

## **PPI Policy Seminar**

### *Wellbeing, Health, Retirement and the Lifecourse (WHERL)*

The Pensions Policy Institute (PPI) held a policy seminar on the 20<sup>th</sup> June 2017 to launch the final report of the Wellbeing, Health, Retirement and the Lifecourse (WHERL) project. The event was kindly hosted by Travers Smith LLP.

The project brought together an interdisciplinary consortium of academics whose aim has been to investigate lifecourse influences on later life work and the implications for wellbeing, health and financial outcomes of working up to and beyond State Pension Age, culminating in this report.

Around 70 people were present for the launch. Attendees included representatives from the pensions industry, academia, DWP and other stakeholders.

**Norma Cohen, chair and PPI Governor** welcomed attendees and introduced the seminar.

**Karen Glaser, Professor of Gerontology, Head of the Department of Global Health & Social Medicine, and Director of the King's Centre for Global Ageing, King's College London** introduced the project and gave a brief overview of its key findings.

**Laurie Corna, Lecturer in the Sociology of Ageing, Institute of Gerontology, King's College London** presented a summary of the report's first chapter, regarding the diversity of work and family histories (WFH).

**Karen Glaser** presented findings from the second chapter of the report on the way that work and family histories impact retirement.

**Lawrence Sacco, PhD student, Institute of Gerontology, King's College London** presented findings on the relationship between paid and unpaid work at older ages, given in the report's third chapter.

**Amanda Sacker, Director of the ESRC International Centre for Lifecourse Studies in Society and Health, Head of Department, Epidemiology and Public Health, University College London** presented findings from the fourth chapter of the report on the impact of working later on physical health.

**Rob Stewart, Professor of Psychiatric Epidemiology and Clinical Informatics, King's College London** presented findings about the impact of working later on mental health, coming from the report's penultimate chapter.

**Debora Price, Director of the Manchester Institute for Collaborative Research on Ageing, Professor, Social Gerontology, University of Manchester** presented the findings of the report's final chapter, on the impact of gender and breaks from paid work upon pension accumulation.

**Sir Steve Webb, Director of Policy, Royal London, PPI Governor** gave a response to the report and considered the policy implications of the research.

The following points were raised during the question and discussion session with the panellists and the audience. They do not necessarily reflect the views of the Pensions Policy Institute, the panel or the organisations they represent:

- **The past is not necessarily a guide to the future.** Much of the past data is in the context of a broadly defined benefit landscape. However, the landscape has changed, with many more people now members of defined contribution schemes, in part as a result of automatic enrolment. People may no longer be able to afford to retire at the same ages, and we may see a significant increase in the number of individuals working beyond State Pension Age (SPa), as well as an increase in unretirements.
- **How to mitigate breaks in paid work and pension accumulation, particularly in relation to the gender pensions gap.** While it is obvious that those in part-time work will accumulate less pension than those in full-time work, there may be broader benefits of returning to work following a break, and so returns to work should be viewed in a holistic sense, not just in terms of pension outcomes. Some of these benefits will be dependent on the nature of the work undertaken, particularly as part-time workers earn less not only because they work shorter hours, but also because they are less likely to be given senior roles. Part-time work can also act as a bridge to full-time work as people transition back into the labour market after a break from paid work. However, in a time of increased freedom and choice, people are not necessarily well equipped to make these difficult decisions which may impact significantly throughout the lifecourse.
- **How to link up employment and pensions policy.** A shift from 'longer working lives' to 'fuller working lives'. There may be the potential for prevention of suboptimal retirement outcomes by identifying vulnerable work and family histories prior to retirement.
- **The impact of early retirements needs to be considered alongside increasing longevity.** As longevity increases, there may be a need for greater consideration of career changes throughout the lifecourses. Some

jobs may not be appropriate at older ages, but this should not necessarily trigger a transition into retirement, but rather perhaps a career change in order to support a longer working life.

- **International differences in participation in the labour market at older ages.** There is significant international variation in participation in the labour market at older ages. This is largely policy driven, as policies aimed at increasing SPa are correlated with increased participation in the labour market at older ages. However country-wide averages may cover up individual differences, for example the reasons individuals may have for continuing paid work in later life, and the lessons that may be learned from this. Cultural norms surrounding retirement may also impact average retirement ages, with a shift away from the widely held view that a good system will enable people to retire and enjoy leisure time in their early sixties a possibility for increasing engagement with the labour market beyond SPa.
- **Will people's attitude towards retirement age change as State Pension Age increases?** Increasing SPa is a form of 'signalling' to change retirement behaviour, with the age at which most people buy annuities strongly correlated with SPa.