

Is the UK state pension safe?

<https://www.taxresearch.org.uk/Blog/2025/07/11/is-the-uk-state-pension-safe/>

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I have returned to this issue, discussed here not long ago, as the YouTube audience differs to that here:

Will you still get a UK state pension when you retire? With means testing, cuts and even abolition on the table, many are worried — and rightly so. In this video, I break down the risks, what recent surveys show, and how it could damage the whole economy if the pension system collapses.

https://www.youtube.com/watch?v=_Fgqczc7TdU?si=9PCqMybdKWFR1Ykc

This is the audio version:

https://www.podbean.com/player-v2/?i=675yb-18f5d4e-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

Will you get a UK state pension when you retire? It's a question that I first asked myself when I guess I was in my forties, because that's when most people begin to think about retiring, at least sort of seriously. Until then, it's just a fantasy so far in the distance that

you can't think about it, but when you're in your forties, it's only 20-odd years away, and you begin to ask the question.

Well, I did get a state pension. I've got it now. I'm 67 and I got my state pension at the age of 66. Most people will now get it at the age of 67, but what about the generations to come?

The UK state pension is already one of the meanest in Europe. In proportion to average earnings, it's tiny at around 40%. Most European countries pay a far more generous pension than that, and our UK politicians still see pensions, despite that fact, as a place to cut costs.

Now we know already that Labour is willing to punish those on low incomes. Just look at how they have tried to treat people with disabilities. I know they've lost most of that bill, but the fact is, there is a mean streak running through our political system and not just amongst the Tories. A cut in pensions is possible, or at least they could be frozen, and either way, the state pension is not guaranteed in the future.

I noticed this question because Hargreaves Lansdown, the financial advisors who do, of course, have a stake in selling private pensions and do therefore have an interest in this issue, had done a survey of people and asked the question, did they think that there would be a state pension in the future?

17% of the people they surveyed thought there would not just be a state pension in the future, but there would also be something called the triple lock, which basically guarantees that it goes up by 2.5% over the rate of inflation. That's great for existing pensioners. I know, because as I say, I get that pension.

But 22% think that the state pension will exist without the triple lock, and I've got to say, given that pensioners have overall recovered some of the ground that they had lost by the time that the triple lock was introduced nearly 15 years ago, I think now, it would be unsurprising if that lock was now dropped.

What is more interesting is that 15% of people think that the state pension will be maintained, but will be means-tested, meaning that only those who have below a certain level of other income will now get it.

And 46% think that the state pension might be abolished altogether, or are at least unsure whether it will survive, meaning that they will be forced to rely on their own pension provision, which is kind of scary when some groups in society make very little pension provision at all. For example, 80% of the self-employed have no pension provision whatsoever.

Because this piqued my interest, I ran two surveys. One was on my Funding the Future Blog, and I asked slightly different questions on X. The only reason why I had to do

different questions was that I could ask six questions on Funding the Future and only four on Twitter, and Twitter restricts the number of characters I could use, so I got slightly different expressions of concern from both. But in summary, the outcome was broadly similar and on X, over 2000 people voted.

24% of people thought that the state pension would continue unchanged. I didn't ask about the triple lock in this case.

34% thought it would become means-tested, which is much higher than was the case with regard to the Hargreaves Lansdown survey.

25% thought it would be abolished, and 17% thought it would continue to exist in name only, in effect, because it would be privatised.

In other words, the schemes that people are now forced to pay into when they're at work will replace the state pension, which, if you add those last two numbers together, by the way, does imply that at least 42% think that, in effect, the state pension will disappear.

There is therefore a remarkable lack of confidence in the future of state pensions, and this is really quite scary as far as I'm concerned.

Most UK state pensioners live in low-income households. As a matter of fact, we know that is true because, as I've already noted, most people have very limited private pension provision, and as a consequence, frankly, most pensioners are living on the breadline.

That means that every single penny they get by way of benefit, whether it is the state pension or pension credit, or anything else, is spent, and that spending inevitably supports jobs and businesses in the rest of the economy, because they are the recipients of that spending. And once that money is received by those people who are working, tax is paid, whether it be VAT, income tax, national insurance, or corporation tax, maybe even business rates. And as a consequence, the vast majority of the money that is paid by the state to pensioners does eventually go back to the treasury by way of tax.

If we cut the state pension, which is what most people expect is going to happen, we would, in fact, simply cut the capacity of pensioners to spend, and as a result, the immediate and straightforward consequence would be that we would reduce spending power within the economy as a whole.

Cutting pensions would therefore have an immediate and harmful impact on businesses, and it would increase unemployment. In fact, the likely saving in cost might be negative because the overall lower tax take and higher welfare costs that would result would in fact outweigh the saving in pension payments made.

So, what do you think?

Do you think the state pension is going to survive?

I've put the poll that I put on Twitter on our community page at the moment. You can find it as a post, and there you can vote, offering your opinion on the four options that I presented earlier in this video.

You can decide will the state pension remain, will it be means-tested, will it be privatised, or will it be abolished?

And please also let us know in the comments below. We do notice these even if we don't respond to them all, because there are simply so many.

And you can also take action. As I say, time and again on this channel, democracy is not a spectator sport. It is a participatory sport. You can write to your MP about the future of the state pension. There's a link below this video to a transcript of what I've had to say here, and from that transcript, you can also copy and paste the text of what I've had to say into Chat GPT using the prompt that is also linked below this video, and that will produce a letter to your MP for you to send, if you so wish. You will have to find out their email address, but that's the most that I'm asking you to do. Of course, do check that the email that you are sending does make sense to you.

But my point is this: if you are worried about the future of the state pension and if you haven't got yours yet, and maybe even if you have got yours, then speak out because the simple fact is, your voice matters.

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [**here**](#).