Pensions Policy Institute

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Family Justice Policy Team
Ministry of Justice
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By email: frcohabconsultation@justice.gov.uk

A fairer end to relationships. A consultation on reforming financial remedies on divorce and strengthening protections for cohabitants at the end of their relationship.

The Pensions Policy Institute (PPI) is the UK's leading independent authority on pensions and retirement policy. We conduct rigorous, impartial, evidence-based research that shapes better retirement outcomes.

Over the years, especially through our Underpensioned series of reports, we have identified divorced women and single mothers as underpensioned groups. Using a definition of a mother becoming single, divorced, or otherwise separated before their child attains the age of 16, single mothers have 54% of the private pension income of the population average. Women who experience divorce under the age of 45 have a private pension income of 66% of the population average.[1] The difference between these two figures could reflect the current lack of financial arrangements for non-married cohabiting couples when they separate.

These lower amounts of private pension income leave divorced women and mothers increasingly dependent on the welfare state, with single mothers receiving 73% of their retirement income from the State Pension and other benefits, and divorced women receiving 69%, compared to a population average of 57%.[1]

Our research has further identified the reasons behind women's lower pensions wealth. Differences in working patterns is the primary reason (reflecting 39% of the gap) and the gender pay gap is the secondary reason (19% of the gap). Women undertake fewer hours of paid work than men, on average, over their life course and receive lower pay than men. Women undertake a much greater amount of unpaid work than men, on average, around 60% more.[2]

A key factor influencing women's ability to undertake paid work is their caring responsibilities. This is now likely to extend to care of parents, parents in law, or other family members, with more than 10% of women in England and Wales undertaking some form of unpaid care work and 59% of carers being female.[3] However, in the context of relationships and separation, it is childcare that primarily impacts women's ability to undertake paid work. On average, women undertake almost 5 hours a week of unpaid childcare, compared to less than two hours by men.[4]

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[1] PPI (2025). The Underpensioned Index, 2024 Edition.
[2] PPI (forthcoming). The Underpensioned: Updating the Gender Pension Gap
[3] Carers UK (2025). Key facts and figures about caring
[4] Women's Budget Group (2020). Spirals of inequality. How unpaid care is at the heart of gender inequalities.

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As mothers who are separating or divorcing from their male partner or husband are likely to have primary responsible for care of the couple's children, they are likely to be restricted to fewer hours of paid work than the fathers, which will negatively impact the size of their own retirement savings.

The consultation document states that financial remedies on divorce and dissolution occurred in less than half of cases. Even when they financial remedies are made, only 20% take pensions into account when dividing the household assets,[5] and pensions are only evenly split in less than a quarter of cases.[6] Both commonly used approaches for separating pension assets have challenges:

- Pension sharing occurs in only 11% of divorces in England and Wales.[7] As it requires an actuarial assessment, it comes with complexity and cost, which may negatively affect its take up.[8]
- Pension offsetting requires sufficient pension wealth to offset against the property. However, around half of currently married couples hold more property wealth than pension wealth, meaning they simply do not have sufficient pension wealth to buy out their partner's share of the home.[9]

On the basis that pension offsetting is only feasible for half of married couples (not half of divorcing couples), pension sharing is likely be more realistic for divorcing couples. Reducing barriers to access to pension sharing would appear likely to support increased use and this may be helped if more than the current 7% of people were to take financial advice when divorcing.[10]

There is another interesting factor to consider when separating pension assets and that is how pension assets are often viewed differently to other assets held by the couple. Research shows that 29% of people who considered pensions within the settlement agreement actively turned down a share of their partner's pension.[11] The reasons for these decisions have not been fully explored, but if a policy of pension separating is desired, this finding shows the importance of taking the proposed approach that the court must specifically consider the pension needs of both parties. However, the findings also support taking the same approach for cohabitants, as their pension needs do not differ from married couples.

Therefore, the above research findings represent our answer to your question 19 and support the view in the consultation paper that the court should specifically be required to give consideration to pensions accrued during the marriage and pension needs when making financial orders. It also supports the same consideration of pension needs of non-married couples.

[5] L&G (2025) Pensions and divorce.
[6] WBG (2025). The Financial Reality Facing Women on Divorce.
[7] WBG (2025). The Financial Reality Facing Women on Divorce.
[8] PPI (2026). Pensions Adequacy: Housing, Households, and Auto-Enrolment.
[9] PPI (2026). Pensions Adequacy: Housing, Households, and Auto-Enrolment.
[10] L&G (2025). Pensions and divorce.
[11] L&G(2025). Pensions and divorce.

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Finally, it is unclear why the Government proposes a model that specifically seeks to 'uphold the unique status of marriage by being distinct from the proposed cohabitation model', which is 'narrower than that available on divorce' and uses a 'needs-led' framework that is less generous than on divorce and does not extend to discretionary needs. With cohabitation representing almost 1 in 5 households in the UK, this form of household is not unusual, and has in fact been increasing over time, in contrast with married couple households, which have been decreasing.[12]

For transparency, it would be useful to understand the rationale for making the distinction between married and non-married couples when determining financial remedies, particularly as the consultation paper notes that almost half of people believe that 'common law marriage' has a legal status and that domestic abuse is twice as high for cohabitants as for married couples. This would seem to make a strong case for ensuring a suitable financial remedy to support the woman leaving her violent partner – not one that is deliberately narrow and ignores some of her needs.

Even where cohabitants who have not experienced domestic abuse choose to separate, it would be useful to understand the rationale for treating one group of women less favourably than other group, when their daily living situation is indistinguishable from one another. The financial requirements for a good retirement outcome do not vary between these two groups of women. The distinction being made appears arbitrary when considering how, as outlined in the consultation paper 'case law has established that the court may consider the duration of a pre-marital cohabiting relationship as counting towards the length of marriage, where that relationship moves seamlessly from cohabitation to marriage'. This suggests that cohabiting is akin to marriage where it precedes marriage but not where it is a maintained status. The consultation already proposes a minimum period for an unmarried relationship to be eligible for an application, so short duration relationships would be ineligible, further confounding any clear reason for the difference in treatment of women in these two circumstances.

If you have any queries regarding the above, or any other aspect of pensions policy or research, please do not hesitate to contact us and we will be more than happy to assist you.

Kind regards

Dr Suzy Morrissey
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[12] ONS (2026). ONS website, statistical bulletin, Families and households in the UK: 2025.

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