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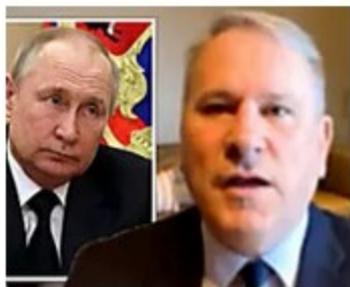
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## 'Biggest cut in 50 years!' State pension: Britons to lose £388 annually as inflation rises

PENSIONERS in the UK are expected to experience the "biggest cut in nearly 50 years" to their state pension in real terms.

By **PATRICK O'DONNELL**

12:24, Sat, Feb 12, 2022 | UPDATED: 14:23, Sat, Feb 12, 2022



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Older Britons should prepare for the greatest loss in income since 1975 with **state pension** payments due to fall in real terms this April. This follows a dramatic rise in **inflation** and the Government's decision to scrap the triple lock on state pension pots which hike the cost of living for many across the country. Analysis carried out by The Telegraph Money and Quilter found that pensioners will deal with a real terms cut worth £388 a year or £7.45 a week as a result of these changes

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Despite the Government's triple lock decision, state pension payments are expected to rise by £5.55 a week in April.



However, experts are warning that this increase will no longer be enough to keep up with skyrocketing inflation.

According to the [Bank of England](#), inflation is expected to hit 7.25 percent sometime later in the year.

Back in 1975, when pensioners last experienced a similar devastating cut, inflation soared to 21.7 percent and the yearly state pension payment rose by only 14.7 percent.



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'Biggest cut in 50 years!' State pension warning: Britons to lose £388 annually as inflation rises

(Image: GETTY)

The Government made the decision to scrap its triple lock pledge on state pensions as a cost-saving measure following the staggering spending which took place during the pandemic.

Through the triple lock, state pension payments either rise by the rate of CPI inflation, average earnings in the UK or by 2.5 percent.

Notably, average earnings were artificially inflated due to the furlough scheme which led to the Government scrapping the link to average earnings for this year's state pension rise.

In April, the basic State Pension will jump to £141.85 per week and the full rate of new State Pension will increase to £185.15.

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Concerns about the rise in inflation have been compounded by the unprecedented hike in energy bills and the wider cost of living.

Baroness Ros Altmann, a former pensions minister, has come out in support of older Britons in light of these pressures and is lobbying the Government for further assistance.

Baroness Altmann said: "Pensioners don't seem to be anywhere on the Government's priority list, it's as if they don't count and so many will struggle as a result."

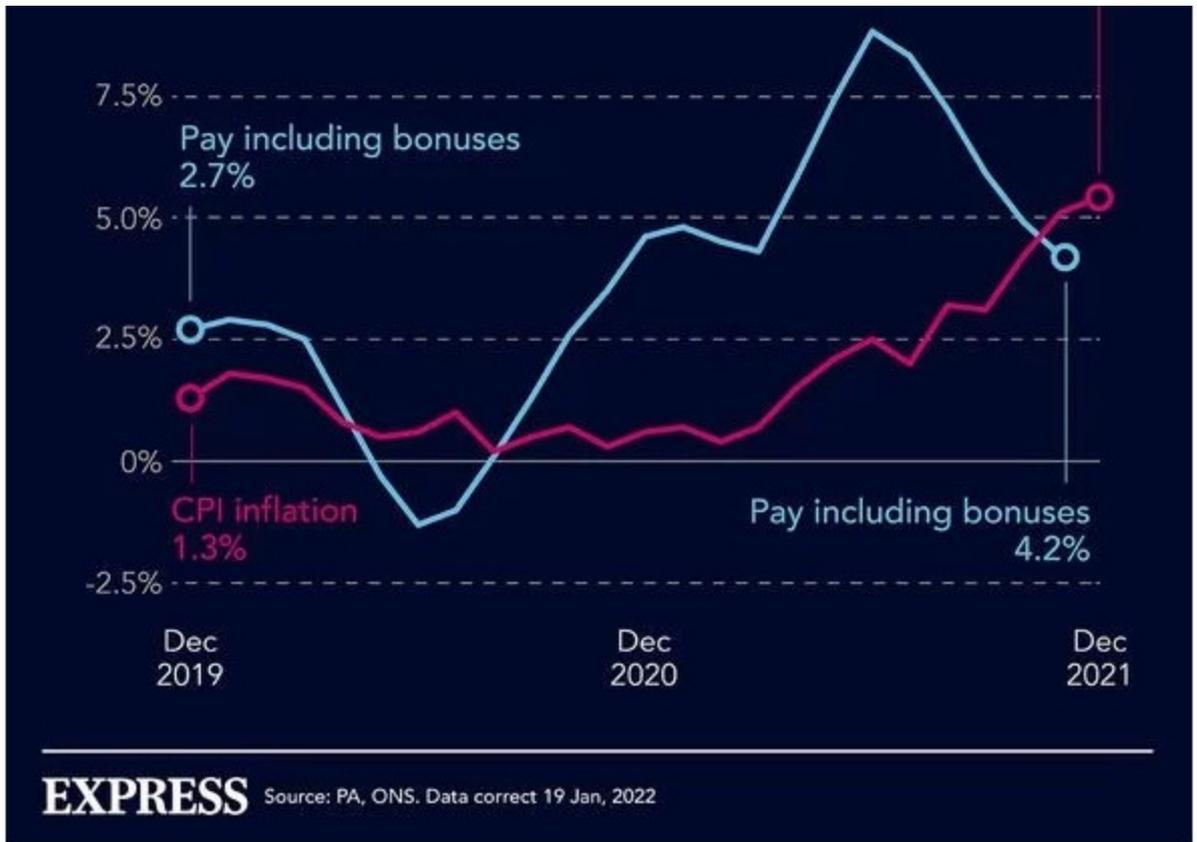
Jon Greer from Quilter added: "For those retirees who rely solely on the state pension for their income, this kind of reduction in the real value of their payments will hit them hard especially against a backdrop of rising food and energy prices."

# PAY GROWTH **V** INFLATION

% annual change

10.0%

CPI inflation  
5.4%



How are wages affected with inflation rising? (Image: EXPRESS.CO.UK)

Quilter's research found that someone turning 66 in 2022 would lose £9,291 by the time they reached 85, in real terms, as a consequence of the impact inflation is having on state pensions.

Becky O'Connor, the head of pensions and savings at Interactive Investor, outlined why older Britons are at risk despite the supposed hike on state pension payments.

Ms O'Connor explained; "Although state pension upratings have largely kept pace with CPI inflation, this isn't enough to feel satisfied that all pensioners are able to keep up with the rising cost of living.

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"Inflation is a subjective experience and can be different for different households.

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"We know, for example, that pensioners tend to spend a higher proportion of their overall income on energy and food, so disproportionate price increases in these categories affect them more.

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“It’s clear that the coming 3.1 percent rise in the state pension this April will not be enough to support the basic living cost rises of older households who depend on this benefit, if inflation continues to be significantly higher for the rest of the year.

“In these times of high and rising inflation, considering the impact of rising prices for different types of households in uprating decisions, might lead to a more representative result.”

“The choice of inflation measures is ultimately political, which the ONS itself points out in a briefing note put out in 2013 on ‘Implications of the differences between the Consumer Price Index and the Retail Price Index’.”