheme or Civil Service Pension Scheme;*

*b. wider public sector pension schemes, which include e.g. the BBC pension scheme; or*

*c. also include private sector occupational pensions and/or the State Pension?*

*My request refers to (a) (the main public service pension schemes that Treasury has policy responsibility for).*

*5. Is there a specific time period you are interested in for the purpose of your request?*

*I would be interested in any information you held for the period from 2018–19 onwards (but I would be happy with information from a more recent period if going back that far made it impossible to provide a response to the this request).*

*In relation to this query:*

*“In particular, it will be helpful to clarify whether your references to “when ministers were briefed” and “when this was discussed by Treasury officials” are requesting the contents of such briefings and discussions or merely the dates and timeframes at which they occurred.”*

*It would be useful to have dates of any such briefings and any content that could possibly shared (recognising the exemptions relating to official advice).*

Thank you for providing this set of clarifications, which has allowed us to conduct a more targeted search of our records.

Following a search of our records, we can confirm that HM Treasury does hold information within the scope of your request.

As set out in our previous response, the rules under which current active members of Public Service Pension Schemes (PSPS) are accruing pensions are fully equalised between men and women, meaning that the Gender Pension Gap cannot be addressed through further changes of pension scheme rules for active members. HM Treasury’s position on the “gender pension gap” has most recently been set out in a Treasury Minute responding to recommendations by the Public Accounts Committee, at Recommendation and Response 4: [Treasury Minutes – Government responses to the Committee of Public Accounts on the First to the Sixth reports from Session 2021–22 \(parliament.uk\)](#)

Material in scope of your clarified request broadly falls into three categories:

- 1) Discussions between officials in advance of the publication of the above Treasury Minute explicitly referencing the “gender pensions gap”.
- 2) Briefing sent from HMT officials to the then Chief Secretary to the Treasury in early 2022 containing suggested responses to potential questions regarding the gender pensions gap.
- 3) Discussions between HM Treasury officials and Cabinet Office officials during 2023 on whether the 2021 Treasury Minute still reflects HM Treasury’s position regarding the gender pension gap.

Material in scope is included at **Annex A** of this letter. Information which falls outside of the scope of your request has been appropriately redacted, along with information which we consider engages the following exemptions of the FOI Act.

#### Section 40(2)

We consider that some of the information within scope of your request constitutes personal data, as it relates to email addresses and phone numbers of individuals, and names of junior government officials. Section 40(2), by virtue of section 40(3A)

provides an absolute exemption for third party personal data, where disclosure would contravene any of the data protection principles set out in Article 5 of the UK General Data Protection Regulation (UK GDPR). The first data protection principle requires the disclosure of third-party personal data to be lawful, fair and transparent. We believe that releasing the information would breach the first data protection principle.

Therefore, this information has been withheld on reliance of section 40(2).

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely,

Information Rights Unit

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If you are not happy with this reply, you can request a review by writing to HM Treasury, Information Rights Unit, 1 Horse Guards Road, London SW1A 2HQ or by emailing us at the address below. Any review request must be made within 40 working days of the date of this letter.

Email: [foirequests@hmtreasury.gov.uk](mailto:foirequests@hmtreasury.gov.uk)

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of the review, you may apply directly to the Information Commissioner for a decision. Generally, the Commissioner will not make a decision unless you have exhausted the complaints procedure provided by HM Treasury which is outlined above.

The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF (or via their website at: <https://ico.org.uk>).

## Annex A: Documents in Scope of your FOI Request

### 1) Discussions of the 2021 Treasury Minute responding to PAC Recommendation 4

Email 08/07/2021 16:21

[out of scope]

From: [HMT redacted – section 40(2)]

Sent: 08 July 2021 16:01

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

[HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: RE: [Close today] PAC report response – lines on things government does on public sector pay by protected characteristic

Hi [HMT redacted – section 40(2)],

Don't think theres anything further we can add from a pay perspective here. Would be good if

there were equivalent stats on the pensions side! (ie gender pensions gap is lower in public than private sector)

[HMT redacted – section 40(2)]

[out of scope]

From: [HMT redacted – section 40(2)]

Sent: 23 June 2021 11:46

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Cc: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: [Close today] PAC report response – lines on things government does on public sector pay by protected characteristic

Hi all,

We are aiming to pull together a draft response to the PAC's recent recommendations on public service pensions by noon tomorrow.

As part of this, we are planning to reject the below recommendation to “be proactive in collecting data” on gaps in pension saving based on gender and other protected characteristics, on the basis that this is purely a long-term consequential of differences in pay across public sector workforces. For this, it would be very

helpful to have a few lines on what the government is doing to monitor and address pay gaps by protected characteristics across the public sector, e.g. on things like gender pay gap reporting by government department. This can all be quite generic, and mainly aims to support the argument that differences in pensions are a consequence of pay and so are more appropriately addressed elsewhere.

To help make the 12pm deadline tomorrow, anything you have to hand and can share by close today would be hugely helpful.

Best wishes,

[HMT redacted – section 40(2)]

HM Treasury has done little to identify and manage the stark differences in average pensions between genders and other groups. HM Treasury should be proactive in collecting and analysing data to identify where significant gaps in average pensions exist between different v groups. This analysis should inform a wider study on the adequacy of public service pensions, and to understand the impact of differences in pay and working patterns.

Disagree

Pensions gap is a result of earnings differences. Best way to tackle it is through narrowing pay gap. Here is what Govt is doing (x y z)

Disagreeing because data is held at scheme level and there are legal constraints etc. But can try to incorporate protected characteristics into opt-out work

[HMT redacted – section 40(2)]

*Email 11/05/2021 11:12*

From: [HMT redacted – section 40(2)]

Sent: 11 May 2021 11:12

To: Tack, Eleanor – HMT [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: RE: National Audit Office – Public Service Pensions

Hi Ellie,

Apologies for the slow reply. Some thoughts below – but conscious that others (particularly [HMT redacted – section 40(2)]) may disagree:

[out of scope]

\* Some of the discussion on 'gender pensions gap' could have been made more meaningful by linking it to working patterns, rather than giving little analysis, which seemed to wrongly imply it might have to do with the design of pensions themselves.

[out of scope]

Thanks,

[HMT redacted – section 40(2)]



**2) Briefing provided for the then Chief Secretary to the Treasury during the passage of the Public Service Pensions and Judicial Offices Act**

Excerpt from document sent from HMT officials to CST's office 05/01/2022 12:30: Second Reading – Briefing Pack

**101. *What is Government doing to reduce the gender pensions gap?***

- Given the disproportionately high number of women in the public sector, women benefit most from the provision of good public sector pensions.
- Latest ONS data shows that workers in the public sector benefit from a 7% earnings premium compared to those in the private sector once pensions are included.
- More broadly, Government has taken several steps to promote good pension provision for women, including the expansion of automatic enrolment and, given that pensions are often a factor of pay, introducing mandatory reporting of the gender pay gap, which latest data from the ONS shows continues to be lower in the public sector than the private sector.

Excerpt from document sent from HMT officials to CST's office 22/02/2022 10:27: HoC Report 3R – Briefing pack

**20. *Why is there a gender pensions gap and what is being done to address it?***

- The Government recognises the importance of public service pensions in addressing the pensions gap in society between men and women. Women make up roughly 65% of active public service pension scheme members, with the provision of generous defined benefit public service pensions actively serving to reduce that gap.
- Nevertheless, the Government recognises that within the public sector, differences in both average annual pension payments and accrued pensions remain. However, these reflect past differences in earnings over members' careers rather than differences in their pension terms.
- The best way to combat differences in pensions accrual is therefore by tackling the gender pay gap and promoting equal opportunities for career progression regardless of sex or other protected characteristics. The Government is taking active measures on both, including through

mandatory gender pay gap reporting. As a result, the gender pay gap continues to be lower in the public sector than the private sector.

- These differences should reduce over time as a result of the move to a CARE benefit design, which all members will accrue from 2022 and which will lead to fairer outcomes for those with lower pay progression.

### 3) 2023 exchanges between HM Treasury and Cabinet Office officials

Email 20 April 2023 10:30

From: [HMT redacted – section 40(2)]

Sent: 20 April 2023 10:30

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: RE: (Official Sensitive) Gender Pension Gap

Many thanks all for your very helpful thoughts,

I'll get back to [HMT redacted – section 40(2)] to say that the PAC response is still current policy, and explain some of the reasoning using your replies below.

Kind regards,

[HMT redacted – section 40(2)]

From: [HMT redacted – section 40(2)]

Sent: 19 April 2023 12:18

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: RE: (Official Sensitive) Gender Pension Gap

Hi [HMT redacted – section 40(2)],

As [HMT redacted – section 40(2)] (and CO) said, the pension is gender neutral and pension (i.e. deferred pay) differences reflect differences in pay (so careers etc). Also, it would not seem to make sense to make such unpaid leave pensionable by the employer; and why would just those types of unpaid leave be pensionable and not some other types of unpaid leave for valuable purposes? I also suspect that there might be several unwelcome consequences for the employer and for the person as the employer might have some additional liabilities and need for controls during the period of unpaid leave as both additional costs and risks would be accruing.

2. There are also already generous facilities for members to make up for periods of unpaid leave by voluntary (tax favoured) additional pension saving in our schemes.

3. As to bridging pensions, these are not features of public service schemes and would involve higher (top up) PSP rates up to SPA and then lower PSP rates thereafter to provide a broadly flat level of pension. These would be technically

complex and costly to introduce (including to allow for the member's likely SP rate and features such as not reducing PSPs below Guaranteed Minimum Pension levels for those many members with service between 1978–1997 and therefore GMP entitlements). There have not been requests for these in the past, whether as a standard feature or a member option, such DB bridging pensions are dying away with private sector DB and PSPs are already far too complex.

4. I suspect that the idea may have arisen because of the increases in women's SPA but they would have to be offered to all members regardless of gender. Also, given that civil servants' service now accrues in new CARE schemes with NPA=SPA there is (at least at present) no gap between the PSP NPA and the member's SPA. Bridging pensions would therefore have to apply to new CARE pensions that were actuarially reduced for early payment (so in effect more than offsetting such reductions). In addition to that complexity, they would have to allow for the fact that most members retiring in the next decade or more would also have legacy entitlements (where the GMP requirements are likely to apply and which I suspect would be very complex to adjust for bridging pension purposes too).

[HMT redacted – section 40(2)]

[out of scope]

From: [HMT redacted – section 40(2)]

Sent: 19 April 2023 10:24

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: RE: (Official Sensitive) Gender Pension Gap

Thanks both,

[out of scope] Agree it will be good to see the paper. Our position has not changed since the PAC response, but we may need an agreed rationale for responding to the SAB workforce representative proposals.

Best wishes,

[HMT redacted – section 40(2)]

From: [HMT redacted – section 40(2)]

Sent: 19 April 2023 10:16

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: RE: (Official Sensitive) Gender Pension Gap

Could we have sight of the CO paper?

Not aware of any gender determinants in the schemes themselves. DB pensions are a product of pay and service, so any disparity in those will obviously feed through into the pension itself, but are not features of the schemes.

On unpaid leave. Pension is deferred pay and is a product of pay received during employment. The question of whether leave is paid or unpaid is an employment question not a pension question. For example, civil service employers generally provide maternity pay that is more generous than statutory maternity pay – 26 weeks full pay, 13 weeks statutory pay and 13 weeks nil pay, compared to the statutory 90% for 6 weeks, then £178 per week (or 90% pay if lower) for 33 weeks) For maternity pay, pension does accrue at assumed pay in civil service during periods of statutory maternity pay (ie at pre-statutory pay levels) but members pay contributions on the lower statutory pay.

On bridging pension – I'm not clear what the case for this is, but it would appear to contradict SPA and Hutton principles.

From: [HMT redacted – section 40(2)]

Sent: 19 April 2023 09:37

To: [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]; [HMT redacted – section 40(2)]

Subject: FW: (Official Sensitive) Gender Pension Gap

Good morning all,

Yesterday I spoke to [CO redacted – section 40(2)] about the below, namely that her SAB have been asking them to consider measures to eliminate the gender pension gap in CSPS. [CO redacted – section 40(2)] links an HMT response to a PAC question on this from back in 2021 outlining opposition to any measures to do this, on the grounds that pensions are deferred pay, and any measures should focus on eliminating the gender pay gap to then feed through the pensions system. Are any of you aware of any change in policy on this since then, or is there any further background to be aware of on that PAC response?

Kind regards,

[HMT redacted – section 40(2)]

From: [CO redacted – section 40(2)]

Sent: 18 April 2023 18:32

To: [HMT redacted – section 40(2)]

Subject: (Official Sensitive) Gender Pension Gap

Hi [HMT redacted – section 40(2)]

Thank you for your time earlier today.

At the SAB meeting yesterday we presented a paper on the Gender Pension gap as requested by board members. The paper concluded that the alpha scheme design did not materially add to the gender pension gap and the biggest generator of differences is time out of the pension or reduced hours. Our actions should therefore focus on engaging members so they can understand the impact of their decisions on their pensions so they can account for it.

A number of our member representatives, who are also union reps, are pushing for us to cost and consider the following:

1. Pensioning periods of unpaid maternity leave.
2. Pensioning period of unpaid leave for caring responsibilities.
3. Creation of bridging pensions for people leaving before the State Pension Age in certain circumstances.

We are aware of HMT's response to PACs 2021–22 report, which stressed in point 4 that pension differences are a function of past differences in earnings over members' careers rather than differences in pension provision itself. Focussing on pay was seen as a suitable medium for government action. Additionally the government provides state pension credits for periods such as this and of course there is a cost implication.

We would appreciate confirmation that the HMT position remains unchanged and that any scheme amendments such as this would not be supported.

Best Wishes

[CO redacted – section 40(2)]

Email 20 April 2023 10:38

From: [HMT redacted – section 40(2)]

Sent: 20 April 2023 10:38

To: [CO redacted – section 40(2)]

Cc: [HMT redacted – section 40(2)]

Subject: RE: (Official Sensitive) Gender Pension Gap

Many thanks [CO redacted – section 40(2)],

Having consulted with the rest of WPP I can say that you can point your SAB to that PAC response as current HMT policy regarding the pension pay gap. This is because:

- \* DB pensions are a product of pay and service, so any disparity in those will feed through into pensions but are not features of the schemes.
- \* On unpaid leave, as pension is deferred pay and a product of pay received during employment the question of whether leave is paid or unpaid is not a pension question.
- \* Bridging pensions are not features of public service pensions and would be complex and costly to introduce. Not only that, but they would have to be offered to both genders on introduction, so would not serve to address any disparity in pension.

I hope that's helpful but please shout if you have any questions.

Kind regards,

[HMT redacted – section 40(2)]

[out of scope]

From: [CO redacted – section 40(2)]

Sent: 18 April 2023 18:32

To: [HMT redacted – section 40(2)]

Subject: (Official Sensitive) Gender Pension Gap

Hi [HMT redacted – section 40(2)]

Thank you for your time earlier today.

At the SAB meeting yesterday we presented a paper on the Gender Pension gap as requested by board members. The paper concluded that the alpha scheme design did not materially add to the gender pension gap and the biggest generator of differences is time out of the pension or reduced hours. Our actions should therefore focus on engaging members so they can understand the impact of their decisions on their pensions so they can account for it.

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We are aware of HMT's response to PACs 2021–22 report, which stressed in point 4 that pension differences are a function of past differences in earnings over members' careers rather than differences in pension provision itself. Focussing on

pay was seen as a suitable medium for government action. Additionally the government provides state pension credits for periods such as this and of course there is a cost implication.

We would appreciate confirmation that the HMT position remains unchanged and that any scheme amendments such as this would not be supported.

Best Wishes

[CO redacted – section 40(2)]