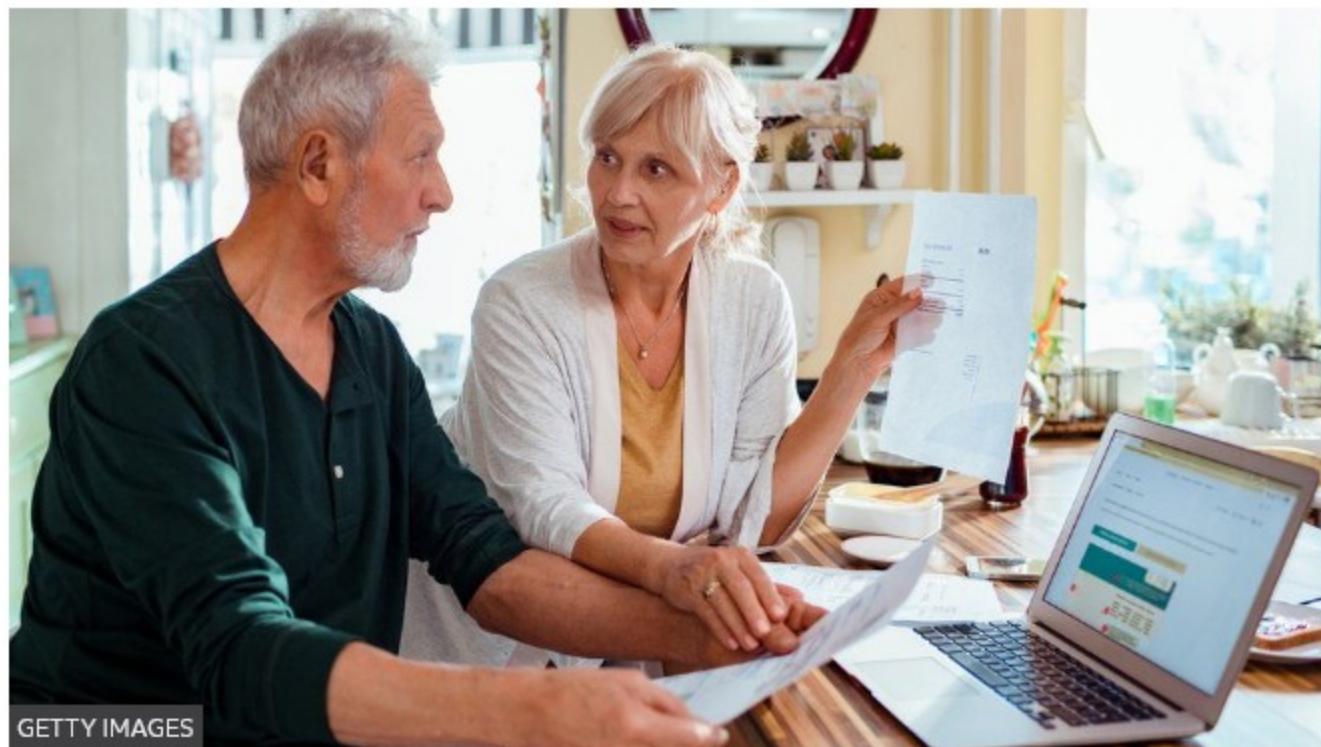


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House of Lords votes for changes to pension triple lock freeze

🕒 2 November



The government has been defeated in the House of Lords over its one-year suspension of the "triple lock" formula to increase the state pension.

Ministers plan to temporarily break the link between pensions and the rise in earnings, breaching a manifesto pledge.

It followed concern that a post-pandemic rise in average wages would have meant pensions increasing by 8%.

Peers voted to restore a link with earnings. But MPs could still go on to reject their amendment.

The House of Lords backed an amendment by former Tory pensions minister Baroness Altmann to the law required to suspend the triple lock, by 220 votes to 178.

It will set up a vote in the House of Commons, where the government will have to decide whether to order its MPs to oppose her plan.

- [Triple lock pension pledge suspended for one year](#)
- [What's the pension triple lock and why's it being suspended?](#)
- [State pension age hits 66 and set to rise further](#)

Under the triple lock, pensions increase by inflation, the increase in earnings between May and July or 2.5%, whichever is the greater.

However, the government announced plans to suspend this for one year from April 2022, before restoring it.

Instead, the rise will be the consumer inflation rate or 2.5%, whichever is higher.

It came after the exceptional circumstances of the Covid pandemic meant earnings between May and July were set to rise by more than 8%.

Announcing the move in September, Work and Pensions Secretary Therese Coffey said it would ensure pensioners did not "unfairly" benefit from a "statistical anomaly".

She argued that "would not be fair" during a period when the government had taken "difficult decisions" such as freezing public sector pay.

'Not a cash machine'

Under Lady Altmann's amendment, the government would have to continue to link pensions to an adjusted version of the official earnings figure. She has said this would be around 5%.

Ahead of the vote on her plan, she said the government's plan to suspend the triple lock would set a "seriously dangerous precedent".

"Pensioners are not a cash machine for chancellors to take money from when wanting to fund other projects or tax cuts elsewhere, especially not in the eye of a cost-of-living storm," she said.

"Yes, this is for one year only, but what a year to choose to do this, while older people are facing a cost of living crisis and the protection they rely on is being removed."

In response, Work and Pensions minister Baroness Stedman-Scott said the suspension was for one year only, and the commitment to restore the triple lock after that "remains in place".

MPs endorsed the government's suspension of the triple lock, when they voted on the bill to enforce it in September.

Labour and SNP MPs put forward amendments requiring the government to review its impact on pensioner policy, but these were defeated.

MPs could reject the Lords' amendment on the grounds of financial privilege, which gives the Commons primacy on issues relating to tax and spending.