

There is no need to debate the triple lock for pensions...

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There is much discussion in the media this morning about a supposedly temporary suspension of the pension triple lock.

The triple lock was a George Osborne in 2010 and was one of the very few useful things he did. It offers a guarantee that old-age pensioners will get an increase in their payment of the highest of the increase in average earnings in the previous year, the CPI rate of inflation, or 2.5 per cent.

Now ministers claim that they cannot afford the triple lock because average earnings from May to July this year rose by 8.5%. They say that was inflated by one-off bonuses in the NHS and elsewhere. They want to take these out of the calculations. They will save £1 billion as a result. Pensioners would lose about £100 each as a result.

So far, my Taxing Wealth Report 2024 has suggested tax changes of almost £70 billion, all impacting the wealthy or highest earners. There are many more to come. The potential yield will go up as a result. It will likely considerably exceed any requirement a government might have. That is deliberate: I want to show that there is not only the capacity to tax more but choice on how to do so.

At this moment, the key point is, however, a simple one. It is that ministers need not punish pensioners, for many of whom the old age pension is their primary source of income. They could instead tax a bit more.

If they won't pensioners should not forget the fact at next year's general election. The struggle of those trying to get by on this income will have been imposed on them by ministers who have a bias to the wealthy and not those with real needs, which is exactly what the Taxing Wealth Report 2024 is intended to show.