Encouraging labour market activity among 60-64 year olds

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## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BOC</td>
<td>Better Off Calculation</td>
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<tr>
<td>DH</td>
<td>Department of Health</td>
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<td>DLA</td>
<td>Disability Living Allowance</td>
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<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>ELSA</td>
<td>English Longitudinal Study of Ageing</td>
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<td>FWLS</td>
<td>Family and Working Lives Survey</td>
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<tr>
<td>GB</td>
<td>Great Britain</td>
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<tr>
<td>GP</td>
<td>General Practitioner</td>
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<td>HMRC</td>
<td>HM Revenue &amp; Customs</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>HSE</td>
<td>Health and Safety Executive</td>
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<td>IB</td>
<td>Incapacity Benefit</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IS</td>
<td>Income Support</td>
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<td>JSA</td>
<td>Jobseeker's Allowance</td>
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<td>LFS</td>
<td>Labour Force Survey</td>
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<td>ND50+</td>
<td>New Deal 50 plus</td>
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<tr>
<td>NHS</td>
<td>National Health Service</td>
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<tr>
<td>PCGC or GC</td>
<td>Pension Credit Guarantee Credit</td>
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<tr>
<td>PIU</td>
<td>Performance and Innovation Unit</td>
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<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>RTWC</td>
<td>Return to Work Credit</td>
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<td>SDA</td>
<td>Severe Disablement Allowance</td>
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<td>SPA</td>
<td>State Pension age</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>WERS</td>
<td>Workplace Employment Relations Survey</td>
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<td>WTC</td>
<td>Working Tax Credit</td>
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Summary

This report presents the findings of a qualitative research study, commissioned by the Department for Work and Pensions (DWP) in October 2006, to examine how to best encourage the 60-64 age group to take up or remain in work. In addition, the research investigated the opportunities presented by State Pension equalisation to create incentives and remove barriers to work for this group.

The background to the project is the Extending Working Life policy, which seeks to improve opportunities and outcomes for people and maximise the contribution of older people to the economy by increasing employment rates among those over 50 years of age. The need to increase employment rates among older people has long been acknowledged. It was the subject of the Performance and Innovation Unit’s (PIU) document Winning the Generation Game in 2000, and was reflected in the 2002 Pensions Green Paper (DWP, 2002a), which announced the implementation of a number of recommendations from the PIU report. The Pensions Commission reports (2004, 2005) and the recent DWP Pensions White Paper, Security in retirement: towards a new pension system (2006c) have also explored working longer as one of the options to address the future demographic challenge.

In January 2005, in announcing the DWP Five Year Strategy (DWP, 2005), the Secretary of State at that time, Alan Johnson, set out the long-term aspiration of achieving 80 per cent employment (see also DWP, 2007). Underpinning this is an ambition to increase the number of older workers by one million above the natural increase due to the growth in the size of age cohort. This is in addition to reducing the number of Incapacity Benefit (IB) claimants by one million, of whom half are currently aged over 50 (DWP, 2007:15).

The principal objective of the research was to add value to existing knowledge about why people over 50, and more specifically those in the 60-64 age range, have considerably lower rates of labour market participation than younger groups, with the aim of better understanding what incentives, support or policy developments might encourage them to continue or return to work. The objectives of the study were to better understand:
What barriers to working exist for 60-64 year olds; and how personal, structural and cultural factors interact to depress their labour market participation?

What incentives would particularly help working among this age group?

How the labour market opportunities of State Pension age (SPA) equalisation can be maximised.

How barriers to working might be removed.

In total, 96 people in three locations were interviewed, either as individuals or in couples. Slightly more women were sampled than men in order to capture those respondents (56 and younger) who are affected by SPA equalisation. This summary provides an overview of respondents' attitudes to work and retirement, and then reviews the evidence in light of the research questions.

Overview of the respondents' attitudes to work and retirement

For those who expressed an interest or willingness to consider working for longer and extending their working life there was a strong preference for flexible work. Part-time working and short-term contracts were favoured. The notion of a 'little part-time job' was mentioned by several women. However, the degree of flexibility that some people mentioned would effectively be quite difficult for an employer to offer. Those who did not contemplate continuing to work typically felt that they had worked for long enough. Many of the respondents, especially the men, had long work histories, having started work at 15 and 16 and worked continuously since. Hence, by their mid-50s, many had worked for 40 years. There were strong gender differences, with women much more likely to mention social reasons for continuing to work, whereas the men were more inclined to feel that they had already 'done their bit'. For many of the married women the decision about when to retire was taken in response to their husband’s retirement (whether planned or not).

In relation to both work and the possibilities of volunteering, there was a strong sense that at this time in their lives work would take a back seat and would need to fit round other aspects of their life, and not vice versa as had been the case for much of their working lives.

What barriers to working exist for 60-64 year olds?

Personal factors

Existing research documents a number of individual factors such as health, caring responsibilities and financial circumstances, which are correlated with early withdrawal from the labour market. Most people experience a combination of these factors and it is important to try to understand the interaction of different
issues. In this study individuals’ responses to their own health depended in significant measure on other aspects of their situation, i.e. whether or not they also had caring responsibilities, their financial situation and the pull of work in terms of work availability and job satisfaction. A strong theme emerging among those who defined their current health as ‘good’ or ‘reasonable’ was a concern about the risk of a change in their health status. This fear coloured the way they thought about continuing to work and led to reflections on the desirability of retiring ‘while health lasts’ in order to be able to enjoy their retirement while they were in good health.

Caring was a significant activity for many across the sample and, for a large minority, impacted upon their willingness and availability for work. The impact of caring was dependent on other aspects of the individual’s situation. In many cases, outcomes with regard to working or not working arose out of the interaction between the desire to care, their financial circumstances and the pull of available work opportunities. This research also confirms that the emerging issue of grand parenting is a significant factor in the lives of this generation of over 50s.

The impact and significance of individual factors, such as health or finance, were typically played out in the context of specific domestic relationships. In the discussions with both couples and individuals it became clear that the timing of married or cohabiting women’s retirement tended to be contingent upon the trajectory their partner was taking. This suggests that it is very important to view the incentives and disincentives to stay in paid work for older women in the context of their domestic circumstances. The influence of wider family members and friends were also important in providing individuals with a frame of reference for ideas about the desirability or otherwise of extending working life.

**Structural factors**

The structural factors which impact upon the individual's willingness or ability to continue working include the impacts of pension, tax and benefits regimes, interactions with government agencies such as Jobcentre Plus, patterns of demand for labour and employer behaviour. The research did not uncover a strong link between occupational pension type and incentives to work or retire, though this may be partly because the respondents were not recruited to the study on the basis of their pension status, and so a systematic analysis of responses by pension type was not feasible. Despite this caveat, the presence or absence and value of occupational or private pensions did constitute an important influence, in so far as they represented a reflection of an individual’s life experience and work history. In other words, whether or not individuals had access to a pension was part of the accumulated advantage or disadvantage over the working life.

The generation of people from which our sample was taken has been subject to some of the key problems in the personal and occupational pensions industry; as a result, there was considerable uncertainty and anxiety about the whole issue of pensions. This was joined by the perception that the tax treatment of non-
State Pensions was unfair. This negativity about pensions, the role of the financial institutions and government served to create a climate of dissatisfaction and mistrust which framed discussions about extending working life. This environment was likely to reinforce a live-for-the-day attitude as the future was uncertain.

It is clear from the views expressed by many of our interviewees that real or perceived benefit traps or tax on pensions were acting as a disincentive to get back to work or continue working once drawing a pension. Among those who were on a package of benefits relating to incapacity or caring, there was a strong sense of the difficulty of understanding what they were entitled to and the time that had been invested to put their current package together. Returning to work with uncertainty about their capacity to work, or the stability of the jobs available, was associated by respondents with risks to their benefits, possibly being worse off or finding that six months down the line, they were having to start from scratch to reconstruct the benefits package they had previously received.

Some respondents had used the services of Jobcentres at some stage in their working lives. While some of these respondents reported positive experiences of the service they had received, the majority had negative experiences. This was especially the case among women. As a result, most people would not consider using Jobcentre Plus to help them back into work or to find work when they had retired from their main job. People's experiences of The Pension Service were positive; people found the Service helpful and said they would get back in contact if they had a query.

Although experiences varied, one overarching theme to emerge was that people felt that the treatment they had received at the end of their working life was less than dignified. For some this was related to a dramatic event such as ill-health, early retirement or redundancy, but for a significant number of others it was related to what they saw as worsening conditions at work and a reduction in job satisfaction.

Some individuals had been able to negotiate a change in working arrangements to accommodate health or caring demands, but more broadly there was the feeling that employers were generally effective in providing information on pensions but not on other issues to do with continuing to work or managing retirement.

**Cultural factors**

As mentioned earlier, individuals rarely make decisions about continuing to work or to retire in isolation; rather they make them in the context of their families and friends. Wider cultural ideas about what to expect in retirement also have a role to play. There are clearly social constructions of what retirement should be like, which are widely held in society, even if not attainable by everyone. In addition there are cultural factors that form part of the context in which people think about their own lives and play some part in determining attitudes towards the State Pension and references to age or generation.
We found strong cultural assumptions about retirement as a deserved right and what retirement should ideally entail. These do not generally support an extension to working life, although there is pretty much unanimous agreement that people should have the choice about whether to continue or stop working.

There was plenty of evidence from our respondents that people found pensions and benefits difficult areas to understand and manage. The impact of this lack of knowledge was that people could not estimate what their likely income in retirement would be and hence were not in a position to make clear plans. This was often coupled with a lack of understanding about various relevant policies such as SPA equalisation for women and the scope of the Employment Equality (Age) Regulations.

This lack of financial capability was compounded further by the general climate of distrust about pensions and government policy, which may make it difficult for government departments to get messages across about extending working life and how to manage one’s finances approaching retirement and beyond.

What incentives would particularly help working among this group?

**Flexibility at work**

Many older workers who are trying to manage health conditions or caring responsibilities would welcome opportunities to change their working arrangements to accommodate these other pressures or issues in their lives. There was a strong preference among our respondents for flexible and part-time working as options at the end of working life. Flexible working patterns offer pathways to extending working lives and provide transitions between full-time work and full-time retirement. Respondents felt, however, that any work or volunteering had to fit with other aspects of life and not the other way around as in their earlier working life.

In addition to access to flexible work options, the issue of job satisfaction was mentioned by many of the interviewees, and for many women retirement beckoned as a release from a boring part-time job. This suggests that in addition to providing flexible work options, employers may also need to consider job quality as a factor that affects the intentions and behaviours of older workers.

**Well-being at work**

Perceptions of risk and uncertainty in terms of individuals’ health provided an important backdrop to people’s aspirations and expectations in retirement. In particular, although many were able to articulate that raising the SPA made sense in the context of increasing life expectancy, this did not translate into an assumption that they personally would live longer. Hence, their attitude towards retirement timing was focused on a shorter time horizon. Whether information
campaigns on life expectancy could do anything to shift these orientations remains largely untested. The emerging agenda of well-being at work may also serve to encourage people to take a more positive and active approach to their own health enabling them to see how they can manage a health condition and continue to work. Campaigns around safe and healthy working environments may also serve to reduce people’s anxiety about their own health.

Delivery of advice, guidance and help

People’s direct experiences of government agencies varied, with Jobcentre Plus receiving a bad press for what was perceived as disinterested responses based on their age. The Pension Service was viewed positively. Jobcentre Plus will become more important in the range of policies oriented towards extending working lives because with SPA equalisation and the increase in SPA, people are going to be customers of Jobcentre Plus for longer. The antipathy towards Jobcentre Plus expressed by those who had used its services at various points in their working lives, suggests that it is necessary for Jobcentre Plus to review the information and the guidance it provides to older workers. At present many, and especially women, do not view Jobcentre Plus as the place to go for back to work support. They do not expect to be treated well there or given access to the kinds of jobs they are interested in. For a number of respondents the distance that they had to travel to the nearest Jobcentre Plus office was in itself a barrier. If Jobcentre Plus is to provide support to people with health conditions or caring responsibilities to re-enter the labour market they need to overcome the perceptions of Jobcentre Plus service provision as unwelcoming and uncaring.

The research presents evidence that many people found benefits and pensions difficult to understand and were not necessarily aware of benefit protection rules for those on IB or Better Off Calculations (BOCs) which Jobcentre Plus could provide. Many people were responding reactively to events as they unfolded and often in the context of incomplete knowledge or understanding of their entitlements or of their pension. People’s assumptions about the effects of going back to work on their benefits or on their pensions tended to be more pessimistic than the reality. There is a considerable information gap, which needs to be addressed.

Knowledge and empowerment

There were significant misunderstandings among our respondents about a range of policies of direct relevance to them as older workers, i.e. the Employment Equality (Age) Regulations and opportunities for deferring the State Pension; few participants knew about these provisions in detail. Most respondents had heard about the Employment Equality (Age) Regulations and thought they were a good thing, though there was a degree of scepticism about how they would work in practice. However, many of the respondents had erroneous assumptions about the implications of the Regulations for retirement age. As well as those who stated explicitly that they thought retirement was now completely open-ended, many of the more negative viewpoints (forcing people to work longer
and blocking jobs for younger people) also implicitly reflected the notion that there was now no retirement age. Few people knew about the right to request a continuation of work beyond 65 and were therefore not in a position to consider it as an option. Thus, some of the enabling aspects of the age legislation need to be communicated more effectively.

Although most interviewees said that they had heard about State Pension deferral, the level of knowledge was rather general: ‘you get a bit more if you defer’. There was a strength of feeling against the idea of deferral based mainly on the belief that it was better for people to take the pension at the first available opportunity as the future was uncertain. This was mixed with a general level of cynicism about government’s motives in the whole area of State Pensions and pension ages. There was a general presumption that this was a measure that was only of relevance to higher earners. For these measures to be having an impact on people’s planning for retirement they need to be better understood, for example, the lump sum option, which was not widely known about. Practical examples of the impacts these policies might have for people in different work situations and in various financial circumstances could improve people’s understanding and interest in these measures.

A choice agenda

There was a consensus among our respondents about the desirability of choice as to when to retire or if to continue working, however it was also recognised that the ability to exercise choice is unevenly distributed. Framing discussions about extending working life in terms of this choice agenda might serve to undercut the prevailing sense that the Government’s mission is all about making people work for longer whether they want to or not.

The interviews for this research uncovered a legacy of bitterness and mistrust over pension issues and related cynicism about the Government’s motives for raising the SPA, which serve as significant barriers to discussing the full agenda of the Extending Working Life initiatives. This means that new communicational strategies need to be developed that address these misunderstandings and biases in order to provide effective information and guidance to the older working population. Information should be included on pension, finance issues and options for working longer, but also the implications of increasing life expectancy.

How the labour market opportunities of State Pension equalisation can be maximised

Under the Pensions Act 1995, women’s SPA will rise to match that of men. The changes are being phased in between 2010 and 2020. On the whole, most respondents agreed that equalisation was fair in principle, but men tended to be more in favour of it in practice. This was because of a general feeling of unfairness that the pension ages were different in the first place, exacerbated by the fact that
women are known to live longer than men. It was apparent that whereas women gave responses which tended to be quite specific to their personal situation, men responded more generically about the policy, even if they were in a couple where their partner may be affected by the plans.

As to the possible impact of State Pension equalisation on behaviour, there was no evidence to suggest a strong link between the policy initiative and women’s likely retirement timing. Some women in the age group who would be affected either did not know about it or were more generally not thinking about retirement yet. For women in couples, their likely retirement timing tended to be contingent upon their husband’s work trajectory, and hence SPA alone was not the driving force. Orientations to work and finance tended to be different in single women compared to their married counterparts. For those women on their own, raising the SPA might be viewed either positively as an incentive to continue working, which they wanted to do anyway, or as a financial constraint, which might necessitate continued working.

This research suggests that views about working for longer are often gendered in the sense that the incentives and disincentives differ for women and men. Some married women currently work beyond their SPA because they are planning to retire at the same time as a slightly older husband. Equalising pension ages for men and women might be expected over time to bring the average retirement ages of women and men closer together, however, where the domestic finances are driven by the husband’s pensions or savings the SPA may not be the key factor for the woman.

For lower income households the equalising of pension ages might be expected to extend working life for those who are well enough to continue working. The age at which men will be eligible for Pension Credit will rise as women’s SPA rises between 2010 and 2020. Men aged 60-64 will have to claim other benefits instead, which are lower in value and subject to greater conditionality, and will therefore potentially be customers of Jobcentre Plus for longer.

The negative views of Jobcentre Plus that emerged in this research, however, among those who had used Jobcentre Plus at some point in their working lives suggest that currently those in the age group 60-64 are unlikely to feel positive about using the services of Jobcentre Plus, assuming that they even know about the range of support such as specific back to work help through Pathways, BOC and the opportunities to explore possibilities with a Personal Adviser. Maximising the opportunities that State Pension equalisation could bring to extending working lives will require a require a change of perception about the services Jobcentre Plus provide, as well as a change of practice at Jobcentre Plus to cater for this group of 60-64 year olds.
Policy recommendations: how barriers to working might be removed

Extending working life for those able and willing to work for longer requires action on a number of different fronts and by a range of stakeholders. Government, and especially the DWP as the main agent of policy in this field, can play a number of roles in developing appropriate policies and systems for their delivery and in improving access to useable and relevant information. Employers will have a pivotal role in providing and sustaining employment for older workers in a range of different circumstances and individuals themselves need to improve their understanding of, and ability to respond to, the opportunities and disadvantages that they experience as older workers. For ease of consideration, the recommendations deriving from the research reported here are laid out in terms of the potential roles in taking forward the extending working life agenda of these three groups of stakeholders.

**Government**

There are major differences between women's and men's work histories, accumulated pension entitlement and responses to continuing to work. Policy needs to acknowledge these gender differences. In particular, it is very important to view the incentives and disincentives to stay in paid work for older women in the context of their domestic circumstances. The factors, which may encourage many women to work for longer (social contacts, keeping busy) are likely to be different to those that will motivate many men (financial situation), although both share an interest in job satisfaction.

Perceptions of risk and uncertainty in terms of individuals’ health provided an important backdrop to people’s aspirations and expectations in retirement. In particular, although many were able to articulate that raising the SPA made sense in the context of increasing life expectancy, this did not translate into an assumption that they personally would live longer. Hence, their attitude towards retirement timing was focused on a shorter time horizon. Whether information campaigns on life expectancy could do anything to shift these orientations remains largely untested.

Initiatives by government to encourage employers to play a firmer role in encouraging well-being at work will be very important in sustaining employment for older workers and offering opportunities for older workers to return to employment. More active policy on well-being at work might, over time, translate into more positive orientations to managing a health condition and continuing to work.

State Pension equalisation is likely to have the most direct impact upon single women. For those women in couples it will be just one factor, but not necessarily the most significant, determining retirement timing. However, a significant number of women (and men) who will be affected by this change are unaware of its
implications. There still seems to be a job to be done with regard to information about this policy change.

Although there is a consensus about the desirability of choice as to when to retire or if to continue working, the ability to exercise choice is unevenly distributed. Thus, the notion common to many policy discussions that people are actively planning for their retirement may be somewhat misleading. Many people are responding to events as they unfold and often in the context of incomplete knowledge or understanding of their own pension status and of the prevailing policy situation. There is a considerable information gap which government needs to address.

Misunderstandings about the provisions of the Employment Equality (Age) Regulations were widespread among respondents, suggesting that government needs to do more to communicate the opportunities afforded by the legislation in addition to improving understanding about other initiatives, such as changes to tax rules surrounding pensions and the provisions for State Pension deferral, which are currently poorly understood.

Respondents’ direct experiences of government agencies varied, with Jobcentre Plus receiving a bad press for what was perceived by respondents as disinterested responses based on age, while The Pension Service was viewed positively. This suggests that it is necessary for Jobcentre Plus to review the information and guidance it provides to older workers and the way it does so, particularly as with SPA equalisation and the increase in the SPA, people are going to be customers of Jobcentre Plus for longer. Jobcentre Plus needs to ensure that advisors understand the specific circumstances of older workers and in particular those with health or caring issues.

The research has demonstrated that a wide variety of personal, structural and cultural factors (and the interactions between these) serve to influence decisions about when and how to leave employment. For many individuals decisions about these issues are made as a response to changing circumstances and in a specific domestic and family context. In sum, many of the decisions are not in this sense truly ‘individual’. There are necessarily limitations on government’s ability to influence all the personal factors that are relevant to the decision whether to extend working life.

**Employers**

There is a strong preference for flexible and part-time working as options at the end of working life. Flexible working patterns offer pathways to extending working lives and provide transitions between full-time work and full-time retirement. Efforts to encourage employers to think and act creatively about how older workers may continue in paid employment on such a basis are likely to be welcomed by older workers.
Caring and health issues blend with finance and job satisfaction to exert push and pull effects on continuing work. Once again, encouraging employers to think creatively about how employees may need to change work patterns in order to continue working with a health condition or in the face of the desire to care for a partner or family members would address these pressures on some older workers. Employers will need to take up the well-being at work agenda if they are to encourage older workers to stay in or return to employment.

The issue of job satisfaction was mentioned by many of the interviewees and for many women retirement beckoned as a release from a boring part-time job. This suggests that in addition to providing flexible work options, employers may also need to consider job quality as a factor that affects the intentions and behaviours of older workers.

Employers have a key role in influencing the attitudes and behaviour of older workers. Many of the respondents to this research felt that they had been on the receiving end of ageist treatment by their employer. There was a strong feeling that while many employers provided good information about pensions there was a lack of wider information about issues such as the possibilities for further career development, gradual retirement or downsizing towards the end of working life. In the context of the duties on employers under the Employment Equality (Age) Regulations there may be scope to encourage organisations to provide wider advice and guidance to their older workers about work options in the lead up to retirement.

**Individuals**

Individuals need to be realistic about the types of work flexibility that might be available; many interviewees articulated the desirability of flexible working arrangements, but were thinking of a degree of flexibility that most employers would not be in a position to offer. Individuals need to think more clearly about what might work for them in terms of a change in working arrangements and explore those with their employer or with the aid of their trades union where appropriate.

Financial security in retirement is typically the outcome of accumulated advantage through the working life and hence cannot easily be manufactured by planning in the immediate run up to retirement. Nevertheless, there may be small adjustments or plans that can be laid ten or fifteen years from expected retirement, which will give people a greater degree of choice over when and how to retire. There was plenty of evidence in this study that many in their early 50s felt it was too early to be thinking seriously about retirement and making plans and hence were potentially missing opportunities to modify outcomes. Individuals need to be better informed about their benefits, pension and financial circumstances and of policies such as the Employment Equality (Age) Regulations if they are to play an active role in trying to manage the end of the working lives.
Individuals face a range of health, caring and financial circumstances, sometimes suddenly and unexpectedly, which can alter the course of their working and non-working lives; not all of these can be prepared for. However, the individual as employee or benefit recipient can press for better consideration of the problems they face and raise their expectations of the treatment that they deserve.
1 Introduction

It is well documented that the labour market activity rates of those over 50 years of age are lower than for the working population as a whole. According to Labour Force Survey (LFS) estimates, 47 per cent of men aged 50+ and 33 per cent of women aged 50+ in Great Britain (GB) class themselves as economically active, the vast majority of these being in employment (International Labour Organisations (ILO) definitions).

Table 1.1 Economic activity status of women and men aged 50+ (GB)

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage in employment</th>
<th>Percentage ILO unemployed</th>
<th>Percentage inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>50-54</td>
<td>75</td>
<td>85</td>
<td>2</td>
</tr>
<tr>
<td>55-59</td>
<td>64</td>
<td>75</td>
<td>2</td>
</tr>
<tr>
<td>60-64</td>
<td>33</td>
<td>55</td>
<td>1</td>
</tr>
<tr>
<td>65-69</td>
<td>11</td>
<td>20</td>
<td>#</td>
</tr>
<tr>
<td>70+</td>
<td>2</td>
<td>5</td>
<td>#</td>
</tr>
<tr>
<td>Total (50+)</td>
<td>32</td>
<td>45</td>
<td>1</td>
</tr>
</tbody>
</table>

Notes: # Less than 0.5 per cent (numbers too small to be statistically reliable).
Source: Analysis from LFS, January – March 2007 (weighted).

As can be seen from Table 1.1, the sharpest declines in employment rates occur at age 65 for men and 60 for women. However, there is also a significant drop in the proportions of men and women in their late 50s who are working. As a literature review commissioned by the Department for Work and Pensions (DWP) reported: at the turn of the century in the United Kingdom (UK) men on average left the labour market at the age of 63 and women at 61 (Phillipson and Smith, 2005:1). Recent analysis of the second wave of the English Longitudinal Study of Ageing (ELSA) confirms that men over 60 and women over 55 were more likely to have moved out of paid work between 2002/03 and 2004/05 than those men aged 50-59 and women aged 50-54 as illustrated in Table 1.2.
Table 1.2 Percentage in paid employment in 2002/03 and 2004/05, by age in 2002/03 and sex

<table>
<thead>
<tr>
<th>Age in 2002/03</th>
<th>50-54</th>
<th>55-59</th>
<th>60-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In work 2002/03</td>
<td>84.6</td>
<td>72.9</td>
<td>48.8</td>
</tr>
<tr>
<td>In work 2004/05</td>
<td>80.0</td>
<td>65.6</td>
<td>35.5</td>
</tr>
<tr>
<td>Percentage fall in employment rate</td>
<td>5.5</td>
<td>10.1</td>
<td>27.3</td>
</tr>
<tr>
<td>Women</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In work 2002/03</td>
<td>76.7</td>
<td>61.2</td>
<td>30.6</td>
</tr>
<tr>
<td>In work 2004/05</td>
<td>73.3</td>
<td>50.0</td>
<td>21.5</td>
</tr>
<tr>
<td>Percentage fall in employment rate</td>
<td>4.5</td>
<td>18.3</td>
<td>29.6</td>
</tr>
</tbody>
</table>


However, the rate of employment of older workers is on a rising trend (DWP, 2007a:5-6; DWP, 2007b: 24). These increases are driven by an increase in the employment rate for older women (DWP, 2008: 24). A number of factors are related to early withdrawal from the labour market. These can be categorised as personal factors, structural factors and cultural factors. However, it is very important to understand how these different kinds of influences interact, and it is this complexity of individuals’ situations that qualitative research opens up the opportunity of exploring.

1.1 Research aims of the study

The principal objective of the research is to add value to existing knowledge about why people over 50, and more specifically those in the 60-64 age range, have considerably lower rates of labour market participation than younger groups, with the aim of better understanding what incentives, supports or policy developments might encourage them to continue or return to work. The objectives of the study are to better understand:

1 What barriers to working exist for 60-64 year olds; and how personal, structural and cultural factors interact to depress their labour market participation?

2 What incentives would particularly help working among this age group?

3 How the labour market opportunities of State Pension age (SPA) equalisation can be maximised.

4 How barriers to working might be removed.
1.2 Methodology

Given the varied, complex and interdependent nature of the factors discussed above, an in-depth, semi-structured, qualitative approach was deemed appropriate in order to unpick the subtleties of decision-making about continuing to work or to retire (Mason, 2002).

1.2.1 Sample

Qualitative research does not use samples that are statistically representative so its generalisability is therefore more limited. However, using purposive sampling it is possible to draw wider inferences if the sample is chosen to reflect the range of characteristics identified as significant in shaping outcomes. Existing research suggests that the key individual variables which impact upon when individuals withdraw from paid employment and their willingness or otherwise to return to work are: income and wealth, pension status, domestic circumstances, health, caring responsibilities, benefit status, gender, ethnicity and employer policy in the context of economic and labour market pressures.

Therefore, while our principal variables were age, gender, marital status and geographic location, we then included individuals with different labour market status, incomes, pension arrangements, benefit status, health status and caring commitments. The aim was not to choose a sample that was representative of the population as a whole, but rather to have sufficient respondents in each of the identified categories to be able to explore the dynamic interaction of the different variables.

Ninety-six people were interviewed overall, either as individuals or in couples. Table 1.3 shows that though approximately equal in number, slightly more women were sampled than men in order to capture those younger female respondents (56 and younger) who are subject to SPA equalisation.

<table>
<thead>
<tr>
<th>Location</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edinburgh</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Nottingham</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Thanet</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>49</td>
<td>47</td>
</tr>
</tbody>
</table>

Table 1.4 makes the manner of this slight tendency in the sample towards younger women more clear.
Table 1.4  Profile of sample: by age/gender

<table>
<thead>
<tr>
<th>Age</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-64</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>50-59</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>Over 65</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Under 50</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Unassigned</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

In order to take account of the impact of local labour market variables on working patterns and retirement decisions, particularly those of older male workers, three separate sites were used with contrasting labour market characteristics. Different types of respondent were targeted in each area.

People with occupational and/or private pensions, advantaged work histories and a mix of employment statuses were interviewed in an area of Edinburgh characterised by low unemployment.

In contrast, Thanet is an area of East Kent with higher unemployment than the UK average. In this site the emphasis was on interviewing those currently out of work with health, caring and benefit issues and those in lower paid work without secure pension incomes.

The western suburbs of Nottingham represented an area with a younger average age and a more varied demographic. Middle-income couples and individuals were the predominant interviewee type in this location, with a particular focus on the ‘missing-middle’ – predominantly female older workers with substantial work histories (Loretto, Vickerstaff and White, 2005), which probably include periods of part-time or other flexible work, some access to occupational pensions, but who remain under-researched.

Table 1.5  Current employment status: by location gender

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Edinburgh</th>
<th></th>
<th>Nottingham</th>
<th></th>
<th>Thanet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Working</td>
<td>9</td>
<td>7</td>
<td>11</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Unemployed and looking for work</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Inactive, health or caring</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Part-retired</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Retired</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Currently studying</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Tables 1.5 and 1.6 show, respectively, the employment statuses and income levels of respondents from the three sites. The socio-economic gradation referred to above is apparent in differences in income levels, in addition the Thanet sample included many respondents who were unemployed and looking for work, or who were on Incapacity Benefit (IB).

### Table 1.6   Self-reported household income: by location

<table>
<thead>
<tr>
<th>Income band</th>
<th>Edinburgh</th>
<th>Nottingham</th>
<th>Thanet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 10,000</td>
<td>0</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>10,000-20,000</td>
<td>8</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>21,000-30,000</td>
<td>13</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>31,000-40,000</td>
<td>5</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Over 41,000</td>
<td>2</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Unassigned*</td>
<td>5</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

*The unassigned category refers to those interviewees who did not wish to reveal their domestic income.

1.3   Interview framework

At the beginning of each interview respondents were asked to complete a time line grid outlining the key events in their lives (see Appendix A), in order to provide a context for understanding how ‘work/life history matters’ for the opportunities and threats of continuing work for older workers. The accumulation of advantage and disadvantage over the life course structures individual’s expectations and aspirations as well as their capacity to compete in the labour market (Barnes, Parry and Lakey, 2002:9; Loretto and White 2004). The time line grid was developed using Sykes et al.’s (2005) model in their study of women’s financial plans for retirement.

The topic guide for the interviews (see Appendix A), based on the literature review, was piloted along with the time line grid before going into the field. Pilots were carried out based on a convenience sample in two of the three sites. The interview schedules were designed to collect both factual and biographical data, about topics such as marital status, work history, income and wealth, household composition, employment status, health and caring responsibilities, but also more qualitative data relating to the incentives and influences on decisions about continuing to work or retire, returning to paid employment and on gradual retirement and bridge employment. Interviews with couples were held together to explore the dynamics of household decision making and its impact on extending working life decisions. Certain studies (for example, Pahl, 1999) have suggested that when exploring domestic arrangements for managing money, separate interviews with partners can prove more reliable. A proportion of the individual interviews were with people in couples, thus providing a further, arguably more candid, insight into such decision-making. The sample of couples included a number of women subject to SPA equalisation.
Pilot interviews took place in February 2007 and field interviews between April and July 2007. Minor alterations were made to the initial interview schedule based on experiences from the pilots as well as suggestions from the Department stemming from recent policy concerns.

1.4 Data collection and access

Recruiting field respondents was sub-contracted to a market research agency. Potential interviewees were contacted in line with the specific criteria outlined above and the nature of the research was explained to them both verbally and in the form of a written information letter. Respondents were interested in taking part were then contacted by the interviewers who arranged a convenient time and location.

Interviews usually took place at the respondent’s home. The whole process of filling out the timeline and the answering of the questionnaire schedule was recorded and transcribed for qualitative data analysis. Short answers to questions in section 1 of the schedule and further notes were recorded by hand by the interviewer. Before the start of the interview respondents were given a financial gift to thank them for taking part (£25 for individual respondents/£40 for couples).

One potential concern within the data collection process was the use of five different interviewers. To ensure consistency as far as possible, all interviewers were trained by the lead researcher, with several follow-up sessions to discuss process and findings. The semi-structured schedule contained detailed directions and prompts towards particular lines of questioning to further facilitate such reliability and the vetting of transcripts of the initial interviews was used to verify this was indeed the case.

1.5 Ethics

The entire study received approval by the University of Kent Ethics Committee. Every effort was made to ensure respondents were consenting to taking part in a fully informed manner. The form and content of the interviews were explained to them on multiple occasions.

Due to the reflective and personal nature of some of the questions, there were times when upsetting issues were raised. It was underlined to the respondents that they were free to pause or cease the interview at any stage. All interviewers were experienced in handling sensitive topics in such situations and were briefed beforehand. Respondents were also given a printed sheet detailing a number of agencies, which they could approach for further information on a range of topics.

Anonymity and data protection were also a prime concern and ensured by the transcriptions being coded and the identity of the respondents being kept separately in locked office space. All electronic data was stored on a secure, password protected computer system.
1.6 Interpretation of data

All of the interview transcripts were uploaded into a project created using the qualitative analysis computer software package NVivo. NVivo provides a set of tools which aid management and analysis of qualitative data such as interviews (Bazeley, 2007). First, each interview was analysed for a set of respondent descriptive attributes, i.e. age, gender, employment status, location, household income, etc. Interviews with couples were coded twice, once for the female and once for the male respondent. Next, the interviews were coded for references or answers to direct questions that respondents were asked, for example, what they knew and felt about State Pension equalisation for women or the possibility of State Pension deferral. Third the interviews were coded interpretively for references to factors affecting continued working, retirement and knowledge about, and aspirations for, later working life. These codes were subdivided into three categories: individual factors such as caring responsibilities, job satisfaction, health; structural factors, which included benefit issues, experience of agencies such as Jobcentre Plus and cultural factors such as confidence in pensions, attitudes towards the State Pension, references to age or generation.

1.7 Report structure

Chapter 2 summarises extending working life policies and presents findings from the literature to provide a context for the present study. Chapter 3 gives an overview of the respondents’ attitudes towards work and retirement. Chapters 4 to 6 consist of detailed analysis of the individual, structural and cultural factors which incentivise or disincentivise older workers from remaining in employment. In Chapter 7 respondents’ attitudes towards specific policy initiatives namely, State Pension equalisation for women, State Pension deferral, the raisiing of the SPA for both men and women and the Employment Equality (Age) Regulations are reported. Chapter 8 provides a series of scenarios which explore how the interplay of personal, structural and cultural factors play out in particular cases; these serve to demonstrate the complexity of the incentives and barriers which people face. Finally, Chapter 9 concludes by drawing the findings together and also considers the policy implications.
2 Policy context and literature review

In this chapter we set the research in its policy and literature context by first reviewing the main policies designed to support extending working lives. Second we provide a brief review of existing research and literature on the factors affecting the timing of individual retirement decisions.

2.1 Policy context

Governments have become increasingly concerned about the twin tendencies for people to retire earlier and live longer and the concomitant pressure on the public purse in terms of State Pensions and health service costs on a diminishing tax base. This is often referred to as the worsening dependency ratio, namely the shrinking number of active citizens of working age supporting a growing number of young and older members of society (Pensions Commission, 2004: Chapter 1). Extending working life and encouraging people to delay retiring is seen as a key response to this demographic challenge. The need to increase employment rates among older people has been long acknowledged. It was the subject of the Performance and Innovation Unit’s (PIU) document Winning the Generation Game in 2000 (PIU, 2000) and was reflected in the 2002 Pensions Green Paper which announced the implementation of a number of recommendations from the PIU report (Department for Work and Pensions (DWP), 2002a). The Pensions Commission reports and the DWP Pensions White Paper, Security in retirement: towards a new pension system have also explored working longer as one of the options to address the future demographic challenge (Pensions Commission, 2004, 2005, DWP, 2006c).

Extending Working Life policy seeks to increase employment rates among older people, with the aim of improving opportunities and outcomes for individuals, and maximising the contribution of older people to the economy. There are a number of different ways in which government can try to have an impact in this area: through legislation designed to eliminate discrimination against older workers; by raising State Pension age (SPA); by reducing the incentives in the
benefit and pension regimes to retire early or take ill-health or disability pathways out of the labour market; and by active supply-side measures designed to support or subsidise people back into employment, measures to make work pay or a range of training policies to equip older workers get back into, or stay in the labour market (Vickerstaff et al., 2007: 205; DWP, 2006c:143-4).

In January 2005 in announcing the DWP Five Year Strategy, the Secretary of State at that time, Alan Johnson, set out the long-term aspiration of achieving 80 per cent employment. Underpinning this is an ambition to increase the number of older workers by one million above the natural increase due to the growth in the size of age cohort. This is in addition to reducing the number of Incapacity Benefit (IB) claimants by one million, of whom half are currently aged over 50 (DWP, 2005).

In October 2006, the Employment Equality (Age) Regulations came into force making it unlawful to directly or indirectly discriminate against someone on the basis of their age. The regulations (which do not affect the age at which people can claim their State Pension) ban age discrimination in terms of recruitment, promotion and training; ban unjustified retirement ages of below 65, and removed the age limit for unfair dismissal and redundancy rights. Employees also have the statutory right to request working beyond 65 and their employer has a duty to consider the request.

Two measures have been implemented, which affect the age at which people are eligible to claim the State Pension. Under the Pensions Act 1995, women's SPA will rise to match that of men. The changes are being phased in between 2010 and 2020. Women born before 6 April 1950 are unaffected by this change. Equalising SPA is also likely to have an effect on the labour market position of 60-64 year old men. This is because there will be a parallel rise in the age of Pension Credit eligibility, meaning those out of work in this age group will have to claim other benefits instead, which are lower in value and subject to greater conditionality. This will have the effect of making older people the customers of Jobcentre Plus services for longer. In July 2007, the Pensions Act legislated for further reforms to the State Pension system. One of the changes involves gradually increasing both men and women’s SPA to 68 in 2046.

There have been a number of reforms and changes to the benefit and pension regimes, which seek to encourage people to work for longer or get back into employment. IB, the benefit for people who cannot work because of illness or disability and who are under SPA is being reformed. The main initiative, the ‘Pathways to Work’ programme (DWP, 2002b) is aimed at stopping IB becoming a one-way street to retirement. The programme’s emphasis has been on providing greater advisory and health support in order to ease IB recipients back into work. Reforms to IB coming into effect in autumn 2008, will replace IB with the Employment Support Allowance for new and repeat claimants and will further develop the Pathways to Work programmes and introduce a Work Capability Assessment for new claimants (DWP, 2007a).
In addition to the concern with the numbers of people on IB there has been a more general trend towards considering the relationship between paid employment and health. The Department of Health’s (DH) White Paper, *Choosing Health in 2004* set out ideas for improving working conditions and the work environment as important steps towards reducing ill-health (DH, 2004: Chapter 7). A joint report by the DWP, the DH and the Health and Safety Executive (HSE) published in 2005 set out a strategy for health, work and well-being (DWP/DH/HSE, 2005). This argued for a three-pronged approach that addressed work-related health issues and helped people and organisations to avoid injuries and ill-health in the first place, secondly, supporting people in managing minor health issues so that they could stay in work and, lastly, stressed the importance of helping people who have been out of work because of health issues to get back into the labour market (DWP/DH, 2005: 7). As part of the evidence base for this strategy Waddell and Burton were commissioned to do a review of the scientific evidence on the relationship between work and well-being. This report confirmed that ‘work is generally good for physical and mental health and well-being’ (Waddell and Burton, 2006: ix). In 2007, the Secretaries of State for Health and Work and Pensions commissioned a review by Dame Carol Black to look at the health of Britain’s working age population, this reiterated the need to focus on the prevention of ill-health; early intervention for those who develop a health condition and improvement in the health of those out of work (Black, 2008: 9). These policy developments suggest the need for a significant gearing up of occupational health services both within the National Health Service (NHS) and within employing organisations.

Tax and occupational pension rules have been a barrier in the past to people deciding to continue working while reducing their hours or downsizing. Changes to tax rules, which came into force in April 2006, allow an individual to draw on an occupational pension scheme while continuing to work for the same employer (HM Revenue & Customs (HMRC), undated). There is also the facility for people to defer their State Pensions and to get a lump sum or larger pension subsequently. The stated aim of this measure is to encourage people to work beyond SPA and to facilitate flexible retirement giving people more options in deciding to continue working beyond SPA or to come back into employment after SPA (DWP, 2002a: 101-2).

The other main raft of policy measures designed to have an impact on the employment rates of older workers are those delivered by Jobcentre Plus. Jobcentre Plus is part of the DWP and seeks to support people of working age, to shift from welfare either directly into work, or by way of preparatory training. It also assists employers in recruiting employees. A key goal of Jobcentre Plus is to regard employment ‘as the best form of welfare.’. A key programme has been New Deal 50 plus (ND50+), which is a voluntary government programme for people aged 50 or over who have been claiming Jobseeker’s Allowance (JSA), IB, Severe Disablement Allowance (SDA) or Income Support (IS) for more than six months and their dependent partners. Those signing on for National Insurance and IB Credits for six months or more may also qualify. Also eligible are those in receipt
of Invalid Care Allowance for six months on making a successful claim for IS, JSA, IB or SDA. The ND50+ package consists of a Return to Work Credit (RTWC), a Training Grant and a wide range of practical support from a Personal Adviser at their local Jobcentre. The Adviser can also provide the individual with a ‘Better Off Calculation (BOC’), which quantifies the margin by which the individual would be better off in employment.

It is in the context of these legislative and policy measures that respondents for this research were interviewed. It was possible to assess people’s knowledge and comprehension of different policies and understand how they affected individual behaviour.

2.2 Literature review

We know from existing literature that health, financial situation, job security, job satisfaction and caring responsibilities all have an effect on the manner and timing of individual retirement decisions. As one of the reports from the Whitehall II study which tracked civil servants’ retirement behaviour pithily summarised, the decision criteria for retirement can be categorised in three groups: ‘Were they pushed, did they jump, or did they choose’ (Higgs et al., 2003:774). In this study we have been interested in the incentives and disincentives to continuing work or getting back into work for those over 50, and particularly those aged 60-64. We have found it useful to think about factors in three categories: personal, structural and cultural. These will be discussed in turn.

2.2.1 Personal factors

Health status is a major predictor of early labour market withdrawal. In the first wave of the English Longitudinal Study of Ageing (ELSA), personal ill-health was a major reported reason for early retirement and for labour market inactivity for both men and women (Phillipson and Smith, 2005:23-26). In particular, chronic limiting illnesses disproportionately affect those who have spent their working lives in manual or routine jobs (Beatty and Fothergill, 2007). For older women looking after family or home is the second main reason given for labour market inactivity (Phillipson and Smith, 2005:25, 27). Caring responsibilities thus impact significantly upon the ability of older workers to take up paid employment, especially as the caring requirements may be unpredictable, arise without warning, and intensify rapidly (Vickerstaff, Loretto and White, 2007: 218). The availability, or lack, of flexible working alternatives significantly influence older workers’ ability to continue working or return to work, (Loretto, Vickerstaff and White, 2005: 42). In surveys it is difficult to explore the complex interactions between factors such as health and caring and to isolate the impact of an individual’s health condition from their work and domestic situations.

Financial security is another major factor encouraging people to leave work before SPA. Analysis of ELSA confirms that among 50-54 year olds who were in paid work in 2002/03, it was those in the poorest and richest wealth quintiles who
were most likely to have left work by 2004/05. Of those 50-54 year olds who were not in paid employment in 2002/03 it was the poorest and the wealthiest who were least likely to have returned to work (Emmerson and Tetlow, 2006: 41). The findings from ELSA on income are also interesting in that the richest quintile were likely to have retired voluntarily whereas those in the lowest quintile were more likely to have been forced to retire through ill-health or redundancy.

Domestic circumstances may also affect orientations to continuing or stopping work in other ways; couples may plan to retire at the same time or may be balancing family finances by planning for one partner to continue working (see, for example, Sykes et al., 2005:6-8; 47-66). This points to the fact that decision making around whether or not to continue working may not be an individual decision, but something planned and negotiated within the domestic context. Quantitative analysis of economic transitions of the over-50s has found that people with a working partner are more likely to wish to delay retirement (Cappellari et al. 2005).

Stopping work altogether because of caring responsibilities is most likely for those close to SPA (Evandrou and Glaser, 2003: 587). This current research affords an opportunity to explore the interaction between paid employment, own health, caring responsibilities and domestic circumstances for those approaching SPA.

2.2.2 Structural factors

Structural factors include the impacts of pension, tax and benefits regimes which can limit the incentives for people on low or high incomes to work beyond 60. Men who are working and contributing to a defined benefit pension are much more likely to leave employment before SPA than those contributing to a defined contribution pension (Emmerson and Tetlow, 2006:41, see also Phillipson and Smith, 2005:27-28). A relatively neglected group in terms of existing research is what has elsewhere been termed the ‘missing middle’ (Loretto, Vickerstaff and White, 2005: vi). This is a group, mainly but not exclusively women, who are employed in a range of occupations across a range of industries. They have substantial work histories, which probably include periods of part-time or other flexible work; they have some access to an occupational pension, either their own or their husbands’. They are as a result neither in the richest nor the poorest wealth quintiles. Little is known about the work or retirement aspirations of this group. It is to be expected that for many married women in this category, family income and domestic circumstances are key to the timing of labour market withdrawal. The extent to which pension age equalisation for women alters the dynamic of joint decision making for couples in the ‘missing middle’ is a question, which the current research sought to illuminate.

The structure of available state benefits for older workers who lose their jobs can have an impact on the decisions made by individuals about whether or not to continue in employment. The principal benefits for older workers who leave employment before SPA are IB and JSA. Many older workers also receive IS and
SDA. These benefits provide replacement income to those below SPA who are out of work or who have either to stop work, or stop looking for work, because of sickness or disability. In the age group 50 to SPA 14.2 per cent of people are in receipt of IB (the earnings-replacement benefit for people of working age unable to work for long periods because of ill-health or disability) (DWP, 2006a:10). The proportion of women claiming IB is gradually creeping up. Although the rules regarding eligibility have been made more restrictive since 1999, IB is not time-limited, is a higher amount than JSA, and may be received until pension age. It is thought that these features discourage recipients from attempting to move back into work in case they have their benefits taken away. Research has indicated that claimants may not be aware of the rules, which allow people to try working again without affecting their benefit entitlement (Irving, Steels and Hall (2005: 5, 82-87). The Government is now introducing major welfare reforms including a package of measures to replace IB with an Employment and Support Allowance for new and repeat claimants and access to the Pathways to Work programme from April 2008 for everyone on IB (for further details see DWP, 2007: 12-13).

Pension Credit (Guarantee Credit) can currently be accessed from age 60 (by men and women) with no requirement to engage with the services to help job seekers. The age at which Pension Credit can be received will increase with State Pension equalisation for women and, therefore, may increase the numbers of men in work or looking for work. The issue for this research is whether these changes to benefits will increase the numbers of 60-64 year olds in employment. Interaction with Jobcentre Plus and other guidance agencies will enter the experience of women over 60 under SPA equalisation. Their previous contact, or lack of it, with such services may be a factor in influencing their orientation to such agencies. The rise in the age of eligibility for Pension Credit will also increasingly bring men over 60 into the remit of Jobcentre Plus.

Another benefit, which is relevant to older workers, is that of Carer’s Allowance. To be eligible for Carer’s Allowance, the claimant must be caring for someone for at least 35 hours a week. The ELSA found that a majority of those who defined themselves as carers provided less than 20 hours of care in the last week (Hyde and Janevic, 2003: 170). However, it is reasonable to assume that even this level of caring might be expected to impact upon availability for work. In comparison to other benefits, we lack information about Carer’s Allowance, and we have no information relating directly to the 50+ age groups. Research reported by the Centre for Research in Social Policy (Hartfree, 2004) suggests that there are 5.9 million carers in the UK and only half of these are in work. Two-thirds of those who do work, work on a part-time basis. It is clear that the relationship between caring and paid employment is complex. As Glaser and Evandrou (2003: 586) comment:
'Cross-sectional analysis using the FWLS [Family and Working Lives Survey] indicates a significant difference in the proportion of mid-lifers who are currently caring between those in paid work and those who are not, with those out of the labour force being significantly more likely to care than those in paid work. Women are significantly more likely to provide care than men, and women who are retired or not economically active are most likely to care. It is not clear, however, whether it is being retired that affords women the opportunity to care, or whether being engaged in care makes mid-life women more likely to retire from paid work.'

Another set of structural constraints on older workers continued employment are labour market or demand side factors. In their literature review of barriers impeding the employability of older workers, Loretto and White (2004) highlighted the various obstacles posed by employers’ policies and practices, which include stereotypical assumptions of both the attributes and the disadvantages of older workers and the suitability of some jobs for older workers. Other potential barriers include the (low) quality of work on offer (Maltby, 2007) or the fact that the supply of older workers looking for employment may not be geographically matched to the availability of jobs (Beatty and Fothergill, 2007). The availability of flexible work options is a key issue in the accessibility of work for some older workers and the retention in work of others. Older workers with fewer skills, on poorer incomes and with disadvantaged work histories are also more likely to become unemployed though redundancy (Phillipson and Smith, 2005: 28).

The role of the employer may be crucial in responding or failing to respond to individual health issues or a change in an employee’s domestic caring commitments. The individual may also not know whether their employer would respond favourably to requests to change work routines. The Workplace Employment Relations Survey (WERS) 2004 showed that although 70 per cent of organisations said that reducing hours was an available flexible working arrangement, only 32 per cent of employees thought it was an option open to them (Kersley et al., 2006: 250-252).

Structural factors such as these will interact with personal and cultural factors to make work more or less attractive and feasible for individual older workers.

2.2.3 Cultural factors

There is evidence to suggest that people generally look forward to retirement and see it as a just reward for a long working life. In the last 30 years ‘early retirement’ for professionals and managers has to some extent become entrenched as an expectation (Meadows, 2003: vii; Phillipson 2002; Scales and Scase, 2001:5), or at least as a possible choice. More generally in qualitative research individuals from all kinds of work backgrounds view retirement as an opportunity to take up new interests, travel, spend more time on hobbies and with their families, essentially to enjoy more leisure time while their health lasts. There are clearly social constructions of what retirement should be like, which are widely held in society, even if not attainable by everyone.
Social attitudes to retirement also have to be set in the context of surveys, which continue to suggest that older workers value opportunities to work but may have strong preferences for part-time or flexible work options (McNair, 2006). Dissatisfactions with changing cultures at work and intensification of work practices may make the lure of early retirement seem stronger (Phillipson and Smith, 2005:27; Barnes, Parry and Lakey, 2003: 21). The social acceptability of working longer and views about the kind of work suitable for older workers are therefore other important factors in framing the orientation of older individuals to paid employment. Increasing opportunities for flexible retirement is seen as one way of making working for longer more attractive to individuals (DWP, 2006b; Loretto et al., 2006).

However, the retirement environment is quite turbulent in the sense that the changing basis of pensions (the move from defined benefit to defined contribution schemes); the changes to tax rules; the Employment Equality (Age) Regulations (which fix 65 as the default retirement age for organisations and give employees the right to request a continuation of work beyond 65); SPA equalisation for women and eventually the increase in SPA for both men and women, may mean that people are beginning to re-evaluate assumptions about when they can afford to retire and whether they would like to retire gradually. The research undertaken here will contribute to our understanding of the transitions between work and retirement in the context of these public policy changes.

The ability of individuals to respond to changing financial circumstances are underpinned by the degree of understanding of their benefit entitlements and of their pensions. A range of research exists which demonstrates relative financial illiteracy amongst the population at large (Sykes et al., 2005: 5; Barnes and Taylor, 2006: 52-54; Clery et al., 2007:2; 55-82). Occupational pensions are often poorly understood and this lack of knowledge can serve to inhibit the choices that people have and the plans they can make (Vickerstaff et al., 2004). Perhaps, even more damagingly there is plenty of evidence to suggest that many people prefer not to think, or put off thinking, about pensions and retirement as something that is rather distressing or simply not relevant for them at a younger age (Pettigrew et al., 2007). In a similar vein research has demonstrated that people are pessimistic about their own likely longevity and despite considerable improvements in life expectancy many people seem to work on the assumption that they won’t live that long (Nottingham Business School, 2005 ). What may be termed this culture of denial has important implications for what people perceive as the incentives and disincentives to carry on working at an older age.

2.3 Summary

It is clear from the existing research literature that individual decisions about continuing to work or when to retire occur in a dynamic context. We know quite a lot about the impact of certain factors such as health or pension type but less about how these interact in complex ways for each individual and the ways in
which the domestic and family context of people structures and conditions their ideas and behaviour. In their review of literature on Extending Working Life, Phillipson and Smith (2005:61) concluded that there were a number of key areas missing from the literature:

- ‘The experience of ethnic minority groups.
- The impact of cumulative advantages and disadvantages through the life course.
- The nature of decision making in the work/retirement transition.
- The role of partners and other members of the retiree’s social network.
- The impact of multiple transitions in relation to changes in areas such as work, informal care, leisure and health.
- Issues relating to training.
- The impact of flexible working.
- The role of Government policies.’

The qualitative study undertaken here offers an opportunity to explore most of these issues through in-depth interviews with a range of respondents, experiencing a range of incentives and disincentives to continue work.
3 Overview of the respondents’ attitudes to work and retirement

Before going on to look at the different personal, structural and cultural factors which interact to provide incentives and disincentives to continuing in work up to and beyond SPA, we provide an overview of respondents’ attitudes to work and retirement. First we consider the attitudes of those who are considering working for longer. Second, we examine those respondents who were looking forward to not working, and finally, we also look at views about volunteering.

3.1 Considering working for longer

For those who thought they might work for longer there was a strong preference for flexible work. Part-time working and short-term contracts were favoured. The notion of a ‘little part-time job’ was mentioned by several people, mainly women. Those who were working post- (early) retirement were relatively few, and reflected part-time and flexible working pathways. Of those who thought they might like to continue in work past normal retirement, or State Pension, age, an important motif was that it would depend on their health.

There were strong gender differences in overall attitudes to continuing working. Generally, women tended to mention non-financial reasons for continuing with work (perhaps reflecting the continuing significance of the male breadwinner model for this generation of women). Women were also more likely to mention social reasons, or the need to ‘keep busy’ as incentives to stay in work.

‘Just a case of…I don’t know…I felt that I would maybe quite like to have a wee job again. Partly because hubby’s not one for doing very much and I like to be busy and while I keep myself busy…how can I put it? I just feel I need something just to stretch me a bit more than going out for lunch and meeting friends and…it’s all very enjoyable but…’

(ES40 Female)
And then I began to get a little bored, you know. It [retirement] was fine at first, but then I sort of missed the company, you know. So, since I’ve gone back to work I’ve thought, “well maybe I’ll just work on a wee bit longer”, you know.’

(ES44 Female)

The theme of working to ‘help people out’ was noticeable among women, but not mentioned at all by men. Some women were also continuing to work beyond SPA in order to retire at the same time as their husbands.

Several of those who expressed an interest in continuing to work emphasised that they would not wish to continue in their present job.

‘The idea of part-time paid employment that is something I certainly will consider. But nothing to do with teaching or education. Although teaching supply is very lucrative, it’s not something I could even…I couldn’t contemplate going back into the classroom. Which is strange because I thoroughly enjoyed it and since I’ve retired it’s really…no I couldn’t go back in there. So, yes, I mean, some sort of part-time job. I’m more likely to do a part-time job for remuneration than volunteer.’

(EC35 Male)

Others expressed a more pragmatic attitude or a more open mind that continuing to work or going back to work was something that they wouldn’t rule out:

‘I wouldn’t rule it out, because I see some people who retire and they seem to be at a bit of a loose end. It doesn’t always suit everybody and I’m not going to say it would suit me entirely either. I wouldn’t rule it out but I wouldn’t say that it was my intention, put it that way. But I wouldn’t rule it out.’

(ES30 Male)

‘…and if a job, if something came up you know, or if my circumstances changed, it wouldn’t stop me going out and looking or trying to sell myself into a job.’

(ES45 Female)

Overall, many of the responses reflected a high degree of conjecture and little in the way of pragmatic planning or action. Respondents’ notions of suitable work may not coincide with employers’ views of labour requirements:

‘I would go back part-time perhaps. But then again, it would have to be a very, very decent salary and short hours and long holidays!’

(EC49 Female)

‘I would like to do a wee part-time job, maybe one day, two days a week. Just to get me out of the house and pay my curling fees.’

(EC50 Male)
‘…so I won’t be doing regular work, but I won’t necessarily be stopping altogether. It’s just so that it enables us if we want to go on holidays for six weeks to Spain in term-time we can go…’

(NS75 Female)

There is a strong sense here of work needing to fit round other aspects of life and not vice versa as had been the case during much of working life.

3.2 Looking forward to not working

When those who were already retired were asked whether they would consider going back to work and those still working whether they would consider continuing to work beyond retirement for many, the answer was a definite ‘no’. The reasons behind this were varied: some (mainly, but not exclusively, men) felt that they had had enough of work. Several mentioned that they did not want the ‘hassle’ of continuing to work. Another common reason, mentioned by women only, was that caring responsibilities (often grandchildren) prevented them from working. More broadly, financial reasons for continuing to work were mentioned by only a few respondents. Some clearly stated that money would not provide an incentive to work.

‘Money doesn’t come into it ever. You know? I mean sometimes we’re short, just over Christmas like everybody gets really but we can get out of it and we’ve got out of it. You get out of the situation.’

(TC28 Male)

Whereas for others financial issues might make continuing to work a last resort:

‘When we finish that will be it. Unless something drastic happens with our pension money!’

(EC37 Female)

‘The only thing would have been the necessity for the money would have made me stay at work. I mean I would have done if we’d needed to but we’re not needing to.’

(NC60 Male)

Another theme arising in the responses by those who did not wish to continue working was that they would resent being taxed on a small income. A few commented that their pension would be reduced if they earned any additional income, providing a financial disincentive to work. Others felt tax was a more general disincentive:

‘I think if they want people to stay at work…certainly older people, I think they’ve got to look at the tax issue because personally I think that for some people it is a good thing for them to go out and still be mixing to keep this going and keep them socially together.’

(NC62 Female)
The types of jobs available and the associated low income was a deterrent for some.

‘I mean I do get lots of jobs, c*** jobs as I describe them, that do pay the minimum wage and you have to work very hard and they’re just so...so awful. I don’t want to have to do jobs like that.’

(NC80 Male)

For a number of women lack of job satisfaction was an important issue in retirement timing. Many of the women in the study had stopped working when they had children, and then gone back to work part time subsequently often in jobs below their capabilities. This change in working pattern was in part through choice; the women were just looking for a small job to fit in with family routines and partly reflected the part-time jobs available. For some of these women, SPA beckoned as a release from a boring job.

‘But if it’s a job that you really, really enjoy...then I think yes you would carry on as long as you’ve got that job satisfaction there you have a reason...I wouldn’t have left that last job...if it had been a good job I would have carried on.’

(TC28 Female)

3.3 Volunteering

Relatively few people currently did volunteering work; although others had done voluntary work at various points in the past. Rather more thought they might do some volunteering work after retirement or at some point in the future; in most of these cases it was a general idea rather than focused plan, and more women than men thought that they would consider doing voluntary work. A number of respondents voiced doubts over volunteering – they did not wish to have the commitment.

‘...it’s something that I always thought I would do. Even if it was a WRVS shop at the hospital...But so far, the thing that has stopped me volunteering is I don’t want any commitment yet. It’s too soon for me. It’s too soon for me to be committed, to be relied upon to turn up somewhere at the moment. But I think it’s something I would consider, yes.’

(EC35 Female)

Willingness to consider volunteering, as with continuing paid work was viewed through the lens of other issues affecting the individual, such as health and finance:

‘If something came along that appealed to me then I’d do it but I don’t want to be forced, you know...But yeah I wouldn’t mind voluntary work or part-time work. If I know I was say saving up for something I know I can temp say for six months if I wanted a particular holiday. But if my health was OK I wouldn’t have a problem.’

(NC80 Female)
Once again there was a sense that any volunteering would need not to interfere with other aspirations for retirement.

3.4 Summary

Those individuals who expressed a willingness to consider extending their working lives typically had a preference for part-time or flexible work. There was a strong sense that at this time in their lives work would take a back seat and need to fit round other aspects of their life and not vice versa as had been the case for much of their working lives. Those who did not contemplate continuing to work typically felt that they had worked for long enough.

There were strong gender differences, with women much more likely to mention social reasons for continuing to work where as the men were more inclined to feel that they had already ‘done their bit’. Volunteering, as with continuing in paid employment, was viewed as needing to fit around other interests and activities; women were far more likely than men to say that they would consider volunteering in the future.
4 Personal incentives and disincentives to continue working

A number of individual factors such as health, caring responsibilities, financial position and domestic circumstances are known to be related to early withdrawal from the labour market. In this study we were concerned to understand how these individual factors interact with structural and cultural factors to create the complex situations in which people find themselves and which encourage or inhibit people from continuing in paid work beyond the age of 60. In this chapter we explore the nature of these personal factors and their impact on people’s orientations.

4.1 Health

Existing research shows that health status is a major predictor of early labour market withdrawal. As might be expected, current and possible future health status was a major issue for many of the respondents. The most common ailments across the group were arthritis and diabetes, although high blood pressure and angina also figured. The majority of those interviewed defined themselves as being in ‘good’ health, although a number in this category suffered from one of arthritis or diabetes. Just over a quarter said that their health was ‘fairly good’ and the rest defined their health as ‘not good’. As would be expected from the socio-economics differences in the sample frame, respondents in Edinburgh were more likely to report their health was ‘good’ or ‘very good’, while those from Thanet were more likely to report their health as being ‘fairly good’ or ‘not good’.

Individuals in the latter category were more likely to be suffering from multiple health issues and currently be in receipt of Incapacity Benefit (IB). Respondents were also asked if they had a health problem that limited the kind or amount of work they could do. A large minority said that they had a limiting health condition. Women overall were marginally more positive about their health than were men.
In exploring the impact of health on ability or willingness to work, it was interesting to observe the ways in which perceived health status interacted with other factors to condition the response to continuing to work, for example, a woman in Edinburgh had diabetes, underactive thyroid and blood clotting problems, but described them as ‘conditions you just live with’ and went on to explain:

‘I mean I feel I’m sort of the breadwinner, without my salary, I don’t know how we would cope.’.

(EC31 Female)

Her husband had been retired early on health grounds and was in receipt of IB; hence there were other compelling incentives to work, against which her own health issues were placed. People with the same health condition might respond quite differently depending upon other contextual factors or what elsewhere has been referred to as the ‘illness experience’ (Ross, 2008: 202); so, for example, a man in Thanet who had been a chef felt that his arthritis made his former line of work effectively impossible, whereas a number of people doing office jobs felt they were able to manage their arthritis quite easily. The effects of health conditions were related in some part to people’s overall attitude and the nature of the work they were doing or might do.

Ill-health had an impact on ability to work for a significant minority: five men had taken ill-health early retirement and 13 respondents were, or had been, in receipt of IB. Another four women gave stress as the reason for having given up work or shifted to part-time hours.

4.1.1 Ill-health retirement

Five men in the sample had taken early retirement on grounds of ill-health, four in their 40s. Three had been in receipt of IB and the other two had continued to work after taking ill-health retirement. These last two had both retired early from the Police on health grounds which, although affecting their ability to do Police work, did not compromise their capacity for doing other jobs.

4.1.2 Incapacity Benefit

For a majority of those on IB, who had long-standing and multiple health problems, there was little prospect of their health improving enough to enable them to consider working. They were more likely to have done manual labour of some sort, hence they were more likely to suffer physical ailments (from years of physical work) while at the same time being more dependent on their physical capacity to access the labour market in the future.
Case Study: Long-term sick

Ted had worked as a miner in the past but had taken to driving a taxi when his best friend had died in a pit accident. He had to stop work in 1996, when he was 54 due to severe angina.

‘Taxi driving’s alright but it’s a young mans game not an old mans game… Putting it bluntly knackering… I was doing 12 hours a day 7 days a week… We had a decent living, I will say that, you know? But not when you’ve got to work 84 hours a week to earn it. That’s why I am like I am now.’

In the early days of his illness he would have liked to get back to some kind of work:

‘I would have definitely gone to work, yeah, because I hate being home. I get miserable. I would have definitely have found something, even if it had only been part-time. To get me out of the house as the saying goes.’

At the time of the interview Ted’s condition was inoperable; he was on a battery of medication and didn’t see any prospect of his health improving. He was frustrated by his situation:

‘I have a job to walk, I don’t know about work.’

However, two men in Thanet had come off IB. One had had a severe drink problem, but his General Practitioner (GP) seemed to have played an important role in getting him off IB. He was, however, currently unemployed and looking for work, but was hampered in the job search by his criminal record. The other man had stopped working as a welder following a back injury sustained at work and gone onto IB when he was 56. He had gone back to work part-time as a hospital cleaner three years later because he was very frustrated being at home and had persuaded his GP and the employer to let him work. However, this individual was also experiencing problems because as a result of working the household was actually worse off. A couple of respondents who had been in receipt of IB prior to reaching SPA) were glad to have reached SPA as they felt there was no stigma attached to receiving the State Pension in contrast to being on IB.

Overall, the respondents in this group were characterised by numerous health issues often combined with other multiple social disadvantages, such as having experienced domestic violence, having a criminal record or having learning difficulties. In this sense their problems were complicated and not amenable to simple solutions. A number wanted to work, but faced significant challenges in managing their health conditions and accessing the kind of detailed one-to-one support from either the Jobcentre and/or their GP that they needed. For this very challenged group, the distance they might have to travel to get to the Jobcentre could prove a significant barrier: in terms of their finances (being able to afford bus fares) and their health (concerns about their fitness to make journeys). They also lacked confidence in dealing with agencies and felt that Jobcentre Plus was an unwelcoming environment.
4.1.3 Working with a health condition

In addition to those who had had to stop work because of their health, there were a similar number who reported having a health condition which affected their ability to work. For some, these were the relatively common chronic conditions of arthritis or diabetes which affected their mobility or energy; a small group were, however, managing to continue work with quite considerable health issues. In four cases people had been able to amend their working hours to help them manage their health condition. A man in Nottingham who had cancer and was going back to work after chemotherapy commented on how good his employer had been:

‘You don’t think about it when you take a job but like over the last five years I’ve probably had I think 10 months off work on full pay and you never think about that when you go for a job. I mean a lot of jobs, after a month, they’ll probably say you’re on your own. It’s been very important.’

(NS72 Male)

People in Edinburgh and Nottingham who were more likely to be in non-manual jobs had greater opportunities to manage their health and continue working. They tended to be in more senior positions and thus, had the power to negotiate changes to work routines. However, other factors were clearly important too in how people responded to their worsening health such as their family circumstances, their job satisfaction and their work ethic.

‘It’s just a guilt thing in myself, you know, although I’m in agony and all that sort of thing I just…you know. I’ll have a couple of days and go back although I’m probably not ready to go back, you know but you do.’

(NS83 Male with Crohn’s Disease)

Case Study: Reasons to continue working despite health issues

Colin, who is currently 60, had worked for the Police but retired in 1995 going on to work for British Gas for five years. In his 40s he had had two heart attacks and a heart bypass at 50. His health continued to be a worry. He had also remarried in his 40s and at the time of interview had three children under the age of 16. Two years ago he realised that he needed to scale down his work because of his health, although he wanted to continue working. He went back to working for the Police on the civilian side and had negotiated a job-share arrangement:

‘Obviously because of previous medical problems, I’ve got to be careful what I do, so, as I say, I’m on a job-share, so I’m OK with that because it means that because it’s a shift-system that I work, it means there’s long periods when I’m off…Well, normally I would work until 65. But obviously with a second marriage and young children I’ve got to keep my options open and also the new age act that’s come in, it opens doors for me that would have been closed previously’.
4.1.4 Stress and the impact on working

A significant minority of respondents mentioned the impact of stress at work on their health and willingness to continue working. A number of men and women working in the public sector referred to how increased stress at work was affecting their job satisfaction and how this had changed their feelings about retirement.

‘I think it’s entirely the employer’s fault. To let you know what has happened – we’ve moved from our old campus to a brand new one, which is smaller but they want more students. Now obviously the computers are leading this, because they don’t need as much room…Stress-wise for me, whereas before I used to share an office with my line manager, just the two of us, I had my own desk, I had a phone, I had a computer. I now have to…Hot-desk…If someone phones me, it comes through my computer, which is a laptop. I use that for teaching, so I don’t have the phone-card in it, obviously, when I’m in the classroom because I don’t want to be disturbed by phone-calls, so I end up with big red lights flashing everywhere saying I have x amount of calls. Not very good for customer care when it’s employers trying to find out how their students are getting on and things like that. And it obviously all comes back to me because it’s me they have to contact.’

(EC41 Male)

Four women left work altogether or went to part-time hours because of stress at work, although in all cases there were also other health, caring, or financial circumstances that combined with the stress factors:

‘Well it was sort of stress related that I had to stop work due to a lot of bereavements within my place of work, you know, a lot of deaths of small children and…that finally took their toll. That, arthritis and asthma basically is the three problems so…’

(TS9 Female)

4.1.5 The prospect of ill-health

As well as thinking about their work histories and current situation all interviewees were asked questions about what might happen in the future, to keep them in work or to get them back into paid employment. Here, as with other questions, especially those about changes to SPA, health figured as a prospective constraint on work activity, particularly for a minority of men. This suggests that even for those currently in good health there is the spectre of future possible ill-health:

‘I would like to carry on doing something for as long as I could, you know so…I always want to remain active, doing something, for as long as physically possible I suppose so I don’t know [when he might retire completely]. I find that difficult to answer directly, but…it depends on my health.’

(ES36 Male)
‘Health might have an influence on that obviously [how long he might carry on working]. But things change don’t they? I mean that’s the thing and I might...Whatever I’m saying now things might happen.’

(NS72 Male)

This sense ‘that no-one was getting any younger’ was common among respondents and important in how people felt about continuing to work or when they wanted to retire. For those in good health, there was an unsurprising desire to retire while their health was still good in order to be able to enjoy their retirement (see Chapter 6 on cultural factors).

‘So from our point of view, we just want to enjoy it [retirement] while we’ve both got health to do it. Because there’s so many people work right to the end of their retirement, you know, whether they’re 60 or 65, and never get a good retirement, you know, for health reasons, and, well, we feel we’re fortunate we can do it now and enjoy it.’

(EC50 Female)

It is clear that concerns about the real possibility or risk of a change in health status, and the sense that ‘I could drop dead tomorrow’, coloured the way our respondents were thinking about work, retirement and pensions, and in many instances led to a more short-term view of what they might do (see Section 7.3 on State Pension deferral).

4.2 Caring

As stated in the literature review, we know that the relationship between paid employment and caring is a complex one. In a limited number of cases the onset of, or increase in, significant caring responsibilities for a partner or elderly relative may make continuing in paid employment practically difficult. As with health issues, caring responsibilities are embedded in the individual’s wider situation. We know that there are gender and income differences in responses to caring needs, it is more fruitful therefore to look at the interaction between caring responsibilities and other factors such as income, own health, job satisfaction and nearness to expected retirement age in order to understand the dynamics of decision making around continuing employment and caring responsibilities.

4.2.1 Caring for children

There was a considerable range and diversity of experiences as carers. A majority of the women in the sample had stopped work and/or gone back to work part-time when their children were born. For this generation of women, who typically had their children earlier than the current generation and for whom childcare options were limited, this pattern of interruption to work history with the onset of motherhood is not unusual. It is worth stressing, however, that this meant that many of these women when they went back into employment as their children grew up entered the labour market at a lower level than when they had exited;
and many also stayed in part-time employment. This combination served to reduce career opportunities and the likelihood of having an occupational pension, and often meant that women worked in jobs that were less skilled than they were capable of. These kinds of work histories become significant for older women with respect to motivation to extend working life.

### 4.2.2 Full-time carers

Eight respondents were effectively full-time carers but their situations varied considerably. One was employed as a carer; one was an unpaid carer for two elderly neighbours who lived in the same block; five were carers for their partners and received a Carer’s Allowance; and the last cared for his father, and he and his father looked after a nephew on a daily basis.

In terms of time spent, the other two significant categories of caring were for elderly parents and for grandchildren. A handful of interviewees could be characterised as members of the sandwich generation that is simultaneously looking after elderly parents and their own children or grandchildren.

> ‘I look after my grandson…Monday afternoons and all day Tuesdays…Yes, I look after my mum. She’s 85.

**For example how many hours of the week, roughly do you care for her?**

> I mean I spend all Sunday morning there because I do all her cleaning for her. Take her shopping on a Friday afternoon, Thursday afternoon, Wednesday afternoon. So…I would say probably up to 20 hours by the time I’ve finished.’

(NS68 Female)

### 4.2.3 Impact of caring on labour market activity

For the five respondents in receipt of the Carer’s Allowance, the amount of care that their partner needed had finally led them to give up paid employment. However, their routes out of employment varied:

> ‘I suppose redundancy when I was…That was four years ago so I was 56…I sort of saw it coming. It was really a bit of a…My wife was starting to deteriorate then. And she was starting to need help at home so it was almost…So it was quite a good move but it wasn’t good, not with her health and that. ...She was diagnosed ten years ago. But it’s a debilitating genetic disorder she has so over a period she just gradually gets worse and worse.’

(NS81 Male)

Having been made redundant, this respondent did not look for further work because of his wife’s condition. Two of the respondents in this group had poor health themselves, and therefore, not looking for work was because of a combination of the desire to care for their partners and their own failing health. Two women gave up part-time work to care for partners:
‘When they told me I was alright to stay indoors on my own at the very beginning. But then I had a really bad attack and ended up in a hospital bed… well about a month after and the wife said right, that’s it, I'm giving up work. So that’s what she done.’

(TC15 Male)

Nevertheless, one of these women still worked a day and a half a week delivering free newspapers. In all of these cases, the decision to stop working to care was a product of a number of different circumstances.

A man and a women in the sample had retired in order to be able to look after their mothers. Two women had given up work to look after grandchildren in order to facilitate their daughters’ employment.

‘Yes, and I looked after my grandson more or less full-time to let her go back to…to get a job.

More or less full-time? And that would be for how long then?

Well I looked after him full-time until he went to school.’

(ES40 Female)

In all four of these cases the pull of paid employment could be said to be weak, either because they were nearing retirement or because the jobs they gave up were not that satisfying:

‘I was basically unable to… because of caring responsibilities I was just unable to work any longer… It was about a four or five year contract I had with them and I possibly could have got another year’s contract but I decided I would…I would just leave in January because of the situation with my mother and that’s been… That’s been my main impact upon my decision, if you like, to retire. Fortunately financially we’re…I was able to do that so I thought well why… why carry on?’

(NS79 Male)

‘And so what encouraged you to kind of finish working completely?

One was the state of health of my mother… Two was the stress at work for the money that you’re paid.’

(NS76 Female)

In these instances we see the interaction of the desire to care, financial circumstances, and lack of job interest coming together to pull the person out of paid employment.

Those who had a major commitment (two days or more per week) to caring for their grandchildren exhibited a range of labour market statuses: retired, part-retired, inactive due to ill-health and working part-time. With respect to caring for elderly parents, a number of women had moved to part-time work in the past to
facilitate looking after parents. Even for those who defined themselves as having relatively minor caring commitments, this might amount to having a grandchild one day a week, or visiting an elderly parent every day. Retired interviewees with grandchildren were more likely to say that they would step in if needed, or in emergencies, to look after their grandchildren.

Case Study: Too busy to do a job

Susan is 62 and helps out in her husband's small business. She stopped working for the Inland Revenue (a full-time job) six years ago when her daughter had her first child. She looks after her grandson four days a week from 7.30 in the morning until 5.30 in the evening. A second grandchild is due in the summer. Her mother-in-law has Alzheimer's disease and also requires some care.

4.3 Pension income

Previous research has demonstrated that financial security is a major factor encouraging people to leave work before SPA. In this section we look at the impact of respondent's actual or expected pension income on their orientation to work and retirement. The themes which emerged from the interviews are consistent with previous research: namely that there are significant gender differences in terms of pension types and attitudes towards pensions; and there is a close association between pension provision and socio-economic status and employment history (for men more than for women).

4.3.1 Pension type

Among the men in the sample, a three-tiered pattern of pension provision was observed. Those in Edinburgh were most likely to have access to a final salary occupational pension scheme and/or to have a reasonably performing personal pension scheme, and to feel relatively comfortable and confident as a result. Such respondents revealed some degree of financial acumen and evidence of planning, by for example, mentioning Additional Voluntary Contributions. Some even spoke of having 'part of their pension in property'; taking advantage of the city's buoyant housing market by purchasing buy-to-let property.

Some men in Nottingham also had final salary pension schemes, but a more common pattern here was personal pension schemes. There were several (often lengthy and bitter) accounts of circumstances of personal financial loss through ill-advised personal pensions. This will be examined in more detail in Section 5.1.

Many fewer participants from Thanet had any form of pension other than the State Pensions (and pension credits). It was notable that among the few who had pensions, the most common form was private pensions. The distribution of pensions amongst the sample reflected the socio-economic differences captured in the sampling frame, which targeted higher income groups in Edinburgh and low income groups in Thanet.
Some of the men who were self-employed spoke about selling their stake in the business as their ‘pension’.

‘I would sell it. I’d sell the whole business. At the moment taxis, you can sell the plate. They’re worth money. You buy a plate and you sell a plate, so they sell for quite a bit of money and the whole business, I would be able to get something out of that. I guess it’s part of my pension plan.’

(EC33 Male)

Many men spoke with some authority and knowledge about their pensions and pension history, which was very much in contrast with the lack of knowledge and interest exhibited by many of the women, especially those women who were part of a couple.

Despite this, there were several accounts of having received bad advice, or having made poor decisions in the past. Some questioned the financial advice provided by so-called experts while others admitted that changes to pension schemes confused them.

‘And I was asking about certain things when I first packed up work and what I was going to do with this money and so on and advice and I happened to mention about my pension and I said “I’m going to look for somebody independent” and they said “oh we’ve got an independent man – David” and I said “oh have you?” and she said “oh yes, he works for HSBC but he’s independent”. So I said “oh well” so I got in touch with him…’

(NC77 Male)

‘I find, you know pensions and everything, totally complicated. I mean we’ve gone on to a new one at work, this private pension, and with them changing it nobody at work understands it. And…I don’t know. It’s just mind blowing. And I think 90 per cent of the people who are on the pension, or paying it, don’t understand it.’

(NS83 Male)

Differences across the three research sites were much less marked among the women, mainly because fewer had any form of occupational or personal pension. There were several references to frozen pensions, or interrupted pension history or only starting pensions later in life.

‘No because I only worked part-time, I never…and although it was a different way, you know, people used to pay stamps, big stamps, wee stamps, as they were called, so that was all…and because I never settled really until I was probably 26 and then studied for two years and then worked for two years and then stopped working, so really by the time I got back into the workforce I was about 35, 36, so…and that would be right – 45 I started paying into…’

(ES46 Female)
The type of work undertaken was seen to affect the likelihood of having a pension.

‘I really can’t remember, but I think probably when I first started working in the school they probably offered me then, but when I first started to work in the school I was always on a temporary contract from year to year with hours that could be huge or small – full-time, or…I mean in one year I only had nine hours a week I worked, and another year I was doing 27 and a half. I never knew from year to year how many hours I’d be working. And I never knew from year to year when I’d have a job the following year, so I didn’t join the pension scheme…So it’s only last year that I, when I got permanent hours that I asked to join the pension scheme. So I’ve only been in the pension scheme for a year, if that. So that’s why I think I’m going to have no pension, it’s not going to be worth anything.’

(ES47 Female)

Some spoke of having received bad advice at the time they were considering whether or not to start a pension, and a couple mentioned regret at not having a pension in their own right.

The main difference among women was between those living on their own and those who were part of a couple. The former, as a group, were more likely to play a proactive role in managing their own financial futures and were more knowledgeable about the pension situation. In contrast, a common refrain from women who were part of a couple was that their husband/partner ‘dealt with all that’, and in general they had less interest in pensions and were more passive.

‘No. I’ve never done a job…Apart from…I’ve got ten years, because I started Boots at 15 and I finished just before I was 25 when I had our first son. And after that I’ve just done bits of jobs, bits and bobs. So we don’t know whether I’ll get anything or not. I’m told there will be a bit of something.’

(NC62 Female)

‘But I bring it [pensions documents] home in a big white envelope, I give it to Paul and I say “just look at this for me”. It’s too complicated for me!

And do you get any reaction from him?

No, he’s given me something back and he’ll say “just sign there” and I’ll sign and he’ll go “take it in tomorrow”.’

(NS68 Female)

‘Well do you know pensions? I just freeze at the very word pension. I think it’s so complicated. Perhaps not so much the State Pension but I know when my husband’s had this man come to talk about pensions and, you know, and I just don’t know what they’re talking about so…’

(NS76 Female)
A further concern raised by men and women was on behalf of their children or younger people in general. There was a feeling that cost of living (and property prices in particular) in modern society severely limited or even precluded the ‘younger generation’ saving for retirement.

### 4.3.2 Pension type and the decision whether or not to work

In this research there was relatively little evidence that type of occupational pension scheme (i.e. final salary rather than defined contribution) was a major factor conditioning retirement timing. This may be an effect of the sampling frame; respondents were not specifically targeted for their membership of particular types of occupational pension. Feelings of uncertainty about the future position of a pension were often associated more with personal pension and defined contribution schemes but not always. There was a general feeling that the whole pension arena was one of risk and one largely out of individual’s control (see Section 6.3 in cultural factors). What did come through from those interviewed and the contrast between people in the three areas was that pensions were, in themselves not that influential – rather they reflected and were part of the individual’s life experience and work history: they were part of the accumulated advantage or disadvantage over the working life. Hence women’s weaker pension provision reflected their fragmented work histories and experience of part-time employment. The relative absence of private pensions in Thanet was a product of unstable work histories in lower paid sectors of employment.

### 4.4 Family/couple dynamics

The personal factors affecting older people’s orientations and aspirations towards paid work are often conceptualised as individual factors, for example: wealth and health, but as this research demonstrates, the impact and significance of these individual variables are more typically played out in specific domestic relationships and circumstances. One of the aims of the research reported here was to explore how the dynamics of relationships affected the plans, aspirations and choices that our respondents had with regard to continuing in paid employment. We interviewed 21 couples in order to try to tap directly into couple dynamics, but all respondents whether interviewed singly or as part of a couple interview were asked about how decisions on finance and retirement timing where made within the household. The majority of our respondents were married (78), another six were cohabiting. Of those not living with a partner four were never married, six were divorced and two widowed.

#### 4.4.1 Harmonising retirement timing

A number of respondents expressly referred to the fact that they had retired at the same time or for those still working would endeavour to harmonise retirement timing so as to be able to retire at the same time. The reasons were typically in order to enjoy time together while health lasts and in some instances because of a sense of fairness:
'Well, I was 60 based on state retirement. It might have an impact in so far as when Steve gets to 65 I’m not letting him retire without me retiring, so I might retire at that point. So I’ll be 62…

Have you discussed that very much?

No, no. It’s just been an assumption made by both of us again.’

(NS69 Female)

However, as the last quotation indicates, it is important not to assume that a high degree of planning has gone into this intention:

‘So you don’t really have kind of a particular timeframe in mind, it’s more just…

Not really, no. I don’t know whether Jean has but…No I’m not really but I don’t think I’ll go to 65, I’ll probably…probably 63 or something like that…

I mean does your wife…I mean does her kind of decisions about retiring…do you think that has an impact on yours or not?

Well I think…I think Jean’s attitude is that she’ll stop her part-time job when I stop working full-time. So, no, that’s probably the way…the thing that’s gonna trigger Jean’s change of mind.’

(NS70 Male)

The actual planned time for retirement in such cases was typically driven by the man's pension situation as in the following case:

Mrs: ‘Well, I’m not going to work longer than you. When did you think you might retire. At 62 or 63 you said.’

Mr: ‘63. We’re planning for 63. Whether that works with the pensions and stuff…but we had planned for 63. So that’s it. That’s eight years, or seven years. Seven and a bit years…’

Mrs: ‘So I’ll be 61, he’ll be 63…’

Mrs: ‘We’ve discussed it. It’s really just with what Andy’s putting in his private pension. That, plus looking at the pensions we’ve got from our companies and things like that. It’s all been, sort of, drawn together with our financial adviser and he’s projected. So it’s really…that’s what’s made you decide really that it’s got to be 63. Because we looked at 60 and it probably wasn’t going to be great and we thought well, he more or less said, if you work another two or three years it’ll give you that wee bit more, which let us have a few more luxuries!’

(EC37 Female and Male)

For women, because they were typically a few years younger than their partner, the impact of these ideas about harmonising retirement times could mean either that they retired prior to their SPA or after it. SPA itself was not the driver for the decision.
Some other respondents mentioned the difficulties that can arise when one half of a partnership is retired and the other is not:

‘I just did not like having to go out to work when he was retired…Yes, it was very difficult getting away and getting anyone to cover the shops so that we could go off on holiday or anything like that.’

(EC49 Female)

Holidays seemed to be the main source of problems here:

Mrs: ‘I was quite happy going to work. The only thing that really that…I had to finish was because of course we go on holiday a lot and of course working for somebody you can’t just say well I’m going on holiday in a few weeks.’

Mr: ‘I could go because I was retired and…’

Mrs: ‘Yes. So it was tying us down really, wasn’t it.’

(NC60 Female and Male)

There were a small minority of interviewees who saw the question quite differently, either seeing retirement timing as an individual decision or worrying about the practical implications of both being retired:

‘I imagine if we’re going to be under each others feet I just feel that she’d want to carry on working.’

(NS73 Male)

4.4.2 The impact of relationships on women’s retirement timing

In the discussions with both couples and individuals it became clear that the timing of married or cohabiting women’s retirement tended to be contingent upon the trajectory their partner was taking. This could take the form as discussed above of trying to harmonise retirement timing or it might mean that if the man’s health or finances were in peril that the woman might need to work for longer.

Mr: ‘I lost what, about three quarters of my income like the click of a thumb and if it wasn’t for my wife working we would have had to sell the house…’

Mrs: ‘So it would be discussed, yes. If I wanted to retire, it would have to be. It wouldn’t be ‘oh yes, we’ll chat about it’ it would be a necessity that we would discuss it for financial reasons.’

(EC31 Male and Female)

This contingent effect was typically a continuation of most of the women’s past work histories, which had always been constructed around the needs of their families.

‘Well Susan’s fitted her life around my working, very much so I must say’.

(NC82 Male)
The majority of the people that were interviewed were in what can be characterised as male-breadwinner households. The women who had children stopped work at the birth of their first child and, if they went back to work while the child(ren) were still at school, did so part-time. As the majority of our respondents were from low or middle income households this pattern of part-time working meant that the women’s income, though not insignificant, was typically not a predominate factor in household income. This more fragmented and part-time pattern of employment also meant that most of the women did not have occupational pensions from their own employment, or where they did, they were relatively modest. As a result, their actual and expected contribution to the household’s post-retirement income was also not predominant.

‘How much longer do you think you’ll work for?
Heaven knows!

Do you have a date in mind? A year in mind?
I’d love to go tomorrow! But no, it all depends upon the pension, on Phil’s pension.’

(NC77 Female)

This suggests that it is very important to view the incentives and disincentives to stay in paid work for older women in the context of their domestic circumstances.

4.4.3 Women and men living on their own

Women predominated among those interviewees who were living alone. The views of this group varied, as did those in the sample who were part of a couple. There were those who intended to carry on working for both financial and social reasons and those who were looking forward to stopping work in order to pursue other interests. The one divorced man expressed it differently, emphasizing the advantage of being on his own:

‘Well yeah, quite, you know this is what I get from a lot of people, oh you’re not retiring this year and I’ll go well not if I can help it but…You know, it’s all a mindset isn’t it? It’s how you feel. And I think a lot of it of course is not having any responsibility if that makes any sense. I’ve got practically nothing to worry about.’

(TS23 Male)
Case Study: Working but not employed

Pam is 65 and ‘retired’. She is divorced has three grown up children and lives alone. She worked for most of her life in caring jobs, hotel work and cleaning. She stopped paid employment at 61, when she found that she could manage on her pension. She cares for two elderly friends who live in the same block; she is ‘on call for them whenever they want me’. The man needs considerable care, being washed for example and Pam estimates that she spends somewhere between 20-35 hours caring a week. She doesn’t want to be paid for it she does it because they are friends.

“So when did you finish work?”

“I don’t feel as if I ever did.”

4.4.4 The influence of wider family and friends

In addition to the influence of partners on orientations to work and retirement, other family members may also play a part as positive or negative role models. A number of respondents mentioned their parents’ experiences as something that coloured their views; this worked in both directions to encourage early retirement or to provide positive examples of working beyond SPA.

For those who took the lesson from their parents that retiring early was something to aim for, the following are typical comments:

“I think an influence on you as well was that my father never had a retirement. He took ill in his 60s with strokes and, first of all prostate problems, then strokes, and he never had a retired life because of his health.”

(EC43 Male)

“I thought well I would finish work in my early 60s because my father he carried on working until he was 65. He said don’t ever work until you’re 65. He said it is far too long.”

(NS79 Male)

The following example is representative of people who took the lesson that working for as long as they could was a good thing:

“My mum retired when she was 60 from full-time work and she got bored so she went back part-time and she didn’t leave until she was 74. So there’s always that feeling well mum did it until she was 74. She just had a little job two mornings a week. She said it got her out the house.”

(NC80 Female)
The experiences of siblings, cousins and friends all figured in the accounts given by the respondents, making it clear that one of the ways that people think about their own working lives is by situating them in the experiences of those around them. A respondent in Thanet gave this cautionary account as an example of someone unable to enjoy his retirement because due to circumstances beyond his control he was forced to work for too long.

‘We had a chap where I used to work…But they let him stay until he was 67 and then retired because there was something wrong with his pension or something. I met him a few months later and his wife is in a home with Alzheimer’s so he’s on his todd. He’s on his own…He could have had those extra two years with his wife but he had to stay on because his pension wasn’t right or something. And he was screwed up by the pensions people.’

(TC14 Male)

The impact of wider cultural understandings of retirement will be returned to in Chapter 6. As this study highlights, people take a cue about work and retirement from those around them, and that, in particular, the influence of partners is likely to be very significant for many. It is also worth noting that the experiences of wider family members, especially parents, are important in forming views about the desirability of continuing to work or not, and that therefore the generation interviewed here will be the role models for later generations to some extent.

4.5 Summary

This section has considered a range of individual factors, which are known to be related to early withdrawal from the labour market, namely health, caring responsibilities, finances as manifested in pension provision and domestic circumstances. The health status of respondents varied considerably from those currently incapable of work and in receipt of IB or having retired on ill-health grounds, through those managing a chronic condition such as arthritis, but remaining in work, to those defining themselves in good health. How individuals responded to their own health issues depended in significant measure on other aspects of their situation, i.e. whether they also had caring responsibilities, their financial situation and the pull of work in terms of work availability and job satisfaction. This suggests that in helping people manage their health it is not enough to focus solely on the nature of the condition which they have it is vitally important to also understand the ‘illness experience’ (Ross, 2008:202) that is the wider context for their ill-health.

A strong theme that emerged from the interviews among those currently defining themselves in good or reasonable health was their concerns about the risk of a change in their health status, which coloured the way they thought about continuing to work or the desirability of retiring while still in good health and able to enjoy it. This health pessimism is an important factor in people’s orientations to work and retirement.
Of the sample as a whole, just under half said that they had some caring responsibilities with respect to elderly parents, their grandchildren or their partner or a combination of these. Thanet had the most carers and Edinburgh the least, but this reflects the different sampling frames in which people on IB or in receipt of Carer’s Allowance were specifically targeted in Thanet. Nevertheless, it is fair to conclude that caring was a significant activity for many across the sample, and for a significant minority impacted upon their willingness and availability for work. In many cases outcomes with regard to working or not working arose out of the interaction between the desire to care, their financial circumstances and the pull of available work opportunities. The impact of caring was refracted through other aspects of the individuals’ situation. This research also confirms that the emerging issue of grandparenting is a significant factor in the lives of this generation of over-50s.

Women’s motivation to extend working life or get back into employment were strongly conditioned by their work histories. Many women had worked part-time throughout their lives in order to accommodate caring responsibilities, initially for children and subsequently for other relatives. The part-time work they did was typically chosen for convenience (for example proximity to home or the availability of flexible hours) rather than for its interest or challenge. Giving up such work in the face of health or caring demands was therefore comparatively easy if finances allowed.

There were significant differences among the men in the three research sites in terms of pension provision, which reflected the typical different career trajectories and socio-economic status of respondents in the three areas. There were profound gender differences, in that far fewer women had any form of occupational or personal pension. This meant that for the majority of married or cohabiting women their income in retirement was contingent upon their partner’s pension provision. Just as in working lives where women’s pay had not been the main source of income for the household, in retirement women’s pensions would not be the primary source of household finance. Thus, in terms of financial security and whether couples could afford to retire it was often the men’s income (in work and through pensions), which dominated the calculations the couple were making. The research did not uncover a strong link between occupational pension type and incentives to work or retire, though this may be a feature of the sample design. What seemed much more influential was the presence or absence of occupational or private pensions; as their value reflected the individual’s life experience and work history, they were part of the accumulated advantage or disadvantage over the working life.

As is clear from the summary so far, the impact and significance of individual factors, such as health or finance are typically played out in the context of specific domestic relationships. In particular, the timing of married or cohabiting women’s retirement tended to be contingent upon the trajectory their partner was taking. Where men’s health had prejudiced their ability to continue working this typically
meant that their female partners were pitched into the breadwinner role and where the family standard of living was reduced, the women had to try to keep working. For couples who were planning to retire at the same time, it was typically the point at which the man’s pension would kick in that drove the timing. For some women the relatively high incomes of their partners enabled them to retire early, often allowing them to leave a boring or frustrating job. The fact that many women have been financially dependent upon their male partners throughout working life continues its significance into retirement. The influence of wider family members and friends were also important in providing individuals with a frame of reference for ideas about the desirability or otherwise of extending working life.
5 Structural incentives and disincentives to continue working

The structural factors which impact upon individual’s willingness or ability to continue working include the impacts of pension, tax and benefits regimes, and patterns of demand for labour and employer behaviour. In this section we consider the effects of these structural factors on our respondents’ orientations towards work.

5.1 Pensions

Existing research suggests that the type of occupational pension that individuals have may be significant for retirement timing, with those on final salary schemes more likely to retire earlier than those on defined contribution schemes. More generally the presence or absence of occupational and/or personal pensions and their value are important factors in decision making about whether to continue working or to retire.

5.1.1 Lack of confidence, mistrust and uncertainty

A key theme to emerge across all three interview sites was a lack of confidence in the performance of private pensions and the consequences for future financial security. Many of those who had some form of pension that was not based on defined benefits expressed anxiety over how it had performed (or underperformed), and frequently exhibited anger and scepticism targeted at: pension providers, financial advisers and the Government.

Women in particular were angry at the pension providers and employers. Responses were often bitter, and criticised those managing occupational pension funds. Lack of trust in financial advisers was another recurring theme. People expressed doubt as to the motivation of advisers. The men also demonstrated anger towards what they saw as the mismanagement of occupational and private pensions, and were
also more likely to target their anger towards the Government. There were also criticisms over how the Government was managing the pot of money to pay State Pensions. These comments often underlined the fact that many people have a lack of understanding of how occupational and State Pensions are funded.

A number of interviewees had personally experienced pension mis-selling or their companies transferring from one pension regime to another, while many others knew of other family members, friends or colleagues that had suffered. There tended to be a mixture of fatalism and anger in individuals’ comments about these issues:

‘Well at that time, this was the thing to do, move your money into a private scheme, because that seemed to be financially better. That was what was happening at that time in my life and that’s why I did it. It wasn’t because the University said “you should do it”, it wasn’t their fault. It was my own fault for moving it. But the quotes that I was given, it’s like endowment, mis-selling endowment – the quotes you are given make it look fabulous… And that’s what happened to my University pension, so that’s why my future pension provision is very poor.’

(ES47 Female)

‘I know a lot of people who’ve unfortunately experienced that – pensions collapsing…It’s not good.’

(ES36 Male)

Companies were criticised for taking pension holidays, or for what happened to pension schemes when one company took over another, but equally government was not seen as blameless:

‘I think for the amount of money we put into it, what we’re getting back is quite pathetic. You know, and I think that all the governments are at fault. They should have made more provision, you know. They’re busily criticising all the companies for having black holes in their pension scheme and they haven’t got a black hole in their pension because there’s no pension money there at all, you know. They’re just doing it from day to day and from week to week, which I find is…So I find that really bad news and, you know, the way they vilify the companies for not having, I think is dreadful.’

(NC66 Male)

‘At the end of the day all of this is down to the fact that there isn’t enough money in the coffers to pay the pensions in the first place and… and…that’s a failing of government and unfortunately it’s the general public who suffer at the end of the day.’

(NC82 Male)
5.1.2 Pensions and tax

Several (mainly men, but some women too) were annoyed that they had to pay tax on their pension income.

'It feels like you’re just saving it for the Government so it’s just better to put it in the bank.'

(NC80 Female)

There were several pleas that pensions should be tax free, often based on the perceived injustice that they had been taxed already when paying into their pensions, and were therefore being doubly taxed. There was a sense of injustice among some of those who had saved into occupational or private pensions that they perceived the State Pension to be ‘tax-free’. These misunderstandings about the treatment of pensions as income and as such their incorporation into tax allowances are interesting and suggest that people perceive income in retirement to be of a different order to earnings while working.

5.1.3 Disillusionment

As a result of this anger and uncertainty, people were quite defensive about their personal situation and disillusioned with pensions in general.

‘Our biggest stress life is hanging on to what we’ve got so anybody else can’t get it…This is our life! We’re always in the wrong building society, we’re always in the wrong pension…I tell you there must be hundreds of people like it. This is why I think to myself “oh, you know”.’

(NC77 Female)

‘I mean we’ve tried to save some money over the years [while her husband was working abroad] specifically as a buffer zone for when he did retire. I mean what plans we had were scuppered, you know, when this war [second gulf war] happened and all the exchange rate went down because suddenly it was index linked. So our little plans for what we were going to do were scuppered and we thought OK at least then we’ll have a buffer zone when he’s 65 to, you know, make life a bit more bearable. But even we’ve had to use that now. We’ve been so discriminated against because over the years we tried to save something. You know I wouldn’t advise anybody to save any money nowadays.’

(TS22 Female)

In a couple of cases, individuals had consciously stopped paying into their pensions because they had lost so much money. Investing in property was viewed as a safer alternative, especially in Edinburgh where property values are high. Another response was simply to spend the money.
5.1.4 Women disadvantaged by structural rules

The assumptions in the original Beveridge report from which the National Insurance based State Pension was established was that men were the breadwinners and that for social security purposes men and women could be treated as a team (Hill, 2007:27) Women in employment could therefore pay a reduced or no National Insurance contribution (popularly known as the reduced stamp). This was subsequently phased out, but given the age profile of the sample, a number of women had paid the reduced stamp in the past and as a result now qualified for a reduced pension. There was a sense of anger and frustration over this, that they had been badly advised and let down by the Government and that their role as mothers had not been rewarded.

‘Well, saying that, when we first got married, your wife was covered under the State Pension scheme, but as time has progressed...so my wife only gets a pension on what she paid into it and having been a housewife and mother – which everyone was encouraged to do in those days and everyone did, and then the Government back-pedalled and withdrew it all – she’s left with a very small pension. Because of the short time that she worked. And she only paid what they said a married woman should pay, which was the small stamp. So she didn’t qualify for much of a pension, when they changed the goal-posts!’

(EC33 Male)

Women’s access to occupational pensions was also compromised by their work histories, where occupational pension scheme rules served to disadvantage women.

‘And the trouble with the University was, you didn’t start paying into the scheme until you were 25, and men started at age 18, and the women didn’t start until 25. So didn’t start paying in for as long. I think because in those days they think “oh they’ll get up and get married and we won’t have to pay them a pension in the future”. But that’s what happened, so I had only paid into it from the age of 25, so there wasn’t a lot of money in the pension pot anyway.’

(ES47 Female)

This respondent subsequently joined another occupational pension scheme when she moved jobs, but in order to get the death-in-service benefit for her husband, rather than for a meaningful source of income in retirement. More generally, many of the women who worked part-time made a number of assumptions about their suitability for occupational pensions, namely that occupational schemes were not really designed for part-timers; or that on what they earned it simply would not be feasible to contribute to a pension.

5.1.5 Effect of pensions on intentions to work

Our sample represents a generation of people who have been affected by some of the key problems in the personal and occupational pensions industry. For some,
the loss or reduction of financial security had a direct effect on their intentions to retire or stay in work (in that they were now having to work later than they had planned). However, the extent of anger and bitterness went beyond this group – there was a real sense of violation of trust which, did not serve to encourage open discussion about extending working life. Several felt cheated through their experience with pensions and these negative experiences coloured their attitudes to work more generally. Moreover, there is a concern that their negativity may reach out to younger generations. In several instances it was made clear that the message being passed on to children was: pensions are ‘not as good as they used to be’.

5.2 Interactions with government agencies

In order to access benefits, find employment or get information about the State Pension, people need to interact with the main government agencies that deal with these issues. The advice, information or help received is an important element in the process by which people make decisions or respond to the situations they are in. In this section we consider the two main agencies concerned with older workers paid employment and retirement transitions: Jobcentre Plus and The Pension Service. People’s knowledge of their benefits and pension entitlements is also very important in framing their understanding of the implications of coming off benefits and returning to paid employment and the likely impact on pensions of continuing to work. The equalisation of women’s SPA with that of men will also increase the age of eligibility for Pension Credit, which is likely to increase the numbers of both women and men in the 60-64 age range who come into contact with Jobcentre Plus.

5.2.1 Jobcentre Plus

Some respondents in all three sites had used the services of Jobcentres at some stage in their working lives. Four women mentioned that they signed on in between the births of their children. While a handful of respondents reported positive experiences of Jobcentre Plus, the majority had had negative experiences and, as a consequence, would not consider using Jobcentre Plus to help them back into work or to find work when they retired from their main job.

A common concern among respondents was poor treatment from Jobcentre Plus advisers. Many of these experiences related to a lack of support from advisers in helping them to find work because of their age:

‘And then of course when you come up to 60 they just cross you off, end of story, and you get your pension and pension credit.’

(TS2 Female)
‘We went to the Jobcentre, like a couple of idiots, thinking they would help us, advise us, point us in the right direction and they more or less told us to go away. They gave us a form, fill that in and you’ll get Pension Credits. You’ve got no chance of having a job. We came away feeling really upset about it.

**Right. So they weren’t really very interested?**

They weren’t interested at all. They weren’t helpful. They wouldn’t give us any advice. They just thrust a leaflet at us. Go away and do that. And we’ve both tried. I mean I…Not so much myself, I mean I’m not the ones with the skills. My husband’s the one with the skills and of course it’s an ageist thing. You fill in so many application forms, they look at your date of birth and throw them away.

You feel that really your age is the main...

Oh yeah. Absolutely. That’s what they said to us in the Jobcentre, it’s not even worth trying.’

(TS21 Female)

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**Case Study: Long-term experience of Jobcentre Plus**

David was 60 at the time of the interview and described himself as ‘retired with part-time dabbling’. He had worked in financial services until his mid-50s when he was made redundant twice in the space of a few years. He had been in receipt of Jobseeker’s Allowance (JSA) for six months and then he found a job in a charity. This did not last for long and he was back on JSA, and after a couple of months found himself another job in the charitable sector. This also was short-term:

‘So I was determined that the Jobcentre wasn’t going to push me into something that I didn’t want to do. You know I was too long in the tooth for that.’

He managed to find another part-time job which, although he enjoyed it, involved a lot of travel so he resigned and decided not to look for further regular work. When asked whether he would consider going back to Jobcentre Plus again he revealed another dimension to this story:

**Interviewer:** ‘Would you ever think of going back to receive Jobseeker’s Allowance again? And with a view then to getting some sort of employment, or not?’

Continued
David: I don’t think so. I mean I’d assume that I wouldn’t be eligible. I think after the last hassle that I got on it, I don’t think I could cope with it to be honest…But the one thing that really mucked me up at the end of the day was because I’d been in receipt of Jobseeker’s Allowance for six months, and I was over 50, 55, I was told that I’d be entitled to a Working Tax Credit and that was the biggest load of old cobblers. It turned out…and I filled the form out, and I’m still getting hassle from the working tax credits office…

Oh dear no. Did they get it wrong! Big time. We gave them all the information and with our investment money there’s no way that I qualified. But I was told it doesn’t matter because you’re been this, you’re entitled to it. So I filled the forms out, gave them all the financial information, they processed half of it and started to pay me money. And they paid me. I immediately contacted them and said “this isn’t all the information”. “Oh no you’re definitely entitled to this, blah, blah, blah” and I said “no, this is my financial situation”. Well it’s umpteen phone calls later, and by this time they’d paid me a few hundred quid and were paying me through my new employer and they kept paying me through…I kept telling them to stop, and they still kept paying me and in the end they paid me about nine hundred and something pounds.’

At the time of the interview David was still paying back the over-payment of Working Tax Credit (WTC).

Others felt deterred by the other clients at Jobcentre Plus:

‘What really sickened me was I went up and I was a genuine case and I felt that I’d paid my money all along and it was full of alcoholics and tramps…And they were more interested in finding out what each one was doing, or what had been said in the interview cabinet, coming out and then modifying their story so they could go in and try and claim and one of them was really incensed about being kept waiting. “I need to get down to the bookies because the derby’s on!”, I can always remember that. That left a mark on me.’

(EC43 Male)

‘Quite frightening. Every time I had to go down there to sign on it was frightening.’

(TS8 Female)
Women, in particular, were more likely to talk about feeling judged or stigmatised.

‘Well I did when I sold the shop, I went down to see what benefits could I claim or could I sign on or whatever. That was down at [name of area] but the premises had improved, but the whole experience left me to be feeling a bit, you know “why am I doing this?” and I felt that I was being judged as a result of it, so I just never took it any further. Never went back.’

(EC49 Female)

Women were also more likely than men to state alternative methods of job search – libraries, newspapers and direct approach were all mentioned.

‘I would be more inclined to go for an employment service where companies would go to them and put their name down and say I want somebody rather than go to the Jobcentre. I think the variety of work offered is more with a private individual…I got both my jobs through them rather than through a job centre. Funnily enough there’s like a stigma attached to a Jobcentre where you kind of, probably wrongly, get the impression that they haven’t got the right kind of job for you if you’re in a secretarial or administrative side.’

(TC28 Female)

A couple of residents in Thanet referred to local initiatives (no longer open) that they had preferred to Jobcentre Plus. These had been neighbourhood drop in centres, close to where they lived and where they could go for a cup of tea and help with things like writing letters.

One of the most positive experiences was in relation to the New Deal programme.

‘They [Jobcentre Plus] were a great support and really were good. It gave, this relationship aspect, the relationship you build with the person you see all the time so you didn’t just become a name or an individual, but they took an interest in you and that you were interested in doing something else and helping yourself. It was getting away, trying to support this aspect I think that they were trying to do was you could help yourself. “We’re there to help you and guide you and give you this”. So that’s what they did and I went to see a business consultant. They gave me the opportunity to go and see a business consultant and we sat and chatted. I said I’d got some ideas and he said “look, if you can put together a business plan and whatever”, so I brought them into the company already, I put a business plan together and it went through the whole thing and they said “right, after a year we’ll give you £60 a week, tax-free”, so I got £60 a week for a year doing the business. I had to go back in every six months to show them what I was doing and what things I was doing to try to procure business etc.’

(ES51 Male)
But even this ‘satisfied customer’ reported limitations when their adviser changed, highlighting the importance that people attach to consistent treatment between members of staff.

5.2.2 The Pension Service

Men were markedly more likely than women to have heard of and used The Pension Service. As could be expected, interviewees from Thanet were much less likely than those from Edinburgh or Nottingham to have used this service.

Among men, use was divided into those who had written or phoned for pension forecasts/estimates and those who used the online service to get more general information on pensions. The predominant response from women illustrated the passive nature of their interaction with the Pension Service – they had received a letter from the ‘pensions people’.

‘The State Pension Service. Well I don’t know, they just…you just…I just got a letter to say what I was going to be given and that seems to be OK.’

(TC10 Female)

“Well, because it doesn’t affect me and I’m looking at the letters and thinking “oh that’s very nice”, that’s all I can really say about it because I feel it’s giving you the information before I actually need it. As opposed to waiting until I’m 60 to find out what to do, and I suppose the time, I would assume, that from reading any of the letters I’ve got, that my name’s on record, i.e. I’m still getting these letters so therefore they must know I exist. They’ve got all my details, so due the time that I’m to get this money I would be thinking “well they’ll get in touch with me”.’

(ES47 Female)

Experience of use was in the main positive. The service was described as being approachable, and only a few individuals raised concerns.

‘So I think I’ve been quite impressed by The Pension Service. They seem to be pretty efficient in terms of sending forecasts out and explaining what the options are and then actually form filling etc.’

(NS79 Male)

‘I think the Government’s pretty good actually on everything is there but you do have to ask for it and a lot of people wouldn’t know where to ask and, you know, how to go about it. I mean even things like getting your pension prediction. But me personally, no, it’s all been straightforward.’

(NS72 Male)
‘I always feel that you don’t accept anybody’s word for what they’re telling you. You ask for a detailed explanation so you can check it out yourself, and that proved to be so with [name of wife]’s pension because they said it was one figure, we challenged it, it came back slightly different and then we found out that a chunk of tax credits had been missed out.’

(NS74 Male)

A couple of people stated that they did not like using computers, one complained about the cost of phoning The Pension Service, and another couple stated that they would prefer their advice to come from a financial adviser.

‘Yes. I mean one morning I think it was about 45 minutes peak time and, you know, when you’re worrying about your income you really don’t want your telephone bill rocketing.’

(TS9 Female)

5.2.3 ‘Benefits traps’

The structure of available state benefits for older workers who lose their jobs or stop working because of a health issue can have an impact on the decisions made by individuals about whether or not to continue in employment or try to get back to work. Among the respondents in Thanet, where the majority of benefit claimants in the study were concentrated, a number of themes emerged. First, was the general difficulty of understanding what they were or were not entitled to and negotiating the process for getting benefits:

Mrs: ‘I know if you do get disability you both get carers anyway but I haven’t really tried it, you know? The form is about that thick going through that lot.’

Mr: ‘It’s just like going through the bible.’

(TC4 Female and Male)

This led on to a second issue of concern if a job did not work out necessitating a return to benefits:

‘I think what they could do is they could give you a kind of amnesty period when you’re starting a new job so that if you can’t cope with it or you can’t force it into your lifestyle, because of our circumstances, your benefits are not taken away irretrievably.’

(TC3 Male)

A third, and strong, theme to emerge from the Thanet residents was the experience of being worse off in work or making an assumption that they would be worse off if they went back to a poorly paid job. There was little awareness of benefit protection rules or Better Off Calculations (BOCs). Hence, there were a number of cases where people indicated that they were not working, or would not look for work because of their benefits situation.
'The problem is the very low income that you’re given works out that you’re less well off than what you are when you’re on benefits. I’m not saying the benefit is too much, it isn’t. But it’s when you actually go to work and you work so hard, you know, and you’re actually worse off and you can’t even afford to go to the dentist when you’ve got toothache.’

(TS22 Female)

This reflected two other dimensions of the situation for many of the respondents in Thanet, namely that they were in a relatively low wage economy and had few skills that were marketable for better paid work:

‘To find suitable work and...and also if you went back to work benefits would all change around where being unemployed you got help with that because there was still a bit of mortgage on the house so I got help with that, help with the rates or whatever you...I got a lot of help. But if I went back to work all that would have stopped so I would have had to earn quite a lot of money and I wasn’t really qualified to get a job for the sort of money that I needed to live.’

(TS2 Female)

Case Study: Worse off because of going back to work

At the time of the interview Ted was working part-time as a cleaner. Three years previously he had to give up his job as a skilled welder following an injury at work. He had been on Incapacity Benefit (IB) as a result. However, he had got bored and frustrated at being off work and had persuaded his doctor to let him go back to work part time. As a result Ted and his wife were worse off than they had been because of losing certain benefits:

Mr: ‘But I should have stayed on the sick. Do you understand what I mean?

Mrs: Firstly you go on Incapacity Benefit which is the sick. Then you get... You know after you’ve been on it a year it goes up and things like that. We didn’t get any of the...you know, invalidity or any stuff like that. But you didn’t have to pay, like I say, the Council Tax. So we were actually getting about £20 say a week more basic money plus a little bit of help with our mortgage plus we didn’t have to pay our Council Tax...So now we’re £20 a week worse off. We have £109 a month Council Tax bill and we get no help with our mortgage, which was only about £40...£30 a week so...we’re £50 a week worse off plus our Council Tax. And we don’t get help with our glasses or dentist or anything like that. So it’s ridiculous. And people that want to work, that want to do things right are penalised.’

The situation they were in was causing a strain in their relationship, while Ted readily admitted that he had been foolish to go back to work there wasn’t anything now he felt he could do about it. He was just hoping that he could carry on working until he got to SPA.
Interviewees in the other two locations were more likely to focus on the fact that they were disadvantaged by the benefit regime in the sense that they were just a bit too well off to qualify for benefits and to complain about the failure to reward the hard workers and instead hand out benefits to the ‘idle’.

Linked to this was a theme expressed by respondents in all three locations that working when in receipt of a pension was penalised:

‘Because the point is I did try but you can only earn, I think it is about £5 if you’re on pension. So what is the point of going out to work when you can only earn £5 on top? It seems silly to me...I mean I applied for one and I got it at the B&Q but then I found out I was going to lose so much money because of the wage and I went oh I’m not going through that so I stopped.’

(TS21 Female on Pension Credit)

‘Because, you know, they work it out and they think they’re getting a pension and they’re thinking, you know, it’s not going to be worth it to be paying, you know, so much out to the Government so...And I think that’s...that’s probably a big anti-incentive for people to carry on...Yes. I think if it’s... Because I think when people have worked all their life and...I think if people have worked all their life and paid tax I think when they get to pension age, you know, I think it’s a shame when they’re still being taxed.’

(NS71 Female)

It is clear from the views expressed by many of our interviewees that real or imagined benefits traps or tax on pensions were acting as a disincentive to get back to work or continue working once drawing a pension. This undoubtedly links to the level of understanding that people have about benefits and pensions, both of which are undeniably complicated. These issues of knowledge and understanding are discussed in Section 6.3.

5.3 Employers

The aim of this section is to examine the ways in which employers’ attitudes and practices surrounding the latter stages of working life might help or hinder people in their decisions about whether or not to retire and how to retire. The analysis included here focuses on retirement and pensions, while flexible work options are considered in Section 5.5.

Although experiences varied, one overarching theme to emerge was that people felt that the treatment they had received at the end of their working life was less than dignified.

‘Unfortunately you’re dealing with faceless people. I never really got a load of advice from them on retirement. I don’t think they care. They’re just glad...“well there’s another high-salaried person away. We don’t have to find that money every month to pay him”.’

(EC50 Male)
This feeling was particularly acute among those who had retired early on medical grounds.

‘So, again it was like a machine grinding. And then you’re just sort of churned out at the end. And I don’t think I ever seen anybody regarding my pension at all. We got a cheque, that was it. Sent me my P45, bank transfer, done.’

(EC31 Male)

Overall, people reported receiving more information on pensions than they did on retirement. It was obvious from accounts that receiving large amounts of written information with little or no explanation was not viewed favourably:

‘And they gave me a huge pension folder, if you like, telling me a whole load of stuff that you just don’t understand. Basically.’

(EC38 Male)

On the other hand, positive experiences were reported where the advice had been provided in a more interactive and personal manner by a Human Resources (HR) manager or by a specialist pensions adviser.

‘Yes, excellent. They had an external company running the pension scheme and they had yearly seminars which were very, very good, and yearly statements. You totally understood exactly what you got. And I paid my mortgage off quite early so when my mortgage was paid, when I was about 48, I just put my whole mortgage money into my AVCs.’

(ES48 Male)

It was clear that public sector employers were much better at providing pre-retirement information and courses than were private sector organisations.

‘Yeah. What had happened…I’d gone on sort of various pre-retirement courses when I worked in local government, not because I was considering retiring at that time but apparently they’re very good in terms of advice on lifestyle and also on financial management. So I went on them and they were actually quite good. They were sort of three day courses so I went on that. But…But the current company has no…It’s only a small private company so it has no…It’s only about 30 people, it’s about 30 or 40 people so…but there was no…offered no advice on retirement at all.’

(NS79 Male)

Respondents emphasised the importance of the timing of courses. In general, two to three years before retirement was viewed as a useful timescale as it would allow people to plan. Some also commented on the content of the courses, criticising them for reinforcing the notion of ‘cliff-edge’ retirement.
Case Study: Comprehensive and timely information

Eleanor works for the Scottish Government. She feels her employers offer good support for retirement in that employees can attend a one-day retirement course at any time up to five years before retirement. The course consists of specialist input on pensions, financial planning and other lifestyle aspects, e.g. there is a representative from the voluntary sector.

Her husband, on the other hand, retired in June and was offered a retirement course the following September.

‘But they thought “oh, but you could still come along, you’ll still learn something” and I thought “no, once I’m away, I’m away”. So I was a bit disappointed that there wasn’t more on offer from my employer.’

Eleanor also commented that it would have been useful to have some careers input into the retirement planning process.

‘Do you know what I think would have been a nice thing for somebody to have to do, even though you’re retiring, is have somebody in from a careers service. So that you’re not being written off. You’re retiring, you’re stopping one job, but there’s still lots of options open to you…’

It is important to note that even the most comprehensive employer preparations for retirement did not adequately prepare people for the reality of finishing work.

‘Yes, well we were sent to several seminars about retirement and even those, you know, there were jobs available if you want, you know. Yes, about your pension, your investments, you know, health, having goals, how to cope with this, how to cope with that, and, yes, I mean I found it very interesting and I’ve still got all the bumph upstairs even now in a briefcase. So, yes, I was prepared, I was prepared. As prepared as you can be, but it’s like, you know, you’re switching a light off, you think “well that’s fine, I’m going to do…”, you know, and you take some time to adjust. But you do adjust, you do adjust, yes.’

(NS65 Male)

One suggestion to help in the process of adjustment was that there could be a follow-up course a year after retirement.

As can be seen from the quotations above, most of those who had received any information on pensions or planning for retirement were men who were working in white collar and professional jobs. It was notable that virtually no comments were received from Thanet interviewees in relation to this subject. Moreover, the nature of jobs occupied by women (lower pay and status, part-time, etc) was frequently seen to be associated with less preferential treatment when it came to pensions and retirement.
'I mean my dentist is obviously pensioned up to the hilt, covered for ill-health, but none of her staff. I mean there are five of us now, it's a bigger practice, none of us have any provision when we retire. So there will be all these dental nurses will retire with no pension. But it depends on your employment, you know the sort of work you do.’

(EC31 Female)

‘But I’m on minimum wage and not…I wouldn’t say they’re the best people to work for, they’re not probably the worst, but I don’t expect anything great, you know, from them.’

(NC77 Female)

5.4 Redundancy

For some who leave the labour market prior to SPA the trigger is redundancy. There were several cases in this study where redundancy in their 50s had acted as de facto retirement for individuals. This seemed to be most prevalent among males in Nottingham (of whom seven had experienced redundancy).

For some, the package presented was too attractive to turn down, and had the effect of substantially bringing forward retirement and changing ‘best laid plans’. For example, one respondent finished at 53 rather than at 63 as he had originally planned, and another finished at 58 instead of 65, describing redundancy as a ‘golden opportunity’. It was clear that both these individuals had done some detailed financial calculations and worked out they would be gaining nothing financially by remaining in employment. Others felt that their jobs had changed in ways they did not like and that the opportunity to take redundancy came as a ‘relief’.

It is a contested point in the literature on older workers as to whether redundancy has been targeted at workers aged over 50. Certainly an incentive for the two men above was an enhanced pension. In other cases people took redundancy because the alternative would be to move and uproot their family. One man also mentioned that he accepted redundancy in order to give him more time to care for his elderly father. Another interviewee was struggling with an increasingly ill spouse, and redundancy acted as the spur to become a full-time carer for her.

In theory, the introduction of the Employment Equality (Age) Regulations in October 2006 should reduce opportunities for employers to target older workers in redundancy situations. Nevertheless, even if practice has changed, our findings suggest that people may still expect older workers be the focus of redundancy exercises. Older workers themselves may be more attracted to redundancy options because of other pressures in their lives, for example caring responsibilities, dissatisfactions with work or the feeling that they should make way for younger generations.
Case Study: Redundancy as an opportunity

Peter had ‘resisted’ several rounds of voluntary redundancy in his company. However, he had seen many of his colleagues take advantage of attractive offers, and aged 55 he actively sought redundancy because the culture of the organisation had changed so much.

‘I didn’t enjoy the job I was doing, I didn’t enjoy the people I worked with at the time, because most of the people I worked with had gone, retired, and so on…’

(NC77 Male)

Another man spoke of a series of redundancies throughout his working life. He had persevered in employment, moving from job to job mainly for financial reasons until he was 57, but then his wife’s health had deteriorated, so he stopped to look after her.

Fewer women had experienced redundancy in their 50s. One who did was a school meals assistant. She accepted the offer of voluntary redundancy aged 50, when her original employer was taken over. The new company wished to cut her hours.

We received only one account of someone who had been made redundant in their 50s trying to find work again. They faced an unhelpful response from the Jobcentre, which deterred them and they had not worked again.

5.5 Flexible work options

As previous research has suggested, access to flexible work patterns may encourage people to stay in paid employment longer. In this sample the patterns of flexible work undertaken and possible future opportunities available were both highly gendered. Women were far more likely than men to be working part-time. There were two predominant reasons provided. The first of these was that they worked part-time to accommodate caring commitments, caring for a partner, parents or grandchildren. The other main reason was that they had worked part-time after having a family and had never gone back to full-time employment.

‘My proper job – you know before I had the children – I was a biomedical scientist, which I did for 15 years. And after I had the kids I didn’t work for a while and then when they started [school], as you can imagine, you end up working, helping in school and so eventually I was employed by the school. So I’ve been there ever since.’

(ES47 Female)

A couple of women also mentioned that their own health problems prevented them from working full-time.
The most common forms of flexible working undertaken by men were shift-working and self-employment. The key distinction between these two forms of flexibility was the degree of control/choice. Shifts were not popular and, from the comments received, acted as a disincentive to extend working life. On the other hand, we received accounts from men in all three locations who were self-employed, some of who described themselves as ‘half-retired’, and all of whom felt their jobs afforded ample opportunity for continuing to work well into the future. The case study below illustrates the full range of flexibility offered.

### Case Study: Self employment and flexibility

Eddie owns a taxi and currently works about 32 hours per week over four days. This already represents a significant reduction from his ‘full-time’ hours of around 60 over five days. He is confident that he can reduce his hours further if need be; he is not committed to working on any particular day; and he can always employ someone to work all or part of his hours for him and still make money by charging rent on the taxi.

Another self-employed businessman spoke about his opportunities to work increasingly from home, greatly aiding his work-family balance.

Several men and women who were working full-time expressed an interest in gradually reducing their working hours as they approached retirement. However, fewer were able to say whether or not their current employer would offer such flexible working. We received only three instances of people whose employers had allowed them to wind-down by reducing their hours. All three endorsed their experiences as positive.

As mentioned in the overview (Section 3.1), it was notable that those who were considering working after retirement very much emphasised the importance of flexible working. Some (especially women) said they would only consider part-time work options.

‘Well it would need to be something that wasn’t too much. It would need to be something that interested me and was only, well, a few hours a week, shall we say. Not, I don’t mean two or three hours, I mean something that’s not too many hours, well maybe 15 hours a week maximum. I wouldn’t want to be overly burdened by being tied to…because I do like to get out and about.’

(ES40 Female)

It was not only a reduction in hours that was important. The pattern or distribution of hours was also seen to be crucial. There was a reluctance to work ‘antisocial’ hours in part-time jobs. One woman commented that lunchtime shifts (10-2) in a supermarket did not suit her as she found it more difficult to go long periods without food as she got older. Others expressed a preference for concentrating their part-time hours into fewer days.
Case Study: Life doesn’t revolve around work anymore

Heather turned down the offer of a ‘fabulous’ job which would have involved showing visitors round an art gallery. The job would have involved working from 11-2 Monday-Friday to provide lunchtime cover. However, she felt that once travel to and from work had been factored in; she would have been ‘working’ more or less full-time hours.

‘You know, three days a week would be quite fine, so that it gives me the freedom to have my life, because I don’t want my life to revolve around work anymore. I want it to be the other way round. To take it as a social life, a social activity.’

The theme of working having to ‘fit in’ with people’s lives was a common one, and was also given as a reason to support a preference for only working on a casual basis. The men and women who favoured this form of flexibility also emphasised their view of retirement as a period of freedom from routine, obligations and responsibilities. Nevertheless, it was acknowledged that there may be a gap between their wishes and the requirements of employers.

‘I’d be happy to do that, but the thing is about any job that I would want, is I need the sort of job where I can say…I’m maybe just on the internet and looking at flights and things and “God, look at…I could fly to so and so next week for that” and I’ll go and in the meantime you’re on the shift that they need you at B&Q or whatever…I would need to be able to say “oh I’m not coming in next week” and very few employers would give you that flexibility.’

(EC35 Male)

Overall, the themes emerging in this section endorsed the findings in Chapter 3, that many people valued time over and above any financial benefit they might receive through working longer.

5.6 Summary

The generation of people from which our sample was taken have been subject to some of the key problems in the personal and occupational pensions industry. As a result, there was considerable uncertainty and anxiety about the whole issue of pensions. This was joined by the perception that the tax treatment of non-State Pensions was unfair. This negativity about pensions, the role of the financial institutions and governments did not serve to encourage open discussion about working for longer but was rather more likely to reinforce a live for the day attitude as the future was uncertain.

People’s interactions with government agencies are potentially an important source of information and advice on issues related to continuing to work, the timing of retirement and pensions. Among those in our sample who had had contact with
Jobcentre Plus at some point in their lives few had positive experiences; for the majority their experiences were overwhelmingly negative, especially from women. As a result, most respondents would not consider using Jobcentre Plus to help them back into work or to find work when they had retired from their main job. Respondent’s experiences of The Pension Service were positive; people found them helpful and said they would get back in contact if they had a query.

Many of our respondents talked about benefit traps (being worse off if they returned to work) and tax on pensions as disincentives to get back to work or continue working while drawing a pension. Whether real or imagined, such disincentives were having an effect on people’s behaviour. There was little understanding of possible support available such as benefit protection rules, BOCs and the possibilities of work trials under the New Deal.

A number of the men in the sample had experienced redundancy in their 50s and had had their working careers halted or severely interrupted, though for some the redundancy came as relief. There was a lot of interest in the possibility of flexible working and gradual retirement as a way of managing the end of working life, but relatively few male interviewees had flexible work patterns, other than the self-employed. Overall, there was a sense that employers did not provide very much information about such issues and hence people didn’t know whether gradual retirement was available to them or not. There was also the view that employers might provide quite good information on pensions, but relatively little about retirement options.
6 Cultural incentives and disincentives to continue working

As was discussed above, individuals do not typically make decisions about continuing to work or when to retire in isolation; instead they make plans or respond to events as part of a couple and/or in the context of the role models around them in the form of the experiences of other family members or friends. It can be argued that further than these immediate personal connections there are also prevalent cultural assumptions and ideas in the wider society to which individuals respond. The social acceptability of working longer is therefore another important factor in an older individual’s orientation to paid employment.

6.1 Social constructions of retirement

When asked about their attitudes towards retirement it was clear that many respondents had a vision of what retirement was supposed to be like, although for many this image of a financially secure period of freedom to pursue interests and take time for oneself and one’s family was undercut by the realities of financial insecurity and health worries. A strong theme in these discussions was the notion, especially for men, of retirement as a deserved reward for a long working life. For the generation of people interviewed in this project the majority of men will have left school at 15 and worked consistently up to their 50s or retirement; only three men and one woman in the sample had degree level education. Therefore, many of the men by their middle fifties had worked in excess of 40 years and this was a common refrain across all of the interview locations, the following quotations are typical:

‘I mean my husband left school at 16 so, you know, he…he…well he’ll have done more than 40 years and I just think that’s enough for anybody.’

(NS75 Female)
‘Retirement to me means you’ve worked hard all your life and now you should have a bit of fun if you know what I mean. Because when you’re working 50-odd years or 45 years or whatever it is what time have you got to go and enjoy yourself?’

(TC15 Male)

Another aspect of this sense of retirement as a reward for a long working life was the perception by some that manual workers, in particular, had earned their retirement:

‘Yes. I’m lucky that it was never anything sort of physical. I mean how these people go on who’ve got physical jobs when they get to 60 I don’t know. At least mine was never physical so it didn’t bother me from that point of view but you… I think you just get sort of mentally tired of it really, you know?’

(NC60 Male)

6.1.1 Retirement as a period of freedom

Another strong refrain to come through the interviews was the conception of retirement as a period of freedom. The word freedom was constantly used by retired respondents to sum up what they felt about their retirement:

Mr: ‘Yes, it’s a freedom thing. It’s the fact that you’re not tied. You can do what you want when you want and if you had more money you could do a lot more than you wanted.’

Mrs: ‘But within your financial constraints you still have the freedom to go where you want when you want.’

(EC49 Male and Female)

‘Freedom. Well it’s…Well it’s lovely because we just please ourselves. To be honest I think we’ve earned it. Don’t we? We think we’ve earned it, you know?’

(NC62 Female)

Nevertheless, there was a strong recognition that this freedom was bounded by one’s financial situation:

‘So it is having the leisure time I think, the freedom to do what you like, providing you can afford it of course. That’s everybody’s problem, I suppose, at different levels, you know?’

(NC60 Female)

Respondents in Thanet who were on benefits were much less likely to talk about freedom, and more likely to see retirement as more of the same:
‘Doom and gloom…Well it is the same as this. I mean our main concern is housing. You know, we’re going to have to lose this house. We’re going to have to get rid of most of our possessions and go and live in a little flat or something somewhere…It doesn’t look as though there’s anything to look forward to, no…Unless we win the lottery!’

(TS22 Female)

Case Study: The move from one set of benefits to State Pension

Rod is 56, he is currently unemployed. He spent some nine years on Incapacity Benefit (IB) due to depression and problems with alcohol, but was encouraged off IB by his General Practitioner (GP) when he had the drinking under control. Rod has had a number of short-term jobs, but feels he suffers in the jobs market because of his criminal record. He is inclined to keep his record secret when applying for jobs as he feels he will never get anything otherwise, but this has led to his dismissal from jobs when the employer finds out subsequently. When looking ahead to retirement he said:

‘No difference to what it is now…I feel like I’ve retired already. When I think about it…It’s not often that I think about it because I’ll get more grey hairs, but I feel like I’m over the hill now, you know, in…in…in my mind but not in my body because I can keep up with an 18 year old. But in my mind I’m saying you’ve had it now mate, you know, you won’t be working till you’re… You know, that’s the way that I look at it. Maybe it’s defeatist talk but that’s the way I feel.’

(NS68 Female)
For others retirement was not going to turn out as they had expected because of problems with their pension or because of health issues and hence the positive vision of retirement outlined above was not attainable:

Mr: ‘Yes. When I had my by-pass you felt cheated.’
Mrs: ‘Oh I did. Yes.’
Mr: ‘She had this terrible feeling of being cheated…’
Mrs: ‘Yeah. I thought when we…’
Mr: ‘That she was going to lose me and then we would not have the retirement years that we have.’
Mrs: ‘I expected to have sort of years ahead of me of idyllic sort of relaxation and holidays and all the rest of it and then when he got ill I thought it’s not fair. You know, I’ve been working all my life in the home towards this time together because I really didn’t think he was going to make it. And now of course we do have to be careful. Because of his ill health we do have to think about what we’re going to do, where we’re going to go. And also the other thing is the insurance premiums when we want to go abroad are horrendous.’

(TC5 Male and Female)

Even for those whose financial situation and health status was not currently a worry, the risk of things going wrong was a very powerful element of how people felt about work and retirement. In particular, the influence of the experience of friends, family, work mates or even acquaintances on individual’s attitudes were very significant, as we see in the next section.

6.1.3 Influence of families, friends and work colleagues

An important source of information about what to expect in retirement or how to plan for it comes from those around us. Thus the experiences of known others add to our received knowledge about what to expect or demand from retirement. As explored above in the section on personal factors, the experiences of family members were an important source of influence on the respondents’ orientations to work and retirement (see Section 4.4.4). The influences stretch wider than this, however, and many of those interviewed for the current study knew someone or knew someone who knew someone who had not had a decent retirement for one reason or another. In particular, despite acknowledgement that statistically we are all living longer, many of the respondents held pessimistic views about life expectancy based on the experiences of those around them (see also Section 7.3 below on State Pension deferral):

‘And the one thing, just maybe to get a little bit out of it [retirement] because I’ve lost a load of friends who have died quite young, who have died not long after their retirement age and I thought “maybe it is time to get some social time to yourself”.’

(ES45 Female)
‘But I can always remember when we had this round of redundancies, they also let people retire early and there was one particular chap, I had known him all my working life. He was a welder, working on the shop floor, but he’d got a passion for golf and he was quite good, and he retired two years early – say he was 63 – and on his 65th birthday he was playing golf, well he had a heart attack and died, and, you know, that’s always stuck with me for some reason.’

(NC63 Male)

As discussed in Section 4.1.5, people have concerns about their future health and the risks that retirement plans and aspirations will be frustrated by the sudden or unexpected onset of ill-health. The experiences of family members and friends would seem to be very influential in sustaining this cultural view that people should not leave it too late to enjoy retirement:

‘People that work down a pit, you work underground and you retire at 60. That’s standard. If you work on the surface you retire at 65. We had a deputy retire at the pit on the Friday and he died on the Sunday.’

(TC14 Male)

‘We want to retire together because neither of our parents had any retirement together so I mean my mum died at 48 and my father died at 65 and his mum died at 60. His dad did live until he was nearly 80 but on his own, you know, and so we…while we’ve got good health, touch wood, we want to enjoy it so…’

(NS75 Female)

6.2 A Choice agenda

Just as there are widely held views about the nature of retirement, we also found common attitudes about the desirability or context for continuing to work in older age. Everyone agreed that continuing to work should be a matter of choice; no one thought that a standard retirement age should be imposed on everyone. If someone wanted to work up to and beyond SPA, and they were fit enough to do so, they should be allowed to:

‘But I do think, I mean there are people who do enjoy working, so if the option was there for them to carry on after the official retirement age, then I think it’s good that they have a choice. Not everyone…you’re not forced to retire at 60, because not everyone wants to retire.’

(EC49 Female)
Mr ‘I certainly think that if the individual wants to carry on working…’

Mrs ‘They should be able to.’

Mr ‘…and they’re fit and able to do it, then why should they be told they have to retire? That’s silly.’

(EC49 Male and Female)

Equally, however, a strong feeling emerged in response to questions about the eventual raising of the SPA (see Section 7.2) that people should not be forced to work beyond the age at which they felt ready to retire:

‘If I was in fit health I’m that type of person. I would love to carry on going out to work until I literally died with my boots on. There are those people… So let them have that choice…But those that need to retire or want to retire let them do so because you will probably find that the majority of older people would be quite happy, especially if they’re on their own, would be quite happy carrying on working because of companionship and things like this.’

(TC3 Female)

**Case Study: Choosing to work a little longer**

Pat is 60, married, has one daughter who has now left home, works full-time as a teacher/mental health worker in a school. Her husband is employed full-time as an architect. She cares for her elderly father who is 97 and lives close by, seeing him once or twice a day. She is deferring her State Pension for the moment. She has calculated that working for a bit longer and deferring her State Pension will make her a bit better off when she does retire. However, she is fed up with her job and feels she is doing nothing new:

‘I’m seriously considering whether I’m going to carry on much longer or whether I should actually just take my pension and then go back to working freelance.’

**6.2.1 Work suitable for older workers**

When considering what kind of work might be suitable for older workers there was a strong preference for flexible work. The notion of a ‘little part-time job’ was mentioned by several:

‘The idea of part-time paid employment, that is something I certainly will consider. But nothing to do with teaching or education. Although teaching supply is very lucrative, it’s not something I could even…I couldn’t contemplate going back into the classroom. Which is strange because I thoroughly enjoyed it and since I’ve retired it’s really…no I couldn’t go back in there. So, yes, I mean, some sort of part-time job. I’m more likely to do a part-time job for remuneration than volunteer.’

(EC35 Male)
'I've toyed with it, I've toyed with it, [going back to work after retirement] but that’s it. It would not be a full-time job. I was offered a job last year. It was to do with, my cousin’s got a small company, and he said “would you be interested in joining us and doing work”, and I said “no”. I said “not on a full-time basis”, because it would have meant being away quite a bit and I just like to be here.’

(EC43 Male)

A wide range of actual and possible part-time jobs were mentioned in this connection. Those with a trade or professional background felt that they would be able to carry on as long as they wanted to, for example, plumbers or electricians doing odd jobs for people; whereas someone in IT might do a bit of consultancy. Some women considered that they might help out in friends’ or family members’ small businesses if needed. For the majority, however the ‘wee small job’ was likely to be something different from the work they had previously undertaken, it might be connected to a hobby, for example, working at the golf club or something completely new such as cat sitting, caretaking, parking cars at the airport or exam invigilating. The main requirement for this new part-time job was that it was interesting or useful and did not tie them down to a rigid schedule which might frustrate the other things they wanted to do in retirement. Choice and flexibility were the criteria to be applied when finding such jobs.

6.3 Knowledge and understanding

The extent of people's knowledge and understanding of pensions, financial services, the benefit system and their legal rights forms a backdrop to their aspirations for working in later life, and any plans and strategies for retirement that they may have. In Section 5.2.3 above we saw evidence that, rightly or wrongly, many people on benefits assumed that they would be worse off if they found employment, and people in receipt of pensions predicted that, because of taxation, they would not be much better off if they worked. Behind these views, which are impacting upon people's behaviour, is the question of how well people understand their current and future financial circumstances and options.

There was a lack of knowledge about pensions, both the state and private or occupational, among many of our respondents. This took two main forms: first the belief that the whole area was just too complicated and second, among younger interviewees, that it was something that they had not really investigated yet.

‘Because they’re so complex, pensions. I understand them to a degree but I don’t know the ins and outs.’

(NC77 Male)
A number of respondents in their early 50s defined themselves less as lacking knowledge, but more as having not got around to finding out about it all yet, as the following quote from a 54 year old commenting about his occupational pension illustrates:

‘I mean, I do have a rough idea just from paperwork that you receive, you know, but it’s a subject I need to start to learn a wee bit more about. Not maybe an immediate panic, but over the next period of time. It’s entering that phase I think! When I need to find out how it all works.’

(ES36 Male)

A number of women and men who had had fragmented work histories thought that they might have bits of occupational pension here and there with previous employers, but did not know how to go about finding out. Some of the younger female respondents were unsure how much State Pension they would be entitled to, and a number of the older women had paid the married women's stamp and felt aggrieved when they found out that this would mean their pension entitlement was reduced.

Just as the whole area of pensions was seen as complicated, many of those interviewed who were on benefits similarly felt that they did not properly understand their entitlements:

‘As far as I know I’m claiming everything I can. Because I don’t pay Council Tax. I get free prescriptions because I’m over 60 anyway. I’ve got Pension Credit which…I don’t know if that includes Income Support or not, I don’t honestly know. I never can work it out anyway.’

(TC15 Male)

The impact of this lack of knowledge was that people could not estimate what their likely income in retirement would be, and hence were not in a position to make clear plans. This was often coupled with a lack of understanding about how various relevant policies such as SPA equalisation for women and the scope of the Employment Equality (Age) Regulations (Sections 7.1 and 7.4) might affect such plans.

The lack of understanding in these areas displayed by many people was further sharpened by what was articulated as the general climate of risk and uncertainty about pensions, which led people to feel further disheartened about their ability to manage their own affairs (see Section 5.11). Overall, there was a sense that the goal posts kept moving and it was quite difficult for the individual to do the right thing. Many respondents referred to the general culture of mistrust:

‘So I think everybody…I mean I think I’ve not a lot of confidence in the pension industry. I don’t think anybody…I don’t know anybody who has.’

(NC80 Male)
This linked to a sense that things had changed and that old certainties no longer applied:

‘Well I grew up in a system that told you, you know, that banks were safe, that pension schemes were safe and…but of course what was going on in the 60’s and 70’s is not what’s going on now. You know, things have changed tremendously and I’ve seen that change, you know.’

(TS23 Male)

The general lack of confidence may also affect the messages and advice passed on by this generation to those who follow behind:

‘A lot of youngsters don’t go into pensions schemes. Maybe that’s a good thing. Because pensions have turned upside down over the last few years. Like a lot of people are putting money into property, bricks and mortar and stuff like that. Not that we have, but, well apart from the house you live in, but the pensions, they’re not as good as they used to be.’

(EC37 Male)

Here as in other parts of the interview a number of respondents expressed concern for what future generations would face.

6.4 Summary

A small minority of respondents were not looking forward to retirement; however, the great majority articulated strong cultural assumptions about retirement as a deserved right and presented a common vision of what retirement should ideally entail: a period of freedom and choice. These social constructions of retirement do not generally support an extending working life agenda, although there is pretty much unanimous agreement that people should have choice about whether to continue or stop working. The influence of family and friends in presenting role models is also important in either encouraging or discouraging an extended working life.

The results of this research suggest that lack of knowledge and understanding of relevant policies or benefits and pensions severely hampers people’s ability to plan and make choices. There was plenty of evidence from our respondents that people find pensions and benefits difficult areas to understand and hence to manage. This is compounded by the general climate of distrust about pensions and government policy, which makes it difficult for government departments to get messages across about extending working life and how to manage one’s finances approaching retirement and beyond.
7 Responses to policy specific initiatives

Decisions about extending working lives take place within dynamic and changing contexts; one of the aims of this research was to assess people’s attitudes to a range of recent policy initiatives that may affect decisions about working and retirement. This section provides an overview of attitudes towards: State Pension equalisation between men and women; proposals to raise the age of eligibility to State Pension; and deferring State Pension beyond age of eligibility. It also assesses respondents’ reactions to the Employment Equality (Age) Regulations 2006. Within each of these sub-sections we present a brief overview of the policy context and the main points to arise from respondents’ answers. As will be seen, there was a good deal of overlap between attitudes towards the various policy initiatives and the recurring themes highlighted elsewhere in this report. In particular, issues surrounding the importance of choice were paramount.

7.1 State Pension equalisation

In response to a European Commission (EC) Directive on the principle of equal treatment between women and men, the Pensions Act 1995 provides for women’s State Pension age (SPA) to rise to match that of men. The changes are being phased in between 2010 and 2020. Women born before 6 April 1950 are unaffected by this change. Women born on or after 6 April 1955 will have an SPA of 65, for those born between these dates their SPA will be between 60 and 65.

Government sees the raising of women’s SPA as an opportunity to treat men and women between 60 and 65 ‘as active labour market participants’ (Department for Work and Pensions (DWP), 2002a: 93). These changes will impact upon women’s financial position and it is expected that they will be a factor in people’s retirement planning and timing. Equalising SPA is also likely to have an effect on the labour market position of 60-64 year old men. This is because there will be a parallel rise in the age of Pension Credit eligibility, meaning those out of work in this age group will have to claim other benefits instead, which are lower in value and subject to
greater conditionality. Knowledge and understanding of these changes obviously provide a backdrop to people’s ability to plan. Survey research undertaken for the DWP revealed that under half (43 per cent) of women who will be affected by these changes were able to identify their SPA (Murphy, 2004:2).

The research reported here has the aim of better understanding how the labour market opportunities of SPA equalisation can be maximised. This relates to knowledge and understanding of the policy changes, but also requires consideration of the effects of household decision making in which partners may choose to retire at the same time. This could potentially limit or boost the effect of equalisation.

All respondents to this research were asked specifically about State Pension equalisation. Although there was overall agreements with some general principles, views differed between men and women.

7.1.1 Knowledge and gender differences

Although the majority of the sample claimed to have heard of equalisation, far fewer knew more specific details or how it would affect them personally, if at all.

‘I have read about it – I didn’t know that’s what it was called.’

(ES30 Male)

‘I’m aware of State Pension, but I don’t know what State Pension age equalisation…is that the new word for state-related pensions…?’

(ES36 Male)

In principle, the majority of men and women felt that equalisation of pension age was fair.

‘The other point to that is when you are at retirement age, both ages should be the same, whether it’s 65 or 60.’

(NC77 Male)

A large number though also felt that the age should have been reduced to 60 rather than raised to 65.

‘I think it’s fair. It would have been fairer, I feel, if they maybe dropped it to 60. Because I know personally my mum and dad both retired at 60. They took early retirement. And it was the best decision they made.’

(EC38 Female)

Although both men and women tended to think the policy was fair in principle, on the whole men seemed more in favour of equalisation, and several voiced discontent that men’s SPA should ever have been different to that of women.
'So it’s the same principle I think, that it’s better to be equal than unequal. It’s a much fairer system, especially nowadays because more women are employed and when you think about it, you know, what reason can you think of that a woman should be able to retire five years earlier than a man and…’

(EC33 Male)

‘Well mine is…I don’t think it’s fair that I’ve got to wait until 65 obviously. Why can’t mine be 62 as well? Because I’ve paid as many contributions as…Well more than…More than everybody else because I started when I was 16. And I don’t think there’s any logic at all…’

(NC80 Male)

Not only was there a general feeling of unfairness among male respondents, many also mentioned the fact that women tend to live longer than men and this was another reason why they felt the situation at present was unfair.

‘Women live longer than men, so I don’t know why they did it that way in the first place, but...And years ago, it was always the men that were – well women didn’t go out to work so much – so I don’t know why it was like that. But it’s probably best that it’s going to be the same. I think it is. It should be the same.’

(EC37 Male)

Another theme that emerged, more from men than from women, was attitudes towards the Government’s motives for the change. A number of respondents had quite cynical views on this, perceiving the equalisation age going up to 65 as a ‘cheap option’ by the Government.

‘But I think the Government had two choices, either to drop the age of men and raise the age for women, I think they took the cheaper option.’

(NS79 Male)

In contrast, women instead focused more on how they felt personally about the changes. A common theme among women was that of ‘changing the goalposts’.

‘You know, they keep changing the goalposts because I’m in the bracket. My sister’s retiring. She’s older than me and she’s retiring this summer and she’s going to get her State Pension at…at 60 and then my other sister’s in between us and she’s going to get hers at 62 and I won’t…I’ve got to already wait until I’m 64 before I’ll get my State Pension so…I mean I’m not going to get that…Even if Peter retires next year I won’t get my State Pension for another nine years after that.’

(NS75 Female)
Of particular interest in relation to the issue of equalisation are those directly affected – i.e. women aged 56 and below. An analysis of their responses revealed that the main point of difference to women aged over 55 was that the younger respondents were less likely to have investigated their situation with regard to pensions, and were waiting until it was more applicable to them before they attempted to find any information. While this was understandable, it could mean that those most likely to be affected by the change were those with least awareness of it. Lack of specific knowledge and confusion about details was common among many respondents, but errors and gaps in knowledge may have especial practical implications for this group.

7.1.2 Choice and individual circumstances

Echoing findings elsewhere in the study, a strong theme voiced by men and women alike was the importance of choice. It was widely felt that individuals should be given a choice as to what age they work to, rather than have arbitrary dates or ages assigned to them.

‘Well I think if people want to work longer then you should be able to. I don’t think it should actually be, you know, that you have to do this, as a woman. Women have always retired earlier than men and I don’t they should be made to work until they’re 65 or wait until they’re 65 to get a pension. I think that’s wrong. If you’ve paid your contributions all your life you shouldn’t be made to…it should be your choice.’

(EC41 Female)

Respondents acknowledged the importance of individual circumstances in determining how this policy was perceived.

‘Well I just think that, at the age of 60, it’s when women should get their pension. It’s just…because I mean…Well, I suppose I don’t feel that 60 is that old right enough, but I’m glad I’ve got my pension now at 60. Because I think it’s OK if you’ve still got your husband or whatever, there’s still money coming in. But if you’re on your own and you’re 60 and you’re not working that pension is something you would need, isn’t it?’

(ES44 Female)

Both men and women made reference to the fact that the type of job you are in was liable to impact on your views towards the policy. There were two main trains of thought, one being distinction between manual work and other professions, and the other between whether or not you were happy in your current job.

‘To be honest I think manual workers should retire early because their body is knackered. Whereas people that push pens their body isn’t knackered, but they end up retiring and then dieing or whatever.’

(TC14 Female)
7.1.3 Empathy for younger workers

Although most respondents focused on how they would personally be affected, some commented on the impact on younger workers and what they felt about that.

‘Well I feel sorry for a lot of my colleagues because they come into that age group and I’m quite happy that I’m not in that age group. But I can understand why it’s happening, because of people living longer. I can see that, but I feel sorry for a lot of people, you know, just slaving on, you know, until they’re 65. Because I know with the ones I work with, “oh, I can’t stand this until I’m 65”. No I think it’s…I don’t think it’s great. I would rather it still kept at 60 for women. But I understand why.’

(ES39 Female)

‘Because they say there’s so much unemployment, I think well why not get the youngsters working and let the older people leave, you know? But then it’s cost isn’t it?’

(NS64 Female)

This linked to views expressed in other parts of the interviews that younger generations faced a more difficult time in relation to pensions, saving and retirement.

7.1.4 Effect on retirement age of self or partner

There was some limited evidence that changes to women’s pension age was having an impact on household decision making as the following quotations suggest:

‘When we took out the pensions when we were earlier we always considered that we might be going…I’d like to retire at 60, the same as Karen. As it’s turned out I think Karen might have to work now until she’s 62 because of the pension and things have changed with that.’

(NS74 Male)

‘I do know about that. Because I’ve had something through to say that I’ll get my pension when I’m 62 from the Government.

And has that played a part at all in deciding when you’ll retire, or is that…?

Not really…Well, it maybe has. Would I not retire…I would have just retired at 60, so I’m having to work another year if I’m going to retire when you’re going to retire.’

(EC37 Female)
As we have seen elsewhere in the research the SPA is one factor, but not necessarily the dominant factor, in people’s decision making about the timing of retirement. It is in poorer households that the raising of the SPA for women (and the accompanying increase in the age at which Pension Credit can be accessed) is likely to have the strongest impact.

7.1.5 Summary

The main difference in views expressed was between men and women rather than by income group. It was apparent that, whereas women gave responses which tended to be quite specific to their personal situation, men responded more generically about the policy, even if they were in a couple where their partner may be affected by the plans. On the whole, most agreed that equalisation was fair in principle, but men tended to be more in favour of it in practice due to a general feeling of unfairness that it was different in the first place, exacerbated by the fact that women are known to live longer than men. It was clear that there is still an information gap for many who will be affected by State Pension equalisation and that this is likely to be hindering their ability to make informed choices and plans for the future.

7.2 Raising State Pension age for men and women

In addition to the equalisation of SPA for women and men there are plans to raise the SPA for both women and men beginning with a rise to 66 over a two year period from 2024, followed by further one year rises over two year periods from 2034 and 2044 (DWP, 2006: 18; 113). These gradual rises in the SPA are designed to be in line with increases in average life expectancy. All respondents to this research were asked about the eventual raising of the SPA for both men and women to 68. Although those interviewed will not be affected by these changes because of their age, the policy change is part of current public discussion about retirement and pension issues. Thus, it was useful to hear their views. The analysis discussed below compared responses between men and women, by high and low income groups, and also highlighted the views of those respondents who were currently employed or actively seeking work at the time the interview was held.

Perhaps not surprisingly, similar themes emerged to those cited in the section on SPA equalisation, although there were a few additional arguments emerging, and the greater distinction in views was more noticeable among high and low income groups rather than between men and women in this instance.

7.2.1 Knowledge

Although most people had heard of the terminology, few were able to elaborate on specific details of the policy. Whereas with SPA equalisation, where the majority felt that this was fair at least in principle, there was a far greater mix of responses around the extension of the SPA and a noticeable rise in negativity towards the idea.
'I think it’s wrong.’
(NS69 Female)

‘Yeah. Which I think is terrible.’
(TC3 Female)

Conversely, a few others felt it was a good idea:

‘That’s also another good thing…Yeah. They should be able to…If they can still do it then yeah, let them. You know it’s not a great issue.’
(TS13 Female)

This last comment once again reiterates a recurrent theme in the interviews, that of the importance of choice. A number of respondents thought that SPA was going to rise to 70.

7.2.2 Choice and the role of individual circumstances

Whether or not people were in favour of the extension, a resounding theme was that people should have the choice to decide.

‘I would have like to have seen it maintained at 65. I mean, I know the reasons for it, but it’s…I wouldn’t like it if it was me personally. I wouldn’t like to be forced to work longer than 65, although I know I’ve said I would continue doing something, I would like to have that as up to my own volition.’
(ES36 Male)

Analysis revealed the impact that individual circumstances had on perceptions towards extension of the SPA. It is apparent that ‘one size does not fit all’ and what suits one person will not necessarily suit another, or if someone’s situation changes that their perceptions and priorities may shift.

‘And some people just can’t do their job and they just…it’s too much for them. And yet, my dad, he had to leave his…work when he was 65 – he could have gone on for 21 years. But there’s other people that think they just can’t handle that, you know. I think it’s a shame.’
(ES39 Female)

‘I think that’s starting to get ridiculous because not many people over 65 are fit enough to go to work. They might be fit enough to live reasonable lives but going to work…I mean I…Because of my health problems I find it a real struggle now to go to work and if I could afford to quit now I would, for health reasons, not because I’m lazy or I don’t care.’
(NC80 Female)
Type of job emerged as a significant factor influencing opinions towards both SPA equalisation and extension.

‘I just feel that that’s a bit old for...depending on the type of job that people are doing, I think. I just feel that a lot of people won’t be capable of doing their job by the time they get to 70…’

(EC37 Female)

7.2.3 Attitudes toward government

A number of respondents gave their opinions as to why they thought the Government were bringing in new policies around the SPA. Although some could understand why there was need for a change, many were still quite cynical or sceptical about the Government, and their motives. These types of comments were made predominantly by male respondents rather than women, across income groups, both well-off and poorer respondents made similar cynical comments, irrespective of whether or not they could appreciate the need for change.

‘I think it’s a crafty move by the Government to reduce the pension crisis which clearly it is.’

(NC61 Male)

‘You know, OK they say you live longer and everything else so they’re going to make you work to 67 and then by the time you’ve finished working you’ll probably drop down dead at 70.’

(TS6 Female)

7.2.4 Empathy with younger workers

Once again, as in relation to State Pension equalisation for women, respondents commented on the effect that raising the SPA to would have on younger workers joining the workforce.

‘I think it’s terrible. I think it’s…you know, people used to leave their work at, say, 65, so the younger ones had a better chance to, you know, moving up, and I think what’s going to happen is, OK, people will have to work longer, but what about the younger ones that aren’t even going to get a foot on the ladder, you know? It’s a shame…’

(ES39 Female)

‘And the other thing is employment for the youngsters. You know if we all keep working there’s going to be less jobs for the youngsters…’

(NS81 Male)

7.2.5 Fear of burnout and/or ill-health

Concern about impending ill-health and the fear of burnout was a prominent theme amongst responses to the extension of the SPA.
‘I mean it’s a long time to be working and I think well…like I’ve just previously said had things turned out differently then I personally would have been prepared to carry on to 65 but it would have been nice to have known that that was my option and not being forced to do it. I mean, you know, with the best will in the world the body burns out physically and mentally and…and I think well people would like some time to perhaps enjoy their retirement before it is totally burnt out.’

(TS9 Female)

Responses from those in the lower income groups tended to make more references to ‘live for the day’, ‘life is too short’, with an emphasis on the constraints of ill-health and impaired ability to work as one gets older.

A further theme emerged, related to the fear of burnout, around the idea of ‘enough is enough’. These comments were primarily made by men, possibly as they generally had the longer work history, but the principle was evident across both sexes and all income groups.

‘I feel that after having done 30, 40 years of work, it’s a just reward if you’re able to sit back and relax.’

(EC43 Male)

The quote below is interesting as it emphasises a generational point that people of this era were far less likely to have developed their studies beyond that of compulsory schooling and therefore often went straight into the workplace age 15 to 16. Thus, depending on a range of factors, their working lives actually spanned a much longer time period than people currently coming into the workforce. The onus on the younger generation has tended to be to go into further education. Thus, this would lend itself to the common perception among this particular sample that 65 is old enough and that to expect people to work longer than this is unfair and may have adverse health implications.

‘I think he’s done his bit. I think he has. It horrifies me they’re putting the age up because…I know people are living longer because when you look at…at my dad he really didn’t have any retirement because he retired early at 62 but that was an ill-health thing and two years later he died. So he really…If he’d have really gone to 65 he wouldn’t have had any retirement. Our friends in Yorkshire, both their parents died before retirement age. And I know now people are living longer, you’ve got your medical advances but there’s got to be some perks when you’ve worked from 15.’

(NC62 Female)

7.2.6 Summary

The overall feeling towards extending the SPA was more negative than the overarching reaction to equalisation of the SPA. Respondents in lower income groups tended to have more negative views. It was also apparent that men rather than women tended to have more politically minded comments and although
both sexes made reference to government issues, male responses seemed more cynical overall.

Although those interviewed would not themselves be affected by the raising of SPA their comments suggested that they viewed the change as part of a wider set of policies that had the potential to worsen the situation of the older population. Increasing SPA fuelled the more general cynicism about government’s motives in the field of extending working life.

7.3 State Pension deferral

State Pension deferral allows the individual to either build up extra income (or increment) or a taxable lump-sum payment. The latter option was brought in from April 2005 along with a reduction in the qualifying period for the increment. The stated aim of this measure is to encourage people to work beyond the SPA and to facilitate flexible retirement giving people more options in deciding to continue working beyond the SPA or to come back into employment after the SPA (DWP, 2002A: 101-2). For State Pension deferral to act as an incentive for extending working life it is clear that people need to know about, and fully understand, the measures. All respondents to this research were asked about State Pension deferral in order to explore people’s awareness, knowledge and understanding of the availability of deferral.

7.3.1 Knowledge of the State Pension deferral option

Knowledge of the pension deferral option was not high; fewer than half of the interviewees had heard about State Pension deferral. Men were slightly more likely to have heard about it than women. Of those that knew something about deferral, few knew the details of the policy and about the lump sum option. In qualitative research straightforward questions about knowledge of a policy are slightly problematic as people (especially men) may be unwilling to admit to not knowing something. To reinforce this point, of those interviewed some who said they had not heard about it were nevertheless able to describe or guess what it meant, and equally people who said they did know what it was were unable to articulate what it meant in practice.

7.3.2 Sources of information about deferral

In respect of where people had heard about State Pension deferral and what sources of information they had, generally people tended to be vague. Radio 4 was mentioned as were the financial pages of the newspapers, magazines such as the Saga magazine finance pages, pre-retirement courses, friends and information from The Pension Service:

‘I think I had heard. I’ve been looking that much about pensions lately, that I get confused with all the stuff I’ve been reading.’

(EC41 Male)
One woman who was considering deferring her pension could not remember where she had read about it and did not know about the lump sum option. Another woman who intended to defer her pension commented that:

‘Do you know it’s interesting you say this because actually they haven’t been in touch with me even though I’m 60 on the 6 March. They haven’t actually said to me do I want to defer my pension.’

(TS18 Female)

Some people had developed negative views because of advice they had received or the experience of friends:

‘My accountant said to me way back…He said when the time comes take it. He said take everything they are going to give you. Don’t even think about that.’

(TC28 Male)

Among those respondents who had had contact with The Pension Service the vast majority were happy or impressed with the information they had received and a majority of people expressed no reluctance to get in touch with the Service if they needed more information.

7.3.3 Views about State Pension deferral

As with SPA equalisation, while some thought the idea was a good idea, in principle, the vast majority of interviewees were not considering deferral for themselves.

‘I think, you know, it might work out if people are quite happy in their job and they’re getting enough to live on still. Then yeah it would be a good idea.’

(TS21 Female)

The few people in the sample who were deferring or were considering it were all in comfortable income bands and looked at pension deferral as an aspect of their overall financial planning around retirement. There were those who were continuing (or expected) to work beyond SPA:

‘Well it’s not going to be such a huge amount of money…You know, it’s not going to be the majority of my income. It’s not going to be the majority of my pension by a long way so it won’t…It will only be a top up so I might as well just use it as a kind of savings scheme and just kind of delay it really.’

(TS18 Female)

For others it was less connected to continuing paid employment and more to do with financial and tax planning:
‘I think it’s a rolling decision. I think when I get to 65 I will then look at...Where if I take my State Pension, and I suddenly lose all that extra tax benefit, it might not be worth taking my State Pension for another couple of years and hopefully it’ll all marry up then, you know. It’ll be a continual recalculation from 65 and as I say I’ve got my other opted out SERPS, which is with the Co-op. I mean I could take that now, but I’m deferring that because I’ll only end up paying tax on it. So it’s swings and roundabouts.’

(NS65 Male)

For those currently on benefits and likely to remain so until SPA, the question of deferral was largely academic. There was also a group who were waiting to retire at SPA and for whom the State Pension was part of their financial calculations about being able to give up work.

‘Well no I tend to think I’d take it. Only because that’s how we planned things and...the financial plan that we’ve got for what we’re going to do as a family then I’d probably take it. Live for the day.’

(NC61 Female)

‘No, if I deferred it I wouldn’t be able to retire at 60.’

(NC80 Female)

‘Because I don’t want to [defer pension]. I want that money that I’ve worked hard all these years.’

(ES39 Female)

A few people expressed the view that the whole matter was too complicated and that they would prefer to just take the pension and make their own savings decisions. This applied especially to the idea of de-deferral or re-referral.

‘I mean I’m quite good at saving money so if I’ve got it coming in, I know where it is and if I need it I can go and get it, you know what I mean. Without a lot of fuss.’

(ES34 Female)

‘Yes, because obviously when I got mine I got the leaflet and I thought “I can’t see any point in deferring it at all”, you know. There was no real benefits to me. I could earn more money taking it and investing it than I could have done the extra they were going to give me. And I thought if I died tomorrow, then I wouldn’t have had any benefit from it.’

(NC60 Male)

The most frequently expressed view centred on the uncertainty of future circumstances, and in particular of future health. Allied to this was a more general sense of the importance of living for the moment at this point in one’s life.
‘Because you never know what’s round the corner.’
(EC33 Female)

‘But my argument is if you’re retired and you’re older, live for the moment!… No, because you might just, you just might not be there. Just enjoy it, use it.’
(EC35 Female)

‘I will retire at 65 and get what’s coming, if I can make it to 65.’
(TC14 Male)

A more extreme view was that deferral was a government ‘con-trick’ to save money: for example encouraging people to defer in the hope that they died before they took up their pension. This was connected to more general cynicism about government motives with regard to State Pensions and the SPA.

‘Personally I think it’s a bad idea because you’ve worked all your life and you want to get as much out of the Government as you possibly can because they’re quick enough to take it off you.’
(EC50 Male)

‘I think it’s a cop-out for the Government honestly. It’s a way of them keeping the money, hoping you curl your toes and they keep the money!’
(NS69 Female)

7.3.4 Summary

Although many interviewees said that they had heard about State Pension deferral, the level of knowledge was rather general: ‘you get a bit more if you defer’. There was strength of feeling against the idea of deferral based mainly on a fear of uncertainty of the future. This was mixed with a general level of cynicism about governments’ motives in the whole area of State Pensions and pension ages. It is clear that there is an information gap and that people did not understand the various options for deferral or the fact that they could stop drawing their State Pension and defer if they went back into paid employment. In this research, the idea of deferral was seen most positively as something that the better off might profit by. Those on lower incomes either did not know about the measure and/or felt that it was not relevant for them. This suggests that more information needs to available on deferral generally, but also that information might be targeted specifically at lower incomes groups spelling out in monetary terms what the benefits of the various options are.
7.4 Employment Equality (Age) Regulations

In 1999, Government introduced a Code of Practice on Age Diversity in Employment and subsequently initiated the Age Positive campaign, both designed to raise awareness of age discrimination issues, to make the business case for age diversity and to encourage good practice (DWP, 2002a: 96-97). Further to this, the Employment Equality (Age) Regulations, which became law in October 2006, implement the age strand of EC Directive 2000/78. This legislation outlaws both direct and indirect discrimination on the grounds of age with respect to employment and access to vocational training (DTI 2006a:2). Hence older job applicants are afforded some protection. The law is seen as part of a range of measures that support the extending working life agenda of the Government (DWP, 2002a: 96-7). A number of further provisions under the law are seen to be of particular significance to older workers. The new law maintains a default normal retirement age of 65, but it will not be legal to retire someone before they are 65 unless it is by agreement or for a reason with ‘objective justification’ as defined by the law (DTI, 2006b). Employees have the statutory right to request working beyond 65 and their employer has a duty to consider the request. In addition the upper age limit for unfair dismissal and redundancy has been removed. It is expected that these measures will serve to strengthen the position of older workers who wish to continue in or return to employment.

As with other anti-discrimination laws, their effectiveness depends in good measure on how well-briefed employees are on the protections the law conveys. The research undertaken here provided an opportunity to test how well the legislation is understood by an age group directly affected by the provisions. Most respondents claimed to have heard of the Age Regulations, although the extent of knowledge varied.

7.4.1 Knowledge

When asked if they had heard of the Regulations, only a minority (five women and three men, mostly those who were inactive) responded negatively. Any additional comments they made reinforced that they had not come across the legislation before. Among the majority who had heard of the Regulations, most referred directly either to prevention of discrimination in recruitment and selection (of older workers), or to the removal of restrictions on retirement age.

Recruitment

While recognising that the law addressed discrimination in employment the main point to emerge was an exclusive focus in relation to the recruitment of older workers – only one individual commented that discrimination on account of age, at any age, was now prohibited. Instead a common theme was to applaud the legislation for allowing or encouraging employers to recruit older workers, even in preference to younger workers.
'The people in their 50s are far more reliable, loyal, trustworthy than what the younger people were, and it’s sad that it’s taken this long for people to realise and I really believe it. It’s only because it’s been forced upon them in some respect that they do now employ older people. I mean common sense said to me that you should have done that years ago.’

(NS67 Male)

Such responses espoused blatantly ageist principles, apparently without awareness. As the last interviewee continued his response:

‘I’m not being unkind to the younger generation, now people in their 20s and 30s, but I certainly, if I was to start my company tomorrow, I would certainly not look at anyone under 50 or 55, and that age-group, or even 65, you know, because they can offer far more, I believe, commitment and, you know…’

(NS67 Male)

Retirement

With respect to the provisions concerning retirement those, who knew something about the Regulations were less secure in the precise details of the law. A number of respondents (five women and five men) thought that the new law had either raised retirement to 70 or removed compulsory retirement altogether.

‘You have the right to stay beyond 65.’

(ES40 Female)

‘Yes, basically, it was compulsory retirement at 65 I think for men and I think they’ve lifted that and you can just work on until whenever.’

(EC38 Male)

Only three (working) individuals across the whole sample mentioned that the employer had a say in an employee staying on beyond 65. This suggests that overall there was a tendency to exaggerate the rights that the law provides.

7.4.2 Attitude towards the Regulations

There was a cautious welcome for the Regulations, with around a quarter of the sample stating that legislation was ‘a good thing’. However, it was notable that this approval tended to be generic – only two men and one woman, all currently working, applied this to their personal situation.

‘Well, normally I would work until 65. But obviously with a second marriage and young children I’ve got to keep my options open and also the new age act that’s come in, it opens doors for me that would have been closed previously.’

(EC38 Male)
People supported the Regulations out of a sense of general fairness and the need to address individual circumstances. The supporting reason most frequently provided centred on decoupling the notion of older age and deterioration of health. In connection with this, capability was frequently mentioned:

‘I suppose if you’re capable of doing the job you should be able to be given the chance.’

(TS12 Female)

Yet again choice was paramount – not just the choice to continue working, but the fact that staying in work longer would facilitate wider choices in life by raising income levels. This point was mentioned especially by women.

‘I suppose it depends on what job it’s in really. But I think if you want to carry on working then I think you should be allowed to. Because as I say, people like myself, I enjoy working. I enjoy having a bit of income that I get to myself. And I don’t like the thought of that stopping. And I don’t like to think that I’m just relying on a pension, you know. Because well you still like your luxuries when you’re old as much as you do when you’re younger, so why should it be any different?’

(NS68 Female)

‘That’s good for people who want to work can work. And you do see a lot more older people even at the cash, at the supermarkets and things, and they’ve got little jobs, and men as well. And I think well that’s nice. They want to do that for a little bit of pin money and I think that’s nice for them. Because they obviously just want a little bit of extra money.’

(NS64 Female)

Another theme focused on the implication of the Regulations in minimising or even removing cliff edge retirement. Although there was no great sense that many individuals would work past 65, people would derive psychological benefits from being able to choose to retire at 65 rather than being forced out at a particular age.

The overwhelming majority of favourable attitudes focused on the benefits for workers; only a couple of respondents mentioned possible advantages for employers (the business rationale).

‘You could get three pensioners working two days a week in the mornings where they’re fresh and applying all their skills and even passing those skills on to younger people within the firm. Because in any job it’s got to be customer relations, it’s got to be politeness and helpfulness and not being nasty and stuff like that and the older generation need to educate the younger ones.’

(TC28 Female)
The question of choice, or rather the lack of it, featured strongly in the responses of those who were not in favour of the legislation. Several questioned the Government’s motivation in introducing the law, and held the notion that the Regulations would force older people into work, or to work longer.

‘Well I suppose as the population gets older they’ve really had to introduce it. And obviously they want you to work until you’re 70 if you can so they had to introduce it.’

(NS72 Male)

There was a strong sense of antipathy to being forced to work longer because respondents felt that people had earned their retirement.

‘…by 65 you’ve done your bit.’

(ES44 Female)

‘I think it’s terrible…Once folk get to a certain age they want to look at and do other things, I’m sure, rather than keep on the treadmill of work. I feel that after having done 30, 40 years of work, it’s a just reward if you’re able to sit back and relax.’

(EC43 Male)

Moreover, especially in relation to manual work, there was a feeling that people could not keep working indefinitely because of the inherent arduous nature of the work.

‘I mean my dad was a miner, in the coal face. You’re talking about a seaman who’s out in all sorts of weather. Not just…I mean it’s different if like I was sitting in an office or working another three years longer. These people who have got these really physical jobs when they get to 65 they’re worn out.’

(NC60 Male)

Others maintained that issues of deteriorating health would reduce the value of older workers to employers.

‘I think there should be a ceiling [to retirement] there because we are hitting…I get tired. I get tired during…and I’m not doing very much, and I get tired during the afternoon. Now people, as they get older, are going to get more like that. So we’ve got to kind of be practical about this as well. Someone who is older is going to…if he’s in a job that requires attention or a certain degree of responsibility, who hasn’t quite got the, you know, the attention span that you need, they can’t get rid of anybody once you employ someone like that so I think you kind of…There’s a little bit of a grey area there as well.’

(TC28 Male)
‘When you’re 65 most people are winding down anyway and they’re not going to be probably so good at doing a job as a younger person is, are they?’

(NC60 Female)

A further major objection to the Regulations was related to job blocking – concerns about the impact on employment opportunities for the young: ‘You’ve got to make space for young blood.’ These were articulated by respondents across all three regions, and more by women than men. Proponents of this view believed that nobody benefited from the Employment Equality (Age) Regulations.

‘Poor [older] workers, screw themselves even more so the younger ones can just idle about doing nothing.’

(TC14 Female)

Several, mainly men, questioned the workability of the legislation in practice. There was a feeling that employers will only pay lip service to equality; that they will ‘find a way around it somehow’. It was clear that in some cases, such views were based on previous personal experience, not as a victim of discrimination, but as the discriminator: ‘If you want to, you can skirt round it [equality issues] quite easily’. Some, notably those still working, articulated business reasons for ignoring the legislation.

‘Because if you’re in a working environment whereby the bulk of your customers are younger, you’re not going to employ somebody older despite the age discrimination act. People are suitable for jobs at different ages. So, you know, if somebody wants somebody younger they’re not going to employ somebody older regardless of the age discrimination act.’

(NS69 Female)

7.4.3 Summary

Generally, our respondents felt that the Employment Equality (Age) Regulations were a good thing, but were sometimes sceptical about how they would be implemented or their potential to make a difference in practice. However, another important finding was that many of the respondents had erroneous assumptions about the implications of the Regulations for retirement age. As well as those who stated explicitly that they thought retirement was now completely open-ended, many of the more negative viewpoints (forcing people to work longer and blocking jobs for younger people) also implicitly reflected the notion that there was now no retirement age. There is an information gap with many people not having a clear understanding of the implications of the Law. In particular, few seemed to be aware of the right to request a continuation of working beyond 65. These misunderstandings or lack of knowledge undercut the potentially empowering effect of the legislation. If people do not understand their rights under the law they are not in a position to evoke them.
7.5 Overall summary on policy specific initiatives

It is clear from the analysis of responses towards all four policy initiatives that there is a major information gap, with many people either not knowing or understanding the details of specific measures. This lack of knowledge and understanding militates against government’s attempts to create ‘informed choice’ and its belief that ‘given the right opportunities, people will plan ahead sensibly, if informed and empowered’ (DWP, 2002a: 33). The research suggests that it is not simply a matter of providing more information, though this is clearly necessary. The information will need to be targeted in different ways to different groups. As revealed in other research (Murphy, 2004) many women in the age band who will be affected by State Pension equalisation are unaware of the change in policy and may, in so far as they are looking ahead at all, be planning on the basis of false assumptions. With respect to State Pension deferral there seems to be a general assumption that it is relevant only to higher income groups so information needs to be specifically targeted at the monetary benefits of deferral for lower income households. With respect to the Employment Equality (Age) Regulations there is a more general need to improve awareness, especially in connection with the right to request a continuation of work and the implications of the default retirement age of 65. Government, trades unions and the voluntary sector all have a role to play in increasing consciousness of the law, but employers might also be expected to play a role in informing employees of their rights.

The research highlights a more difficult issue for information campaigns, that of cynicism and mistrust about government motives in the area of extending working life and pensions. In the context of the interviews it was not unusual for questions about any of these policy initiatives to set respondents off on a more general complaint about government’s motives. This most typically centred on an assumption that government’s discrete aim was to make everyone work well on beyond SPA and hence to ‘save’ on pensions. Few people interpreted extending working life to mean more people working up to SPA. It is possible that greater publicity about current average ages of retirement could help to reorientate public perceptions of the extending working life agenda.
8 Scenarios

To illustrate the ways in which the various personal, structural and cultural factors highlighted in our analysis, work together to influence a range of attitudes towards work and retirement, a number of different scenarios were developed.

8.1 Scenario 1: Blown off course – health (and financial)

‘Eileen’ (50) and ‘Geoff’ (51) have been married for 30 years and have three children, two still living at home. Eileen has a history of part-time jobs, and currently works three days a week. Geoff was medically retired from his local government job aged 46. Household income is made up from Incapacity Benefit (IB), Geoff’s pension and Eileen’s salary.

They both started work straight from school – a pattern common to their peers, and Geoff describes his steady career trajectory, until the health problems which came like ‘a bolt out of the blue’. He now feels that looking back his job may have contributed to his health problems, as he was working a system of rotating shifts.

His accounts relate the extent to which his ill-health and subsequent early retirement has changed his whole orientation to life.

‘Your dreams and your aspirations go out the window. So it takes a lot of – I suppose for me it took a while for me to psychologically come to grips with the fact that I’m not longer going to be able to go out and work.’

They had planned to retire when their mortgage was paid off, but not only have they had Geoff’s unexpected early retirement, they’ve also had to deal with the consequences of an underperforming endowment mortgage.

They describe Eileen’s part-time work when the children were young as providing supplementary income so that the family could enjoy holidays abroad. She is now the ‘sole breadwinner’. She has no pension in her current job and feels it would be too expensive now, at age 50, to start one. She has a small pension from a previous job, but cannot say how much its worth and is not even sure when she’ll get it. She admits:
‘…because of the financial situation, I try not to think about retirement.’

They are concerned about their future financial situation. They have some savings, and are annoyed that these prevent them from being entitled to certain benefits (e.g. free prescription charges). However, they wish to keep their savings for a ‘rainy day’. Their house is their financial security – they say that if necessary, they could downsize.

Despite these worries, Eileen has no plans to work full-time. She enjoys her ‘freedom’ and time spent with her husband. In addition they help care for Geoff’s 80-year-old mum on a daily basis.

8.2 Scenario 2: Comfortably retired

‘Edward’ (73) and ‘Grace’ (63) are both retired. They have been married for 41 years and have three children who have all left home. Their income comes from a variety of sources: they both receive a full State Pension; Grace has an occupational pension; Edward has a small occupational pension and a private pension. In addition they receive a small rental income from their ownership of a business property. They describe their situation as ‘comfortable’, and have no major health problems or caring responsibilities.

They both left school aged 15 and Edward trained as a hairdresser and then started his own business. Grace worked in a clerical job for five years before taking a hairdressing course and joining Edward in the business. She worked full-time until the birth of their first child. She returned to hairdressing (not in their own business) on a part-time (two days per week) basis when her youngest child started school (gap of eight years). Edward decided to sell the business after 30 years because the long hours were not compatible with family life. They still retain the property.

After selling the business, Edward switched careers, moving into a clerical job and progressing to the role of buyer which he occupied for ten years prior to retirement. He retired aged 64 just before their youngest child left home. He claims he would have retired earlier if he could have afforded to, but needed to stay in work to fund all three children through university. He took voluntary redundancy in order to stop work before his company’s official retirement age of 65. He feels that from his mid 50s, he felt as though he’d had enough of work.

‘…when you’ve done nearly 45, 50 years you begin to have had enough.’

Grace went back to full-time work, in a clerical job, when she was 50. She retired at 60, as soon as she became eligible for her occupational pension. She maintains she enjoyed the social aspects of work (particularly as a hairdresser), but wanted to retire as soon as possible because her husband was retiree and found that work was ‘tying them down’, by restricting opportunities to go on holiday. She feels that lack of flexible work options prevented her from staying longer in employment. Her company was taken over and the new regime did not allow her to build up
time in lieu to take as additional holidays (extra hours were instead paid). To her time is more valuable than money. In contrast to Edward she feels that her time away from the labour market had a positive effect on her attitude towards work.

‘Well it’s probably very different for a man because they have to work…once they start work they don’t have any breaks then. I mean I had a lot of years when I didn’t work at all when the children were smaller so it was quite a pleasure going to work then, you know, a different routine.’

Edward describes retirement as a ‘relief’, and emphasises his freedom from the routine of work and the obligations to others. He values his leisure time. Grace stresses the social aspects – more time to visit friends. They both enjoy frequent holidays (one a month). They pay for these from their savings and live on their pension income. They have no interest in deferring their pensions as they prefer to have the money now. Looking to the future they have no significant financial worries, although Grace is slightly apprehensive about her pension ‘drying up’ as the scheme is currently experiencing a highly-publicised funding problem and the company has been taken over.

8.3 Scenario 3: Working past State Pension age

‘Janis’ (60) is not married and lives on her own. She works full-time in the public sector and has been in her current job for seven years. In addition to her income from employment, she receives a State Pension and has ‘some’ pension as part of a redundancy package from a previous job. She describes her health as ‘good’ and has no caring responsibilities.

She has worked continuously since leaving school with her School Leaving Certificate, and has worked for four different employers, although the type of work (data inputting and clerical) has remained constant. She enjoys work but ‘has never been career minded’. She feels that money has been a prime motivating factor to work, and describes having taken ‘little extra’ jobs when she needed additional income, for example to carry out work on her property.

Janis feels she cannot afford to retire at the present time as she still has a mortgage to pay off. Additionally, she thinks she would find retirement boring as she needs the routine of work. She also has many younger friends who are still working. She acknowledges that her attitudes might well be different if she had paid off her mortgage and had ‘someone to do things with’ if she retired.

She has no interest in deferring her pension, partly because she wants to use the money at the present time for her flat, but also feels she is more in control over her finances and savings. She regards having her money close to her as ‘less fuss’, and she knows where it is should there be an emergency. Her main source of financial information is from trusted friends.

She wants to wind down towards retirement by gradually reducing her hours, and plans to start cutting back next summer. She believes that her employer will be supportive in this regard.
8.4 Scenario 4: Keeping the options open

‘Colin’ (60) and ‘Rachel’ (40) have been married for ten years. It’s a second marriage for both of them and they have three young children together. Colin worked as a policeman for 25 years before taking early retirement on ill-health grounds aged 48. He is currently back working on a part-time basis as a civilian in a police communications centre. Rachel previously worked in a civilian role within the police force but is now undertaking a nursing degree. Their income comes from a variety of sources: Colin’s job, his ‘small’ police pension, Disability Living Allowance (DLA), Child Benefit and Child Tax Credits.

Colin experienced severe heart and circulatory problems which caused him to retire from his job as a serving police officer. After recovering from major surgery, he took up a full-time job in a private-sector call centre, but found that stressful. He moved to his current job a couple of years ago, initially in a full-time capacity, but has now managed to negotiate a job-share arrangements. Despite having ongoing health problems and concerns, he enjoys his work. He would prefer not to work shifts but admits that they offer good flexibility for family care and he receives some financial remuneration in the form of anti-social working time payments. He thinks he may work for another five years, but ‘I can’t see myself being completely retired’. While acknowledging financial motivators, his reasons for working past 65 would be primarily to provide mental stimulation and to give a purpose and structure to his life. He feels that the new legislation has opened up possibilities.

‘Yes. Well, normally I would work until 65. But obviously with a second marriage and young children I’ve got to keep my options open and also the new age act that’s come in, it opens doors for me that would have been closed previously.’

Prior to having her children, Rachel very much enjoyed her job in the police and speaks warmly of the work culture and family atmosphere. However, when she returned into a promoted post after her first child was born, she had a very different experience. Her colleagues were hostile to her promotion, she found that childcare was ‘extortionate’ and that the ‘punishing’ shifts did not fit in well with a young family. She ended up leaving her job and is now retraining as a nurse. She hopes to work in her new career for 20 years but would prefer to be part-time. Rachel and Colin have recently moved house and now live close to Rachel’s parents who help out with childcare.

They have no major financial concerns and feel confident that they have planned for their future. Rachel has a frozen pension from her previous job and Colin has been advised to pay into the pension scheme in his current job (and has also transferred a previous pension into this). Additionally, they have a small mortgage and some insurance policies which will mature in ten years’ time. They have received financial advice from their bank. Neither is in favour of deferring their State Pension and feel that the SPA should be 60 for men and women.
They report the very positive experience of Rachel’s parents, both of whom retired ‘early’ aged 60.

8.5 Scenario 5: Blurred retirement

‘Hazel’ (58) and ‘Paul’ (50) have been together for nearly 20 years, and married for two-and-a-half. They have no children. They both have significant health problems which prevent them from working. She describes herself as a ‘disabled housewife’ and he is her carer. Hazel’s health problems are so severe that she requires 24 hour care, all of which is provided by Paul as this is what they want. She is in receipt of the full DLA and higher rate IB, while Paul claims the mobility element of the DLA and Carer’s Allowance. In addition they receive Income Support (IS).

Hazel left school early, aged 15, to look after her mother. Through her later teens and twenties she worked in a variety of jobs: theatre usher, cinema projectionist, chambermaid in a hotel, housekeeper, secretarial work and shop work, not settling long at any of them. Her health problems worsened during her twenties. She did some unofficial fostering of a friend’s children in her thirties, but was too ill for regular work. She undertook a counselling course in her late 30s and was able to undertake counselling work for a charity as ‘therapeutic work’, which meant she could receive a small payment (£20 per week) and still claim her benefits.

Although Paul achieved six O levels, by his own admission he did not apply himself either to further academic study or to pursuing a career. He undertook a series of ‘menial’ jobs before working for a furniture manufacturing company in a variety of manual jobs. In his early 30s he studied for further qualifications: English A level and Grade 5 Music theory. He had a congenital condition which affected his legs and this got more debilitating during his 20s. He was made redundant from the furniture company, aged 38. He did attend the job centre (and completed a ten-week IT training course) but did not pursue further work because caring for his wife meant that he could not commit to starting a new job. Job centre staff advised him to sign on for Carer’s Allowance. He also acknowledges that he was financially ‘cushioned by redundancy’. They had recently moved into a new house which required substantial work and used the redundancy money plus inherited money to work on the house.

Although Hazel found the counselling job very rewarding and takes a great deal of pride remembering her achievements, she realises that her health problems will prevent her from working ever again.

‘But now because I would be totally unreliable and I get a lot of pain and I’m on morphine and things like this I couldn’t…I couldn’t hold down a job or anything like that, which is a shame because, you know, I used to enjoy helping people and things like this.’

Paul is currently unsure whether or not to apply for IB. He regards applying for IB as effectively removing himself from the labour market. He wants to continue being the sole carer for his wife and he has severe mobility problems, but at the
same time he feels he has skills which may be valuable to the labour market. He has taught himself how to build computers and has registered for a proof-reading course with a view to becoming self-employed.

Hazel is, in part, looking forward to her ‘retirement’. Although her life will not change much, she will be entitled to the full State Pension and has discovered that she will also be able to apply for some home improvement funds only available to those over 60.

Paul has a private pension which he started when working for the furniture company (they were too small to have an occupational pension scheme). However, he does not think this will provide much pension income.

‘Yes, that’s right. And I kept it up for about four years until I was made redundant and when that happened…The position I’m in now I can’t do anything with it. I can’t put any more money into it. They won’t let me. I’m just sort of stuck with it. It’s a minor sum gradually dwindling and dwindling and dwindling as the inflation carries on and I can’t touch it. I can’t do anything with it.’

Despite their considerable health problems and financial apprehension they consider themselves ‘lucky’ in that they ‘age-proofed’ their house when they did have money, by for example installing double glazing, and this will help to offset higher costs of living (especially heating fuel bills) in the future.

8.6 Scenario 6: Flexible retirement

‘Tim’ (62) is a widower. His wife died ten years ago and he now lives with his new partner (she is aged 60 and retired). He has four children who are grown up and have left home. His current income is from his job, working part-time in a plumbing business. He describes his health as ‘good’, although he has suffered from diabetes since 2001 and has had some problems determining the correct type and level of medication.

He left school at 15 and trained as an apprentice plumber. He has worked in this industry all his life, though for several different companies. He has been with his current employer, a family firm, for 35 years, and decided to make the transition to working part-time three years ago. He describes how this decision was made jointly with his boss.

‘No, it was a joint thing between my boss and me. I always said I would retire at 60 and was getting near it and he said what are you going to do? Are you going? I says no I expect you’ll end up dragging me out the door one day and he said well I’m going to go soon but he didn’t, he did it this week actually. From Monday he’s…He hasn’t retired but he’s pulled back. He’s promoted himself to Chairman and we’ve got a Managing Director, Brad, they’ve promoted him so…But we amicably…I said I wouldn’t mind going part-time and…but, you know, what are you going to do with my money? And we agreed and I didn’t lose a lot by it so that was pretty good.’
He enjoys his job, and feels that his extensive experience is valued by colleagues and clients. He gets involved in training apprentices, and is about to undertake a course which will supplement his technical knowledge so that he can better advise customers. He is keen to stress that a key attraction of the job is its flexibility.

His normal working hours are 8am until 1pm, but he sometimes works full-time.

‘But I don’t get paid for it. I don’t want money. I have the time off in lieu so I get long weekends which is quite useful as well.’

He is not sure yet when he will retire – he might go beyond 65 if his health remains good. He has used The Pension Service previously to confirm that his contributions were up-to-date, and he would use them again nearer to 65 to work out his financial position. In terms of financial provision for retirement, he feels the drop in income will be a ‘bit of a shock’ and admits that ‘things will be tight’. He has a private pension which is not performing well and comments that putting money into houses is a less risky form of investment. He is dismissive of the State Pension, referring to it as ‘pocket money’, and does not think the age of eligibility should rise. He firmly advocates choice over when and how to retire.

8.7 Scenario 7: More or less retired

‘Tony’ is 60 and is married to ‘Gayle’. They have two adult children who have left home. He describes himself as: ‘retired with part-time dabbling’. His own health is ‘fairly good’, although he was diagnosed with arthritis aged 55 and feels this would affect both the type and amount of work he could do. Until very recently he was working for two days a week for a charity, but is now ‘just a volunteer’ there. He also is part of a bank of invigilators for school examinations.

His ‘main career’ was in the insurance industry. He left school aged 18, with O levels and A levels and studied for a professional insurance qualification. He married when he was 22 and both his children were born in his 20s. The family had to cope with several moves of workplace as his firm restructured every three years. During this time he found it very difficult to combine work, travel and his family. This pressure was exacerbated when, in his 30s, he also had to help in his father’s job as his father was ill. The prospect of promotion, but still involving pressures of travel led him to changing employer twice in his forties, and he was made redundant when he was 50. He moved to another insurance company but was again made redundant aged 55.

‘Yes, that took me to 55. At that stage, after a couple of financial services redundancies I thought “stuff it, I’ve had enough of the insurance world” and my particular strength was training, so I took that and saw a job advertised with [name of charitable organisation]. So I went to work with them as a training services manager for the local region.’

He states that this job was only open to those with arthritis, so his health condition directly influenced his choice of employment. Unfortunately there were some
political problems within the organisation and he left after a year. His wife (then aged 56) was also made redundant at this time. This prompted a change of job, but the next job was fairly short-lived.

‘And I had a period then of thinking “what do I really want to do?”’. So I just stayed on Jobseekers’ Allowance for a couple of months and then found a job with an outfit called [ ] which was a charitable organisation based locally working with hard to reach young people, young offenders where the next stop was prison, to try and get them to reflect on how they got to where they’d got to and did they really want to do anything about it…and they had a funding problem actually, and again, decided to restructure and I was redundant. So that lasted November 2003 until nearly a year later, by which time I was 57 and thinking “I’d quite like to stop work”.’

However, he did not stop work at this point. He continued to claim Jobseeker’s Allowance (JSA) while also undertaking some unpaid gardening work, ‘to get away from it all’. He was adamant that ‘the Jobcentre wasn’t going to push me into something that I didn’t want to do’, but found a job with a charity which, despite paying very little, gave him considerable job satisfaction. Unfortunately this job also involved quite a long journey to work, and in light of his previous negative experiences of work-related travel and because the travel costs consumed a large proportion of his income, he decided to give this up.

‘So I loved the work, the people, what it is and although I’ve retired in March I will still be working for them in a voluntary capacity.’

The decision to ‘retire’ was also prompted by his wife being diagnosed with a very serious illness. That caused him to ‘take stock’ and appraise their lives together.

‘That was last March, April time, and at that stage we said “it’s not really about the quantity of life is it? It’s about the quality of life” and it teaches you to have a different outlook on life and I thought “no I don’t really want to continue having two days of my time taken up in something that would impinge on us enjoying ourselves”. So even if we struggle, we’ll enjoy ourselves struggling.’

Household income is made up of Gayle’s State Pension, a very small occupational pension (£100 per month) from the job he had from 50-55, and the sporadic income from the part-time invigilating jobs. He is anticipating further occupational pensions in the next six to 25 months. The redundancy at age 50 provided him with a deferred pension, but he feels that its main financial benefit was the lump sum which allowed him to pay off his mortgage. He has done some financial ‘homework’ to see if he could afford to retire, contacting The Pension Service to ensure he was on target for his State Pension. He is currently working with a financial adviser to make the most out of his various pension funds. He feels that because of his wife’s personal circumstances, he would not wish to even consider deferring his State Pension. He is also highly dismissive of government interventions in pensions because of a negative experience during the time he was claiming JSA. He was awarded some Working Tax Credit (WTC) in error and has spent some years trying to return this.
8.8 Summary

The seven scenarios have been included to show the various ways personal, structural and cultural factors interact to influence individual attitudes and decisions about work and retirement. They serve to demonstrate the heterogeneity of circumstances, attitudes and behaviours among people approaching the end of their working lives, and also challenge over-simplistic associations between certain factors and outcomes. Although in many respects, each individual or household may face a unique situation, there are certain common themes to emerge from our findings. The final section of the report considers these in more detail.
9 Conclusions

This research aimed to explore in some detail the attitudes and behaviours of people aged 50-64 towards work and retirement. The principal objective was to better understand what incentives, support or policy development might encourage people, especially those aged 60-64, to extend their working lives by staying in work longer or by returning to work if they had left the labour force. The research sought to answer the following questions:

1. What barriers to working exist for 60-64 year olds; and how personal, structural and cultural factors interact to depress their labour market participation?

2. What incentives would particularly help working among this age group?

3. How the labour market opportunities of State Pension Age (SPA) equalisation can be maximised.

4. How barriers to working might be removed.

This final part of the report is in two sections: the first provides a summary of the main findings of the research and addresses the research questions directly and the second provides policy recommendations.

In common with other studies of work and retirement (see Phillipson 2007 for an overview), we found a wide diversity of attitudes, circumstances, behaviours and intentions. Overall there was only limited appetite for extending working lives. A common feature among those who were working after retirement, or those who were considering extending their working lives, was a preference for flexible working. Part-time or casual work were the most common forms of flexible working in practice. We have argued elsewhere (e.g. Loretto, Vickerstaff and White 2007) about the importance of flexible work opportunities for retaining older workers in the labour market, and this argument is underpinned by our findings here. Nevertheless, it is also important to note that some older worker’s aspirations for flexibility may be less than practical from employers’ perspectives.

As the scenarios in Chapter 8 demonstrate, personal, structural and cultural factors interacted in dynamic ways to produce sets of barriers that were unique to each individual or household. Nevertheless, we can draw out some common themes that were considered to be particularly significant in influencing decisions.
9.1 What barriers to working exist for 60-64 year olds

The study demonstrated that the relationship between individual health, caring responsibilities, finance and domestic circumstances are dynamic and interlinked. Undoubtedly poor health was a major barrier to continuing in work. As our analysis has shown, ill-health not only affected an individual’s decision whether or not to work, but often had implications for the partner who was caring for their spouse. The concern over the increasing number of people simultaneously caring for children and elderly parents, and the effects that has on depressing labour market participation among older workers, is well-known (e.g. Evandrou and Glaser 2004). Our findings extend the scope of these caring responsibilities to include grandchildren and partners. Uncertainty over future health was also given as a reason for a lack of firm planning in relation to extending working lives.

Overall, while financial issues were obviously of concern to people, we found them to be of less importance – on their own – in influencing retirement decisions than indicated by previous quantitative research. For example, despite widely varying work-related attitudes, experiences and behaviours, all but one of the scenarios in Chapter 8 had self-reported gross household income levels of between £10,000 and £20,000, i.e. within a fairly narrow, and modest, income range. Thus, while financial security (often mediated through type of pension) does have a bearing on when and how to leave work, it is often combined with other factors, especially the sudden onset of poor health, which can be pivotal to decisions.

There were major differences in attitudes and behaviours between men and women. These differences reflected gendered work histories and experiences, and were also manifested in their attitudes towards retirement. Many women, notably mothers, in our sample had interrupted work histories which carried the consequence of limited opportunity to contribute to pensions, whether state, occupational or private. Their past work history also affected their attitudes and expectations about possible future jobs – it was notable that the types of ‘flexible working’ open to men offered more control and choice than did the types of flexible working undertaken by women. Moreover, very often among married women the decision about when to retire was taken in response to their husband’s retirement (whether planned or not).

Of course, one of the issues here is the extent to which these attitudes reflect only this cohort. It is often assumed that the sea-changes experienced by younger generations of women in relation to their work-related attitudes and behaviours will alter attitudes to the end of the working life. While we do not wish to speculate, we can offer some observations based on our findings. Firstly our sample covered quite a broad age range, from age 50 upwards. There was no discernible evidence that the attitudes or expectations of the ‘younger’ women in our sample differed from those in their 60s. Thus, we found attitudes and behaviours remarkably consistent across a cohort age span of some 15 years, even where the age of entitlement to State Pension would change. Secondly, although women in their 20s, 30s, and 40s are participating in the workforce in ever greater numbers, and
more are working on a full-time basis, they are not immune to the attitudes and
behaviours of the generation we are researching here. We received many accounts
of attitudes being transmitted to younger work colleagues, children, etc.

Although a consensus among the respondents that choice about when and how
to retire was of paramount importance, the ability to exercise choice was unevenly
distributed. For some, their life circumstances meant that they had never had
the opportunity to exercise much choice, and retirement would be no different.
However, even among those groups (higher income, ‘good’ pension provision)
commonly thought to be privileged in this respect, we found that choice was
constrained by a myriad of factors: health, caring and gender.

A key theme to emerge was a legacy of bitterness and mistrust over pension
issues. This is a generation that has experienced some of the worst ‘financial
scandals’ to date, and there was considerable uncertainty and anxiety about the
whole issue of pensions. This was joined by the perception that the tax treatment
of non-State Pensions was unfair. This negativity about pensions, the role of the
financial institutions and governments did not serve to encourage people to
consider working for longer, but was rather more likely to reinforce a ‘live for the
day’ attitude as the future was uncertain.

There was a widespread cynicism in relation to the Government’s motives for
intervening in matters relating to pensions and retirement. Most thought that State
Pension age (SPA) should be lowered to 60 for both men and women. There was
a perception that the introduction of the Employment Equality (Age) Regulations
in 2006 was to get people to work for longer, and there was virtually no support
for the idea of deferring the State Pension.

Some respondents had used the services of Jobcentre Plus at some stage in their
working lives. While some reported positive experiences, the majority had negative
experiences and it was not likely to be the first port of call for advice or guidance
about getting back into work for our respondents, especially the women who felt
the service was unapproachable. Many people were unaware of the potential help
such as benefit protection rules and better off calculations, which Jobcentre Plus
could offer.

Employers have a key role in influencing attitudes and behaviours. This was seen
in providing opportunities to work flexibly, or in being proactive in retaining their
older workforce. Previous research by McNair and Flynn (2005) has suggested that
significant change in employment of older workers is most likely to be achieved
by encouraging employers to retain their older workers for longer. Other research
(Loretto and White 2006) has shown only a conditional acceptance for older
workers: they are given a provisional welcome, as long as they are flexible and
healthy and there are certain jobs which are thought to be especially suitable for
older workers. The notion of considering policies of flexible working across the life
course, e.g. career breaks (Hirsch 2007) are important as many of our respondents
felt they had had enough of employment as they had been working continuously
since they had left school.
Previous research on ‘financial capability’, which includes knowledge and planning, has indicated that many older people fare well in this respect (Atkinson et al. 2006). Other research (e.g. Ward 2007) has demonstrated a lack of financial knowledge and awareness, especially among women. Overall, in our sample, knowledge was patchy. Individuals were often basing their decisions on incomplete information or erroneous assumptions, or generalising from the experience of friends and relatives.

This relates to the notion of ‘planning for retirement’. We would argue that this is a much looser and fluid concept than has hitherto been recognised. It reflects a diversity of circumstances, and time perspectives. For some people, especially those in receipt of IB, the nature of their lives meant that no planning was in place and they did not consciously plan for retirement. However, the link between affluence and planning was not straightforward. Some assiduous planners had been thrown off-course by underperforming pensions, and there was evidence that some people were disengaging from the notion of financial planning and adopting more fatalist attitudes. We maintain that there is relatively little proactive planning for retirement in the years immediately preceding retirement. Many financial decisions are set in place much earlier in (working) lives, and the years running up to retirement are characterised more by tweaking these plans or adapting in the face of unplanned life events.

Overall, our findings lead us to caution against the viewpoint that the current patterns of ‘early’ retirement simply owe much to good occupational pensions and that, as pensions become more risky so people will inevitably work later. While defined benefit schemes provide strong incentives for retirement at 60 (or earlier) and defined contribution schemes or personal pensions move the risk to the individual and to the mercy of the market and may, therefore, dispose people to work longer to increase their pension, this research suggests that factors such as health, caring responsibilities, domestic circumstances and retirement culture interact with finances to produce individual outcomes. We also feel that the ‘two nations’ concept of early retirement (e.g. McNair 2006) (where one group leave employment early on grounds of ill-health or unemployment and the other because of favourable pensions) does not adequately portray the complexity of people’s circumstances. We have demonstrated that a wide variety of personal, structural and cultural factors, and the interactions between these, serve to influence decisions about when and how to leave employment.

9.2 What incentives would particularly help working among this group?

The factors which emerged as likely to encourage people to work for longer or return to work can be grouped under five headings: flexibility at work; well-being at work; delivery of advice, guidance and help; knowledge and empowerment and the choice agenda. These will be considered in turn.
For those trying to manage health conditions and/or caring responsibilities access to greater flexibility at work would be very attractive. This was not only an issue of patterns of hours, but also opportunities to downsize in terms of responsibilities. In addition, job satisfaction and job quality were very important for many older workers, while dissatisfaction with work was one of the triggers for giving up earlier than otherwise might have been the case.

The research uncovered considerable health pessimism even among those reporting as currently enjoying good health. Emerging policy agendas around well-being at work, focusing on reducing accidents and adverse health affects as well as encouraging more active support to keep people with health conditions at work are likely to be very important in both managing existing health issues and encouraging people to take a more positive and active approach to their health.

Current delivery of back to work and employment support by Jobcentre Plus is not well understood. As more people in the 60-64 age range become clients of Jobcentre Plus with the equalisation of SPA for men and women there is an urgent need for a change of perception about the services Jobcentre Plus provide as well as a change of practice at Jobcentre Plus to cater for this group of 60-64 year olds.

There were significant misunderstandings among the respondents about a range of policies of direct relevance to them as older workers, for example the Employment Equality (Age) regulations. Government, trades unions and the voluntary sector all have a role to play in increasing consciousness of the law, but employers might also be expected to play a role in informing employees of their rights. This lack of knowledge serves to disempower older workers and undercut their ability to plan ahead. Information campaigns targeted at specific groups with illustrated examples of the affects that measures such as State Pension deferral, or requests to work beyond 65 might have for them could go some way to giving older workers the tools they need to think through different possible retirement scenarios.

At present the extending working life agenda is narrowly conceived by most older workers as simply motivated by government wanting people to work for longer and delay retirement. It is not seen in any way as contributing to helping people make choices about the manner and timing of their retirement. Our respondents had a strong commitment to the notion that older workers should have choices as to whether to continue working or not and framing discussions around this choice agenda might go some way to reducing anxiety and cynicism.

9.3 How might the labour market opportunities of State Pension equalisation be maximised?

There was no evidence from this research that there is a strong link between this policy initiative and women’s likely retirement timing. Not all women who would be affected by the change knew that it was happening reinforcing earlier
points made about the impacts of lack of knowledge and misunderstanding of policy. For many women in couples their likely retirement timing was driven by their husband’s plans as he was the main breadwinner (both in employment and in retirement). Where couples planned to retire at the same time women may work beyond SPA or retire early depending upon the age gap between them and their partner. Women living on their own were most likely to be directly affected by pension equalisation, it might be viewed positively as an opportunity to carry on working or negatively if finances meant that they would have to continue working.

The impact of the measure was most likely to be felt by lower income families where men would no longer be entitled to Pension Credit at 60 and hence would need to try to stay in the labour market longer. Maximising the opportunities that State Pension equalisation could bring to extending working lives will require a change of practice at Jobcentre Plus to cater for this group of 60-64 year olds.

9.4 Policy recommendations: how barriers to working might be removed

Extending working life for those able and willing to work for longer requires action on a number of different fronts and by a range of stakeholders. Government, and especially the Department for Work and Pensions (DWP) as the main agent of policy in this field, can play a number of roles in developing appropriate policies and systems for their delivery and in improving access to useable and relevant information. Employers will have a pivotal role in providing and sustaining employment for older workers in a range of different circumstances and individuals themselves need to improve their understanding of, and ability to, respond to the opportunities and disadvantages that they experience as older workers. For ease of consideration the recommendations deriving from the research reported here are laid out in terms of the potential roles in taking forward the extending working life agenda of these three groups of stakeholders.

**Government**

There are major differences between women’s and men’s work histories, accumulated pension entitlement and responses to continuing to work. Policy needs to acknowledge these gender differences. In particular, it is very important to view the incentives and disincentives to stay in paid work for older women in the context of their domestic circumstances. The factors, which may encourage many women to work for longer (social contacts, keeping busy) are likely to be different to those that will motivate many men (financial situation), although both share an interest in job satisfaction.

Perceptions of risk and uncertainty in terms of individuals’ health provided an important backdrop to people’s aspirations and expectations in retirement. In particular, although many were able to articulate that raising the SPA made sense
in the context of increasing life expectancy this did not translate into an assumption that they personally would live longer. Hence, their attitude towards retirement timing was focused on a shorter time horizon. Whether information campaigns on life expectancy could do anything to shift these orientations remains largely untested.

Initiatives by government to encourage employers to play a firmer role in encouraging well-being at work will be very important in sustaining employment for older workers and offering opportunities for older workers to return to employment. More active policy on well-being at work might over time translate into more positive orientations to managing a health condition and continuing to work.

State Pension equalisation is likely to have the most direct impact upon single women. For those women in couples it will be just one factor, but not necessarily the most significant, determining retirement timing. However, a significant number of women (and men) who will be affected by this change are unaware of its implications. There still seems to be a job to be done with regard to information about this policy change.

Although there is a consensus about the desirability of choice as to when to retire or if to continue working, the ability to exercise choice is unevenly distributed. Thus, the notion common to many policy discussions that people are actively planning for their retirement may be somewhat misleading. Many people are responding to events as they unfold and often in the context of incomplete knowledge or understanding of their own pension status and of the prevailing policy situation. There is a considerable information gap which government needs to address.

Misunderstandings about the provisions of the Employment Equality (Age) Regulations were widespread among respondents, suggesting that government needs to do more to communicate the opportunities afforded by the legislation in addition to improving understanding about other initiatives such as changes to tax rules surrounding pensions and the provisions for State Pension deferral which are currently poorly understood.

Respondents’ direct experiences of government agencies varied, with Jobcentre Plus receiving a bad press for what was perceived as disinterested responses based on age, while The Pension Service was viewed positively. This suggests that it is necessary for Jobcentre Plus to review the information and guidance it provides to older workers and the way it does so, particularly as with SPA equalisation and the increase in the SPA, people are going to be customers of Jobcentre Plus for longer. Jobcentre Plus needs to ensure that advisors understand the specific circumstances of older workers and in particular those with health or caring issues.

The research has demonstrated that a wide variety of personal, structural and cultural factors (and the interactions between these) serve to influence decisions about when and how to leave employment. For many individuals decisions about these issues are made as a response to changing circumstances and in a specific
domestic and family context. In sum, many of the decisions are not in this sense truly ‘individual’. There are necessarily limitations on government’s ability to influence all the personal factors that are relevant to the decision whether to extend working life.

**Employers**

There is a strong preference for flexible and part-time working as options at the end of working life. Flexible working patterns offer pathways to extending working lives and provide transitions between full-time work and full-time retirement. Efforts to encourage employers to think and act creatively about how older workers may continue in paid employment on such a basis are likely to be welcomed by older workers.

Caring and health issues blend with finance and job satisfaction to exert push and pull effects on continuing work. Once again, encouraging employers to think creatively about how employees may need to change work patterns in order to continue working with a health condition or in the face of the desire to care for a partner or family members would address these pressures on some older workers. Employers will need to take up the well-being at work agenda if they are to encourage older workers to stay in, or return to, employment.

The issue of job satisfaction was mentioned by many of the interviewees and for many women retirement beckoned as a release from a boring part-time job. This suggests that in addition to providing flexible work options, employers may also need to consider job quality as a factor that affects the intentions and behaviours of older workers.

Employers have a key role in influencing the attitudes and behaviour of older workers. Many of the respondents to this research felt that they had been on the receiving end of ageist treatment by their employer. There was a strong feeling that while many employers provided good information about pensions there was a lack of wider information about issues such as the possibilities for further career development, gradual retirement or downsizing towards the end of working life. In the context of the duties on employers under the Employment Equality (Age) Regulations there may be scope to encourage organisations to provide wider advice and guidance to their older workers about work options in the lead up to retirement.

**Individuals**

Individuals need to be realistic about the types of work flexibility that might be available; many interviewees articulated the desirability of flexible working arrangements, but were thinking of a degree of flexibility that most employers would not be in a position to offer. Individuals need to think more clearly about what might work for them in terms of a change in working arrangements and explore those with their employer or with the aid of their trades union where appropriate.
Financial security in retirement is typically the outcome of accumulated advantage through the working life and hence cannot easily be manufactured by planning in the immediate run up to retirement. Nevertheless, there may be small adjustments or plans that can be laid ten or fifteen years from expected retirement, which will give people a greater degree of choice over when and how to retire. There was plenty of evidence in this study that many in their early 50s felt it was too early to be thinking seriously about retirement and making plans and hence were potentially missing opportunities to modify outcomes. Individuals need to be better informed about their benefits, pension and financial circumstances and of policies such as the Employment Equality (Age) Regulations if they are to play an active role in trying to manage the end of the working lives.

Individuals face a range of health, caring and financial circumstances, sometimes suddenly and unexpectedly, which can alter the course of their working and non-working lives; not all of these can be prepared for. However, the individual as employee or benefit recipient can press for better consideration of the problems they face and raise their expectations of the treatment they deserve.
Appendix
Fieldwork instruments

Dear

I am a researcher at the University of Kent and I would like to invite you to take part in a research study about work and retirement, which is being undertaken on behalf of the Department of Work and Pensions. The title of this research is:

Encouraging labour market activity among 50-64 year olds

Before you decide, it is important that you understand what the research is about and what it will involve. Please take time to read the following information carefully and discuss it with friends and relatives if you want to.

What is the research study about?

People over 50, especially those in the 60-64 age range, are less likely to be working than younger people, and we want to find out why. We particularly want to get a better understanding of what you think can be done to encourage your age group to continue in work or return to work. We would like to find out whether there are any particular things about your circumstances that stop you from working or make it difficult for you to work, and what could be done to overcome these difficulties. Also, we are interested in discovering your views about what sorts of incentives and support would get you back to work or keep you in work.
If I want to take part, what do I have to do?

Either myself or another member of the research team will be contacting you to arrange to talk to you, either by visiting you at your home or at another place of your choice. Firstly, we’d like to talk to you about the research some more, give you the chance to ask any questions, and get you to sign a consent form. As well as the sorts of topics mentioned above, we will be asking you questions about your working life and what you think about work and retirement. With your agreement, we would also like to talk about financial issues. The interview will be tape recorded with your permission and last about an hour and a half. This tape will be destroyed once the study is finished.

I would like to reassure you that any information collected about you will be strictly confidential, and no one will be able to identify you from your replies. If you are able to take part, you will receive a small gift of £25 (for individuals) or £40 (for couples) in recognition of your time. This gift does not have to be declared for tax purposes, and if you are on benefits, it will not affect any of your benefit entitlements.

Do I have to take part?

It is entirely up to you whether or not to take part, but if you do not want to take part, this will not affect you in any way. If you decide to take part but change your mind, you are free to do so, and this will also not affect you.

If you would like some more information about the study or there is anything that is not clear, please do not hesitate to contact,

Yours sincerely
Dear,

I am a researcher at Edinburgh University and would like to invite you to take part in a research study about work and retirement. We are conducting this research together with the University of Kent on behalf of the Department for Work and Pensions. The title of the project is:

*Encouraging labour market activity among 50-64 year olds*

Before you decide, it is important that you understand what the research is about and what it will involve. Please take time to read the following information carefully and discuss it with friends and relatives if you want to.

**What is the research study about?**

People over 50, especially those in the 60-64 age range, are less likely to be working than younger people, and we want to find out why. We particularly want to get a better understanding of what you think can be done to encourage your age group to continue in work or return to work. We would like to find out whether there are any particular things about your circumstances that stop you from working or make it difficult for you to work, and what could be done to overcome these difficulties. Also, we are interested in discovering your views about what sorts of incentives and support, if any, would get you back to work or keep you in work.

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I would like to reassure you that any information collected about you will be strictly confidential, and no one will be able to identify you from your replies. If you are able to take part, you will receive a small gift of £25 (for individuals) or £40 (for couples) in recognition of your time. This gift does not have to be declared for tax purposes, and if you are on benefits, it will not affect any of your benefit entitlements.

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If you would like some more information about the study or there is anything that is not clear, please do not hesitate to contact, XXXXX

Yours sincerely
Consent form

Title of the Project: Encouraging labour market activity among 50-64 year olds

Please initial the boxes on the right, write your name in capitals and sign at the bottom of the page. Thank you.

I confirm that I have read and understand the information letter about the research and have had the chance to ask questions

I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, and this will not affect me in any way

I give my permission for the interview to be tape recorded

(Name of Person – please print)  (Signature)

(Name of person taking consent)  (Signature)
Encouraging labour market activity among 50-64 year olds

I/We* acknowledge the gift of £25/£40* in recognition for participating in this research project.

I/We* understand that this gift does not have to be declared for tax purposes, and that it will not affect any benefit entitlements.

* Please delete whichever does not apply

..........................................................................................................................
(Name of Person – please print) (Signature)

..........................................................................................................................
(Name of person making payment) (Signature)
Final Interview Schedule - Individuals ID code.............

PART A Background information

1. What is your age? .........................

2. Are you male □ female □?

3. What is your marital status?
   - never married □ married □ co-habiting □ divorced □
   - separated □ widowed □

4. How many people live in your household with you? .........................

5. What is your current employment status?

   Working
   - Full-time □ Part-time □ Semi-retired □
   - Permanent □ Fixed-term □
   - Employed □ Self-employed □

   Types of fixed-term: Temporary employee □ Temporary agency worker □

   Types of part-time: Term-time □ Job share □
   - Variable hours □ Compressed week □

   Not working
   - Unemployed looking for work □
   - Inactive ()
   - If inactive: retired ()
   - ill-health and/or disability ()

Appendix – Fieldwork instruments
6. What is the nature of your employment/ What was your main line of work?
   Job title …………………………………………………

7. What is your main source of income?
   Employment ( Benefits (  
   Pension ( Savings (  
   Other (please specify…………………………………………

8. If you are retired what pension(s) do you have?
   State Pension (  
   Company pension ( is this: final salary (  
                     defined contribution (  
   Private/personal pension (  

9. Are you or your partner at present receiving any of these benefits?
   Please mention all that apply.
   □ Carer’s Allowance
   □ Incapacity Benefit
   □ Disability Living Allowance
   □ Jobseeker’s Allowance
   □ Income Support
   □ Statutory Sick Pay
   □ Pension Credit
   □ Any other state benefit  
     (please state…………………………………………………………)
   □ None of these

10a. Over the last 12 months would you say your health has on the whole been good, fairly good, or not good?
    □ Good
    □ Fairly good
    □ Not good
10b. Do you have any health problems or disabilities that you expect to last for more than a year?
   ☐ Yes
   ☐ No

10c. If yes:

 Does this health problem affect
   ☐ The kind of work that you might do?
   ☐ The amount of work that you might do?
   ☐ How long you might work for?

11a. Do you look after your own or someone else’s children aged under 16? Please do not count anything you do as part of your paid employment.
   ☐ Yes
   ☐ No

11b. Who is it that you look after? Please mention all that apply.
   ☐ Own grandchild
   ☐ Step grandchild
   ☐ Own child
   ☐ Adopted/step child
   ☐ Foster child
   ☐ Other

11c. Do you care for family members, friends, neighbours or others because they have long-term physical or mental ill-health or disability, or problems related to old age?
   ☐ Yes
   ☐ No

Do any of these people live with you? .................................................................
11d. Thinking about looking after your own or someone else’s children aged under 16 and any care you provide for other adults about how many hours a week do you spend looking after them? Please include any time you spend travelling so that you can do this. Do not include time when you are asleep.

- Less than 20 hours a week
- 20-35 hours per week
- More than 35 hours a week

12. What is your ethnic group? *tick one box only*

**White**
British □
Irish □
Any other white background □

**Black or Black British**
Caribbean □
African □
Any other Black background □

**Mixed**
White and Black Caribbean □
White and Black African □
White and Asian □
Any other mixed background □

**Asian or Asian British**
Indian □
Pakistani □
Bangladeshi □
Any other Asian background □

Chinese or other ethnic group
Chinese (□)
Any other (please specify)

13. We would like to get an idea of which income band your household falls within. Can you tell me approximately how much you get per year?

(Include benefits, salaries, rental income from property, income from children, pensions. Probe for disability and sickness benefits)

<table>
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<tr>
<th></th>
<th>Annual</th>
<th>Monthly</th>
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<tbody>
<tr>
<td>A</td>
<td>Under £10,000</td>
<td>Under £800</td>
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<tr>
<td>B</td>
<td>£10,000 - £20,000</td>
<td>£800 - £1,600</td>
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<td>C</td>
<td>£21,000 - £30,000</td>
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<td>D</td>
<td>£31,000 - £40,000</td>
<td>£2,600 - £3,300</td>
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<td>E</td>
<td>Over £41,000</td>
<td>Over £3,300</td>
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Participants to complete time line grid to identify type of work done, when and how this connects to domestic circumstances.
PART B   INTERVIEW

1 Experience of and attitudes to work

Use timeline grid as a framework to explore issues:

(i) What is your overall feeling about your working life?
Probes
• What were the best and worst parts and why?
• Which parts did you find the most fulfilling and why?
• What opportunities have you had to develop a career?

(ii) Looking at the different stages of your life:
• What have been the main benefits of working?
• What have been the main disadvantages?

(iii) Thinking about the stages of your life again, tell me about any times when it was difficult for you to work and why.
Probes
• Did you have any health problems or caring responsibilities?
• Was it connected to your domestic circumstances? (probe: frequent moves, dependent children)
• Was it to do with your age?
• Did you feel you didn’t have the necessary experience, skills or qualifications?
• Was it to do with working conditions? (probe: low pay, unsociable hours, poor work environment, lack of encouragement, or inflexibility around caring responsibilities)
(iv) Thinking about the last 10 years, what sorts of things could have been done at those times to help you overcome the difficulties?

Probes
- Was there anything your employer could have helped you with? *(probe: training, more flexibility)*
- Could organisations like the NHS, Social Services or those agencies helping with benefits have helped?
- Could friends or family have played a part?

For those in work

(v) How much longer do you think you will work for?

(vi) What do you know about State Pension age equalisation? that is women’s State Pension age becoming the same as men’s.

Probes
- Do you think it’s a good or bad thing?
- How will it affect you/your partner?
- Does it play a part in your decisions about continuing to work or retiring?
- The Government has plans to eventually increase the State Pension age in future years. What do you think of this?

If applicable

(vii) Tell me about your experience(s) of being unemployed

Probes
- What were the circumstances surrounding your experience(s) of unemployment?
- How did you feel about it?
- What were your experiences of Jobcentre Plus/Job Centre services or other support services?
- Do you see yourself working in the future? If not, why wouldn’t that be an option for you?
- What help or support would be useful in getting you back to work?
2 Experience and attitudes to retirement

a) For those participants still working

(i) What does retirement mean to you?

Prompts
- When do you see yourself retiring, and how do you feel about this?
- Have you thought about what you will do when you retire? (probe plans, any move home or abroad, business changes, leisure activities, care etc)

(ii) Have you thought about continuing to work after you retire?

Prompts
- If not, why?
- What sorts of things might persuade you to work for a little longer? (probe: incentives, conditions, retraining, health care, help with caring)
- Which of these things are most important to you?
- If you would like to continue, why?
  o Would it be choice or necessity?
  o What employment opportunities would you like to be/are available to you to continue? (probe: flexible working, gradual retirement, changes to job or work pattern)
  o What sort of work would you do? (probe voluntary and paid work)
  o Do you know what your employer would think about you continuing work?
  o Have you wanted to retire but not been able to? Explore experiences.
  o What age would you want to work until?
  o What sorts of things would make you want to stop working?
If participant is in employment and under state pension age

(iii) Has your employer provided you with any information, counselling or support regarding the retirement planning process and pensions (eg pension forecasts and financial planning)?

Prompts
If yes, what was involved, if no is that something you would find useful?

At what stage or age would you find this type of advice most useful?

If participant is working after state pension age

(iv) How do you feel about this?

Prompts
• Tell me the reasons why you decided to work longer (probe: finance, motivation, incentives, boredom/social reasons)

• Are you doing the same job or a different one?

• When do you plan to retire?

b) For those participants who have already retired, whether under or over the State Pension age

(v) What does retirement mean to you?

Prompts
• Thinking back to before you retired, what were your expectations about retirement?

• What did you think it would be like?

• Were you looking forward to it?

• Had you planned what you were going to do?

• How did you think things were going to change?
(vi) When did you retire?

Prompts
- Why did you retire when you did?
- How do you find retirement? *(probe: satisfaction, enjoyment, boredom)*
- What sorts of things do you do?
- Is it how you imagined it would be?
- Do you do any voluntary work, or less formal paid work?

(vii) How did you find the retirement process? *(probe: sorting out pensions, run up to retirement – reducing hours, changing jobs or employers)*

(viii) Tell me about any advice or support you got from your employer on planning for your retirement.

Prompt if support received
- What do you think about it?

(ix) If you retired early, how did this come about?

Prompts
- How did you feel about retiring at this time?
- In hindsight, was it the right thing to do?

(x) Have you tried to go back to work?

Prompts
- If yes, why? *(probe: finance, motivation, incentives, boredom/social reasons)*
- Was it easy or difficult, what helped or hindered?
- If not, why?

(xi) Would you consider working again if the conditions were right? *(probe: factors that would be important, such as working patterns, finance, satisfaction, retraining)*
(xii) Is your partner also retired?

Prompts
- How does this affect your relationship and daily life?
- Do you do more things together or have separate lives?
- Any tensions or problems?

3 Financial implications of retirement

a) For those participants not in retirement

(i) Thinking about when you retire, tell me how you feel about your future financial situation

Prompts
- What are your plans and how are you getting information?
- Are there any particular people you listen to for financial advice (friends, family, financial adviser, employer)?
- What sorts of provision do you have for your pension?
- What do you think about the state pension?
- Tell me about any domestic/family commitments you may have
- Do you think you will be better or worse off? (probe: degree of financial comfort)

(ii) Have you heard of the term ‘State Pension Deferral’? This is where people can put off claiming their pension at 60/65 and get a lump sum or a larger pension. Is this something you are aware of at all?

Prompts:
- If yes, have you thought about putting off claiming your pension?
- If no, what are your views about this?
- What are your views on the following?
  - Taking some of your pension at 60/65 and deferring some of it (called ‘partial deferral’)
  - Having the option of re-deferring your pension: this refers to someone who is taking up their pension having deferred it, then goes back to work and wants to defer it again.
b) For those participants who are retired

(iii) Now you are retired, tell me how you are managing financially

Prompts
- What sorts of provision do you have for your pension?
- Are there any particular people you listen to for financial advice (friends, family, financial adviser)?
- What do you think about the State Pension?
- Tell me about any domestic/family commitments you may have
- Are you better or worse off? (probe: degree of financial comfort)
- Did you think about putting off claiming your pension at 60/65?
- If you did what were the reasons for deferring your pension?

(iv) Do you think you have done enough to be able to live as you want to in retirement?

Prompts
- If yes, why?
- If no, why not? What should be done?

(v) Are things turning out as you expected them too?

Prompts
- If yes, why?
- If no, why not?

c) For participants claiming benefits

(vi) Are you claiming all the benefits you think you should? (probe knowledge about different types e.g. pension credit, tax and tax credits)
If you were to start/stop working, do you think this would affect your benefits?

Prompt
- Do you think you may be less likely to want to work because you may lose your benefits?

d) For participants not claiming benefits

Do you think there will be a time in the future when you may need to claim benefits?

Prompts
- If yes, how could this come about? What are your feelings about this?
- If no, why do you think this?

4 Household management and decision-making

Thinking about finances, who makes the decisions in your household?

Prompts
- Is it who has contributed the most?
- How do individuals feel about this?

Thinking about retirement now, how will/were decisions (be) made about retirement age and giving up work?

Prompts
- Are plans discussed?
- How easy or difficult is it to agree?
- Who has the final say?

What sorts of things influence your decision/joint decision about when to retire and whether to keep on working?
(probe: finances, health, leisure time, life expectancy, cultural expectations, other people eg employer, colleague, family, friend, other).

How have attitudes of other people influenced decision making about work and retirement?
5 Support services

(i) Can you think of any other forms of support that you would want to help you continue/return to work in your 60s?
(probe: financial services, pension advice, domestic support, health and social care support)

(ii) Would you feel comfortable going into a Jobcentre/Jobcentre Plus office to use their services? Would you feel comfortable using their telephone and online employment services?

(iii) What do you think about The Pension Service? Would you feel comfortable using their telephone service/online service/home visits service?

6 GENERAL

(i) Do you know anything about the age discrimination legislation that came into law in October 2006?

Prompts
- Do you know what it covers? (probe: that employers won’t be able to retire people below 65 unless objectively justified)
- Did you know that people have the right to request working beyond their employers’ normal retirement age?

For those currently employed and below the age of 65

(ii) Do they think you may pursue the option of requesting a continuation of work after 65?

For those already retired

(iii) If the option of being able to request a continuation of work had existed when you retired would it have been beneficial to you?

(iv) Are there any other points about retirement and working you would like to make?
### FINAL INTERVIEW SCHEDULE - COUPLES

**ID CODE.............**

**PART A(i) Background information – 1st participant**

1. **What is your age? ..................**

2. **Are you male ☐ female ☐?**

3. **What is your marital status?**
   - never married ☐ married ☐ co-habiting ☐ divorced ☐
   - separated ☐ widowed ☐

4. **How many people live in your household with you? ..................**

5. **What is your current employment status?**

   **Working**
   - Full-time ☐ Part-time ☐ Semi-retired ☐
   - Permanent ☐ Fixed-term ☐
   - Employed ☐ Self-employed ☐
   - Types of fixed-term: Temporary employee ☐ Temporary agency worker ☐
   - Types of part-time: Term-time ☐ Job share ☐ Variable hours ☐ Compressed week ☐

   **Not working**
   - Unemployed looking for work ☐
   - Inactive ☐
   - If inactive: retired ☐ ill-health and/or disability ☐
6. **What is the nature of your current employment/ What was your main line of work?**

   Job title .........................................................

7. **What is the main source of income in your household?**

   Employment ☐  Benefits ☐
   Pension ☐  Savings ☐

   Other (please specify)........................................

8. **If you are retired what pension(s) do you have?**

   State Pension ☐
   Company pension ☐  is this: final salary ☐
                    defined contribution ☐
   Private/personal pension ☐

9. **Are you receiving any of these benefits? Please mention all that apply.**

   ☐ Carer’s Allowance
   ☐ Incapacity Benefit
   ☐ Disability Living Allowance
   ☐ Jobseeker’s Allowance
   ☐ Income Support
   ☐ Statutory Sick Pay
   ☐ Pension Credit
   ☐ Any other state benefit
      (please state..................................................)

   ☐ None of these

10a. **Over the last 12 months would you say your health has on the whole been good, fairly good, or not good?**

    ☐ Good
    ☐ Fairly good
    ☐ Not good
10b. Do you have any health problems or disabilities that you expect to last for more than a year?

☐ Yes
☐ No

10c. If yes:

Does this health problem affect

☐ The kind of work that you might do?
☐ The amount of work that you might do?
☐ How long you might work for?

11a. Do you look after your own or someone else’s children aged under 16? Please do not count anything you do as part of your paid employment.

☐ Yes
☐ No

11b. Who is it that you look after? Please mention all that apply.

☐ Own grandchild
☐ Step grandchild
☐ Own child
☐ Adopted/step child
☐ Foster child
☐ Other

11c. Do you care for family members, friends, neighbours or others because they have long-term physical or mental ill-health or disability, or problems related to old age?

☐ Yes
☐ No

Do any of these people live with you? …………………………………………………
11d. **Thinking about looking after your own or someone else's children aged under 16 and any care you provide for other adults about how many hours a week do you spend looking after them? Please include any time you spend travelling so that you can do this. Do not include time when you are asleep.**

- Less than 20 hours a week
- 20-35 hours per week
- More than 35 hours a week

12. **What is your ethnic group? *Tick one box only***

**White**
- British
- Irish
- Any other white background

**Black or Black British**
- Caribbean
- African
- Any other Black background

**Mixed**
- White and Black Caribbean
- White and Black African
- White and Asian
- Any other mixed background

**Asian or Asian British**
- Indian
- Pakistani
- Bangladeshi
- Any other Asian background

**Chinese or other ethnic group**
- Chinese
- Any other

*(please specify)*

13. **We would like to get an idea of which income band your household falls within. Can you tell me approximately how much you get per year?**

(Include benefits, salaries, rental income from property, income from children, pensions. Probe for disability and sickness benefits)

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<tbody>
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<td>Under £800</td>
</tr>
<tr>
<td>B</td>
<td>£10,000 - £20,000</td>
<td>£800 - £1,600</td>
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<tr>
<td>C</td>
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<tr>
<td>D</td>
<td>£31,000 - £40,000</td>
<td>£2,600 - £3,300</td>
</tr>
<tr>
<td>E</td>
<td>Over £41,000</td>
<td>Over £3,300</td>
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</tbody>
</table>

Participant to complete time line grid to identify type of work done, when and how this connects to domestic circumstances.
PART A(ii)  Background information – 2nd participant

1. What is your age? ......................

2. Are you male □ female □

3. What is your current employment status?

   Working
   - Full-time □ Part-time □ Semi-retired □
   - Permanent □ Fixed-term □
   - Employed □ Self-employed □
   - Types of fixed-term: Temporary employee □ Temporary agency worker □
   - Types of part-time: Term-time □ Job share □ Variable hours □ Compressed week □

   Not working
   - Unemployed □ looking for work □ Inactive □
   - If inactive: retired □ ill-health and/or disability □

4. What is the nature of your employment/What was your main line of work?

   Job title .................................................................

5. If you are retired what pension(s) do you have?

   State pension □
   Company pension □ is this: final salary □ defined contribution □
   Private/personal pension □
6. **Are you receiving any of these benefits? Please mention all that apply.**

- Carer’s Allowance
- Incapacity Benefit
- Disability Living Allowance
- Jobseeker’s Allowance
- Income Support
- Statutory Sick Pay
- Pension Credit
- Any other state benefit (please state………………………………………………………………)
- None of these

7a. **Over the last 12 months would you say your health has on the whole been good, fairly good, or not good?**

- Good
- Fairly good
- Not good

7b. **Do you have any health problems or disabilities that you expect to last for more than a year?**

- Yes
- No

7c. **If yes:**

**Does this health problem affect**

- The kind of work that you might do?
- The amount of work that you might do?
- How long you might work for?

8a. **Do you look after your own or someone else’s children aged under 16? Please do not count anything you do as part of your paid employment,**

- Yes
- No
Appendix – Fieldwork instruments

8b. Who is it that you look after? Please mention all that apply.

☐ Own grandchild
☐ Step grandchild
☐ Own child
☐ Adopted/step child
☐ Foster child
☐ Other

8c. Do you care for family members, friends, neighbours or others because they have long-term physical or mental ill-health or disability, or problems related to old age?

☐ Yes
☐ No

Do any of these people live with you? ..............................................................

8d. Thinking about looking after your own or someone else’s children aged under 16 and any care you provide for other adults about how many hours a week do you spend looking after them? Please include any time you spend travelling so that you can do this. Do not include time when you are asleep.

☐ Less than 20 hours a week
☐ 20-35 hours per week
☐ More than 35 hours a week

9. What is your ethnic group? tick one box only

White
British
Irish
Any other white background

Black or Black British
Caribbean
African
Any other Black background

Mixed
White and Black Caribbean
White and Black African
White and Asian
Any other mixed background

Asian or Asian British
Indian
Pakistani
Bangladeshi
Any other Asian background

Chinese or other ethnic group
Chinese
Any other (please specify)

Participant to complete time line grid to identify type of work done, when and how this connects to domestic circumstances.
PART B

INTERVIEW

1 Experience of and attitudes to work

Use timeline grid as a framework to explore issues:

(i) What are your overall feelings about your working lives?

Prompts

- What were the best and worst parts and why?
- Which parts did you find the most fulfilling and why?
- What opportunities have you both had to develop a career?
- How have your working lives fitted together as a couple?

(ii) Looking at the different stages of your lives:

- What have been the main benefits of working?
- What have been the main disadvantages?

(iii) Thinking about the stages of your lives again, tell me about any times when it was difficult for you both to work and why.

Prompts

- Did you have any health problems or caring responsibilities?
- Was it connected to your domestic circumstances? (probe: frequent moves, dependent children)
- Was it to do with your age?
- Did you feel you didn’t have the necessary experience, skills or qualifications?
- Was it to do with working conditions? (probe: low pay, unsociable hours, poor work environment, lack of encouragement, or inflexibility around caring responsibilities)
(iv) Thinking about the last 10 years, what sorts of things could have been done at those times to help you both overcome any difficulties?

Prompts
- Was there anything your employer could have helped you with? *(probe: training, more flexibility)*
- Could organisations like the NHS, Social Services or those agencies helping with benefits have helped?
- Could friends or family have played a part?
- Do you think you could have organised things differently as a couple?

*For those in work*

(v) How much longer do you think you will work for?

(vi) What do you know about State Pension age equalisation? (women’s State Pension age becoming the same as men’s).

Prompts
- Do you think it’s a good or bad thing?
- How will it affect you both?
- Does it play a part in your decisions about continuing to work or retiring?
- The Government has plans to eventually increase the State Pension age in future years. What do you think of this?

*If applicable*

(vii) Have either of you been unemployed? If so, tell me about your experience(s)

Prompts
- What were the circumstances surrounding your experience(s) of unemployment?
- How did you feel about it? How did it affect you as a couple?
- What were your experiences of Jobcentre Plus/Job Centre services or other support services?
3 Experience and attitudes to retirement

a) For those participants with either or both partner still working

(i) What does retirement mean to you?

Prompts

- When do you see yourselves retiring, and how do you feel about this?

- Have you thought about what you will do when you retire?
  (probe: joint plans, any move home or abroad, business changes, leisure activities, care etc)

(ii) Have you thought about continuing to work after you retire?

Prompts

- If not, why?

- What sorts of things might persuade you to work for a little longer?
  (probe: incentives, conditions, retraining, health care, help with caring)

- Which of these things are most important to you?

- If you would like to continue, why?
  - Would it be choice or necessity?
  - What employment opportunities would you like to be/are available to you to continue? (probe: flexible working, gradual retirement, changes to job or work pattern)
  - What sort of work would you do? (probe voluntary and paid work)
  - Do you know what your employer would think about you continuing work?
  - Have you wanted to retire but not been able to? Explore experiences.
  - What age would you want to work until?
  - What sorts of things would make you want to stop working?

- How would working longer affect you as a couple?
If either participant is in employment and under State Pension age

(iii) Has your employer provided you with any information, counselling or support regarding the retirement planning process and pensions (eg pension forecasts and financial planning)?

Prompts
- If yes, what was involved, if no is that something you would find useful?
- At what stage or age would you find this type of advice most useful?

If either participant is working after State Pension age

(iv) How do you feel about this?

Prompts
- Tell me the reasons why you decided to work longer (probe: finance, motivation, incentives, boredom/social reasons)
- Are you doing the same job or a different one?
- When do you plan to retire?

b) For those couples where one or both participants have already retired, whether under or over the State Pension age

(v) What does retirement mean to you as a couple?

Prompts
- Thinking back to before you retired, what were your expectations about retirement?
- What did you think it would be like? (probes: looking forward to it, dreading it)
- Had you planned what you were going to do?
- Have you made decisions about retirement together?
- How does retirement affect your relationship and daily life?
- Do you do more things together or have separate lives?
- Any tensions or problems?
(vi) When did you retire?

Prompts
- Why did you retire when you did?
- How do you find retirement? (probe: satisfaction, enjoyment, boredom)
- Did your relationship as a couple change at all?
- What sorts of things do you do, by yourself or as a couple?
- Is it how you imagined it would be?
- Do you do any voluntary work, or less formal paid work?

(vii) How did you find the retirement process? (probe: sorting out pensions, run up to retirement – reducing hours, changing jobs or employers)

(viii) Tell me about any advice or support either of you got from your employer on planning for your retirement.

Prompts if support received
- What do you think about it?

(ix) If either of you retired early, how did this come about?

Prompts
- How did you feel about retiring at this time?
- In hindsight, was it the right thing to do?

(x) Have either of you tried to go back to work?

Prompts
- If yes, why? (probe: finance, motivation, incentives, boredom/social reasons)
- Was it easy or difficult, what helped or hindered?
- If not, why?
Would either of you consider working again if the conditions were right? 
(probe: factors that would be important, such as working patterns, finance, satisfaction, retraining)

3 Financial implications of retirement

a) For either or both participants not in retirement

(i) Thinking about when you retire, tell me how you feel about your future financial situation and what you’ve planned as a couple

Prompts
- What are your plans and how are you getting information?
- Are there any particular people you listen to for financial advice (friends, family, financial adviser, employer)?
- What sorts of provision do you have for your pension?
- What do you think about the State Pension?
- Tell me about any domestic/family commitments you may have
- Do you think you will be better or worse off? (probe: degree of financial comfort)

(ii) Have you heard of the term ‘State Pension Deferral’? This is where people can put off claiming their pension at 60/65 and get a lump sum or a larger pension. Is this something you are aware of at all?

Prompts
- If yes, have either of you thought about putting off claiming your pension?
- How do you think this would affect you as a couple?
- If no, what are your views about this?
- What are your views on the following?
  - Taking some of your pension at 60/65 and deferring some of it (called ‘partial deferral’)
  - Having the option of re-deferring your pension: this refers to someone who is taking up their pension having deferred it, then goes back to work and wants to defer it again.
Appendix – Fieldwork instruments

b) **For those participants who are retired**

(iii) Now you are retired, tell me how you are managing financially as a couple

Prompts
- What sorts of provision do you have for your pension?
- Are there any particular people you listen to for financial advice (friends, family, financial adviser)?
- What do you think about the State Pension?
- Tell me about any domestic/family commitments you may have
- Are you better or worse off? *(probe: degree of financial comfort)*
- Did you think about putting off claiming your pension at 60/65?
- If you did what were the reasons for deferring your pension?

(iv) Do you think you have done enough to be able to live as you want to in retirement?

Prompts
- *If yes, why?*
- *If no, why not? What should be done?*

(v) Are things turning out as you expected them too?

Prompts
- *If yes, why?*
- *If no, why not?*

c) **For participants claiming benefits**

(vi) Are you claiming all the benefits you think you should? *(probe knowledge about different types e.g. pension credit, tax and tax credits)*
(vii) If you were to start/stop working, do you think this would affect your benefits?

Prompt
- Do you think you may be less likely to want to work because you may lose your benefits?

d) For participants not claiming benefits

(viii) Do you think there will be a time in the future when you may need to claim benefits?

Prompts
- If yes, how could this come about? What are your feelings about this?
- If no, why do you think this?

4 Household management and decision-making

(i) Thinking about finances, who makes the decisions in your household?

Prompts
- *Is it who has contributed the most?*
- *How do you both feel about this?*

(ii) Thinking about retirement now, how will/were decisions (be) made about retirement age and giving up work?

Prompts:
- Are plans discussed?
- How easy or difficult is it to agree?
- Who has the final say?

(iii) What sorts of things influence your joint decision about when to retire and whether to keep on working?
(probe: finances, health, leisure time, life expectancy, cultural expectations, other people eg employer, colleague, family, friend, other).
5 **Support services**

(i) Can you think of any other forms of support that you would want to help you continue/return to work in your 60s? (probe: financial services, pension advice, domestic support, health and social care support)

(ii) Would you feel comfortable going into a Jobcentre/Jobcentre Plus office to use their services? Would you feel comfortable using their telephone and online employment services?

(iii) What do you think about The Pension Service? Would you feel comfortable using their telephone service/online service/home visits service?

6 **GENERAL**

(i) Do you know anything about the age discrimination legislation that came into law in October 2006?

Prompts
- Do you know what it covers? (probe: that employers won’t be able to retire people below 65 unless objectively justified)
- Did you know that people have the right to request working beyond their employers’ normal retirement age?

For those currently employed and below the age of 65

(ii) Do you think you may pursue the option of requesting a continuation of work after 65?

For those already retired

(iii) If the option of being able to request a continuation of work had existed when you retired, would it have been beneficial to you?

(iv) Are there any other points about retirement and working you would like to make?
## Appendix – Fieldwork instruments

### Timeline Grid – Key events in my life

<table>
<thead>
<tr>
<th>Age</th>
<th>Education and educational qualifications</th>
<th>Marriage and Partnerships</th>
<th>Periods of dependent children</th>
<th>Work history, type of work</th>
<th>Other qualifications and skills</th>
<th>Health events</th>
<th>Other significant life events</th>
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References


