



Triple-lock to be suspended for 2022/2023

It has been announced that the government will scrap the triple lock mechanism for 2022/2023. The triple lock mechanism ensured that the state pension rose by inflation, wage growth or 2.5% whichever is the highest.

The Work and Pensions Secretary, Therese Coffey, told MPs that this temporary, one-year change would mean that pensions would rise by 2.5% or in line with inflation. Without this change the state pension would have risen by 8% due to the extraordinary changes in wages caused by the furlough scheme.

The one year change, will be introduced for 2022/2023 only and the triple lock will be restored the following year.

"This year, as restrictions have lifted and we have experienced an irregular statistical spike over the uprating review period, I am clear that another one-year adjustment is needed," Ms Coffey told MPs as she made a statement in the Commons.

"So tomorrow, I will introduce the Social Security Uprating of Benefits Bill. For 2022/2023 only, it will ensure the basic and new state pensions increase by 2.5% or in line with inflation - which is expected to be the higher figure this year.

"And as happened last year, it will again set aside the earnings element for 2022/23 before being restored for the remainder of this Parliament.

"This will ensure pensioners' spending power is preserved and protected from higher costs of living but will also ensure that as we are having to make difficult decisions elsewhere across public spending - including public sector pay - pensioners are not unfairly benefitting from a statistical anomaly.

"At a time when we have made tough decisions to restore the public finances which have impacted on working people, such as freezing income tax personal thresholds at current levels, this would not be fair.

"Setting aside the earnings element is temporary and only for one year. This means we can and will apply the triple lock as usual from next year for the remainder of this Parliament in line with our manifesto commitment."

If you have any queries please contact your usual 44 Consultant or email admin@44benefits.co.uk

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44 Benefit Solutions Ltd

9 Woodbrook Crescent, Billericay, Essex, CM12 0EQ

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Registered Address: 9 Woodbrook Crescent, Billericay, CM12 0EQ Reg: 08272027

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