



Former pensions secretary Ros Altmann

Many options for controlling costs but hard choices ahead

By Ros Altmann

Former Pensions Minister

The Government Actuary's main forecasts suggest that, on its most likely scenario, National Insurance might need to increase for the average worker by up to £1,000 a year from the 2030s.

If all the shortfall in pension costs were to fall on the employee NI contribution, the rate might have to rise from 12% to 17%. Of course, the money could be found by increasing other taxes instead.

Or the Government may have to reduce state support for pensioners. This would mean further cuts in future payments. The Government has reduced costs by increasing the state pension age and further increases are in the pipeline.

By the end of the 2030s, it is due to rise to 68 and the Government Actuary assumes it will continue to increase to 70.