Funding the Future

# Debate Ammunition: The Triple Lock Pension

Published: September 16, 2026, 6:05 am

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THE RICHARD J MURPHY YOUTUBE CHANNEL

DEBATE AMMUNITION

Triple Lock: Why They're Attacking the Wrong Pension Subsidy

Funding the Future | September 2026

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Topic

Critics from the FT, Resolution Foundation and Tony Blair Institute want to scrap the Triple Lock on the state pension, but they are targeting the wrong pension subsidy entirely and reaching entirely the wrong conclusions.

The video that this Debate Ammunition supports [is available here.]

The Core Argument

The Triple Lock has added roughly £16 billion a year to state pension costs but in doing so it protects the most vulnerable people in the UK, one in six of whom rely solely on the state pension to survive.

At the same time, almost unnoticed, private-pension tax relief costs the government £83.9 billion a year, of which 71% flows to the wealthiest fifth of taxpayers who pay income tax at 40% or 45%, and also enjoy reliefs at those rates. The cost of that relief, over and above that which would be given at the 20% basic rate of income tax is around £15 billion a year, going solely to higher and additional rate taxpayers.

The choice between cutting the Triple Lock and cutting higher-rate pension relief is not an economic question: it is a political one about whose welfare the government chooses to protect and whose wealth it chooses to subsidise. The right answer is clear.

Key Statistics

| Statistic | Figure | Source |
| --- | --- | --- |
| Total annual state pension spending | £154 billion | Institute for Fiscal Studies |
| Accumulated additional cost per annum of the Triple Lock | £16 billion/year | Institute for Fiscal Studies |
| Reduction in pension if Triple Lock had never existed | ~12% (approx. £1,500/year) | Stated in video |
| Current full state pension (annual) | Under £13,000/year | Stated in video |

Total cost of private-pension tax reliefs (2024/25)

£83.9 billion/year

HMRC / Stated in video

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Share of pension tax relief going to higher-rate (40%) taxpayers

57%

Stated in video

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Share going to additional-rate (45%) taxpayers

14%

Stated in video

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Share going to basic-rate taxpayers

29%

Stated in video

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Average pension tax relief per higher/additional rate taxpayer

£7,726/year

Stated in video

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Average pension tax relief per basic-rate taxpayer

£787/year

Stated in video

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Annual cost of higher/additional rate pension relief abive the basic rate

~£15 billion

IFS / Taxing Wealth Report 2024

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Single pensioners entirely dependent on state pension and benefits

1 in 6

Age UK

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Basic Universal Credit adult allowance (2024/25)

£4,400/year

Stated in video

The Argument Structure

Step 1 — What the Triple Lock is and what it has done:

The Triple Lock, introduced by George Osborne in April 2011, guarantees that the state pension rises each April by the highest of average earnings growth, CPI inflation, or 2.5%. It was a political gesture designed to restore pension value that had been allowed to fall under Labour. It has worked: it now costs about £16 billion a year in accumulated extra spending, but it has kept the pension roughly 12%, or about £1,500 a year, higher than it would otherwise be.

Step 2 — Who depends on it:

Age UK calculates that one in six single pensioners in the UK relies entirely on the state pension and benefits to survive. For those people, the Triple Lock is not a top-up: it is the foundation of their financial security. Even pensioners with savings face a modest position: the average UK pension pot is only around £60,000, buying a very modest income in addition to the state pension.

Step 3 — The hidden subsidy nobody mentions:

Private-pension tax relief cost £83.9 billion in 2024/25. Of that, 71% flowed to the wealthiest fifth of taxpayers paying income tax at 40% or 45%. The average higher or additional rate taxpayer received £7,726 in state subsidy for their pension savings as a result, or more than half the total state pension, and nearly double the maximum basic Universal Credit payment. This is a subsidy for wealth accumulation, not for retirement security.

Step 4 — The political choice this reveals:

The annual accumulated cost of protecting the most vulnerable through the Triple Lock (£16 billion) is almost exactly matched by the annual cost of subsidising the wealthiest savers through higher-rate pension tax relief (£15 billion). Choosing to cut the Triple Lock while leaving higher-rate pension relief untouched is not an economic necessity; it is a deliberate political decision to favour the already wealthy over those in poverty. It will also intensify the alienation of precisely those pensioners and low-paid workers most drawn to far-right parties such as Reform.

Their Argument → Your Rebuttal

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They Say

Your Response

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The Triple Lock is unaffordable: it costs £16 billion more than the basic pension would have done.

Higher-rate and additional-rate pension tax relief costs the government approximately the same, or around £15 billion a year, according to both the IFS and the Taxing Wealth Report 2024.

The choice is not between spending and saving. It is between whose welfare we protect and whose wealth we subsidise.

If affordability is the argument, the £15 billion going to the wealthiest fifth of taxpayers should be on the table first.

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Pensioners have caught up since 2011 — the Triple Lock has already done its job.

Everyone making this claim is financially secure. The strongest inflationary pressures of recent years have been on food, energy and other fixed costs — the costs that weigh most heavily on low-income households.

A pensioner living on under £13,000 a year who lost £1,500 through removing the lock would not feel that they had 'caught up'.

Age UK is clear: one in six single pensioners depends entirely on the state pension. The lock has not made them wealthy — it has kept them solvent.

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The Resolution Foundation and Tony Blair Institute are centrist, not ideological — their analysis should be taken seriously.

Every analyst at those institutions is financially secure. Their analysis consistently ignores that the alternative to cutting the Triple Lock is cutting higher-rate pension relief.

When a centrist think tank proposes austerity only for those at the bottom, and never for those at the top, that is not dispassionate economics — it is a political choice dressed as technical advice.

The correct response is to examine the full ledger of pension subsidies, not only the ones that protect the poor.

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Pension tax relief is different — it is just deferral of tax, not a real subsidy.

The government itself publishes the gross cost of pension tax relief as £83.9 billion. Even after offsetting taxes currently paid on pensions in payment, the net subsidy is enormous — and the accounting trick of offsetting future tax receipts against current relief is, as the video makes clear, false accounting: those receipts would exist whether or not the relief was reformed.

For higher-rate taxpayers the relief is genuinely additional: it subsidises wealth accumulation at the taxpayer's expense. That is a subsidy, by any reasonable definition.

## The One-Liners

“The Triple Lock costs £16 billion. Higher-rate pension tax relief costs £15 billion. Only one of them is under attack — and it is not the one that subsidises the wealthy.”

“The state pension prevents poverty. Pension tax relief subsidises wealth. Choose which one you want to protect.”

“Every higher-rate taxpayer gets an average of £7,726 a year in pension tax relief — more than half the total state pension. No one is calling that unaffordable.”

“Those calling the Triple Lock unaffordable are, without exception, people who will never need it.”

“Cutting the Triple Lock while protecting higher-rate pension relief is not fiscal discipline — it is class warfare dressed as accounting.”

## Questions to Ask

If the Triple Lock is unaffordable at £16 billion, why is the £15 billion in higher and additional rate pension relief never on the table?

What is the average pension pot of the people calling for the Triple Lock to end — and how does that compare with the one in six single pensioners who rely entirely on the state pension?

For the pensioners who would lose approximately £1,500 a year if the Triple Lock ended, what specifically do you propose they cut from a budget of under £13,000 a year?

Why should the state subsidise the pension savings of those earning enough to pay 40–45% tax at a rate ten times higher per person than those on the basic rate?

## Further Reading

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| Post | Date | What it covers |
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[The FT view: make the vulnerable pay for failing neoliberalism]

2 Sep 2026

Directly challenges the FT's call to scrap the Triple Lock as an exercise in making the vulnerable carry the cost of neoliberal failure.

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[There is no need to debate the triple lock for pensions]

14 Sep 2023

Shows that all the money needed to fund the state pension generously can be found by reforming pension tax relief for the wealthy — the core argument of this video.

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[Ending higher rates of tax relief on pension contributions would raise £14.5 billion a year]

6 Sep 2023

Sets out the detailed case and fiscal calculation for restricting pension tax relief to the basic rate — the £14.5bn figure cited in the Taxing Wealth Report.

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[Why does the average higher-rate taxpayer get more subsidy for their pension than anyone on Universal Credit is paid?]

16 Apr 2024

The distributional injustice of higher-rate pension relief, directly paralleling the video's comparison between £7,726 average relief and £4,400 Universal Credit.

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[Pension benefits for the wealthy are, on average, more than maximum PIP payments a year]

28 Jun 2025

Extends the inequality argument: state subsidies for wealthy pension saving exceed even the most generous disability payments, exposing the skewed priorities of current policy.

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[Is the UK state pension safe?]

11 Jul 2025

Examines the political and fiscal pressures on the state pension, providing essential context for understanding why the Triple Lock is under renewed attack.