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ARTICLE

Pension Inequalities and Policy Responses

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Pension policies are an increasingly important topic in British elections. This paper discusses what the first year under a Labour government has meant for pension policy, drawing on the Labour Party's pre-election pledges, before critically considering future directions of pension policy and areas not currently addressed by the Labour government, or where policies could go further. The paper argues that structural inequalities in the labour market and the pension system persist, with consistent evidence of gender and ethnic inequalities in labour market participation, the nature of such participation, pension outcomes, and a range of financial and non-financial wellbeing indicators. Placing adequacy and fairness at the heart of Labour policy can send a strong message on the government's part of understanding the complex interactions of opportunities and costs across the lifecourse for individuals from diverse backgrounds, and anticipating further demographic and socio-economic changes in the British society and economy.

Keywords: labour; pensions; adequacy; fairness; sustainability

Introduction

Pension policies have become an increasingly important topic in British elections, as a result of an increase both in the proportion of the parliamentary electorate and the proportion of older voters in the eligible voter population (Chrisp and Pearce, 2019). The 2024 British election was no exception. Drawing on published policy documents and academic research, this paper discusses what the first year under a Labour government has meant for pension policy, drawing on the Labour Party's pre-election pledges, before critically considering future directions of pension policy and areas not currently addressed by the Labour government, or where policies could go further. To our knowledge, this is the first academic effort to review the Labour government's record in the area of pension policy so far. There are many ways of framing the assessment of pension reforms, for example focusing on pension eligibility, how pension income is calculated and distributed, or the political cost of implementing pension reform (Diaz-Gimenez and Diaz-Saavedra, 2025). The discussion in this paper is organised along the three main themes of *adequacy, fairness* and *sustainability*, put forward by the Pensions Policy Institute in their UK Pensions Framework (PPI, 2024a). The theme of adequacy refers to such topics as labour markets (participation and earnings), state support, private pension saving, non-pension wealth, retirement living costs and retirement outcomes; fairness links with issues of process fairness (e.g. financial inclusion and engagement, which is about ensuring that all individuals are encouraged to engage with, and are able to benefit from, the pension system), outcome fairness (differences between different groups in society raising issues of intersectionality) and protecting savers (e.g. value for money); while sustainability points to

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the whole pension system design, financial sustainability, which is about safeguarding the financial future of the pension system, and the impact of population ageing on family arrangements, longevity, and the demand for health and social care. These themes allow us to consider both issues relating to particular topics, such as the underclaim of Pension Credit which relates to income adequacy, as well as cross-cutting issues such as gender, ethnic, or cohort differences. In addition, the themes of adequacy, fairness, and sustainability are explicitly outlined in the terms of reference for the Pensions Commission led by Baroness Jeannie Drake, Sir Ian Cheshire, and Professor Nick Pearce, which is tasked with making recommendations about the future of the pension system in the UK.

The rest of the paper is organised as follows. The remainder of this introduction summarises the Labour Party's pre-election pledges in pensions, briefly mentioning pledges in adjacent areas of policy with relevance to individuals' financial wellbeing in later life. The second section discusses what the Labour Party has achieved in the area of pensions so far, drawing on early research within and beyond academia. The final section draws key points of the discussion to critically assess areas which the Labour Party has not addressed in its first year in power, and consider possible future directions in UK pension policy.

The Labour Party's manifesto for the 2024 election included a key commitment to maintain the triple lock system of uprating the state pension, which guarantees that the State Pension will rise each year by the highest of average earnings growth, Consumer Price Index inflation or 2.5 per cent. This was a common feature across the main political parties vying for the electorate's votes (Conservatives, Scottish National Party, and Liberal Democrats) (PPI, 2024b). In addition, the Labour Party committed to the reform of workplace pensions to achieve 'better outcomes', the consolidation of these schemes to increase scale, and investment in line with the Paris Agreement on climate change (ibid). Pension policy interacts with other policy sectors to impact on individuals' and households' income security and wellbeing. Although adjacent areas of the welfare state are not the focus of this paper, it is important to outline relevant sectors where the Labour party made pledges before the election. One such commitment was the creation of a National Care Service, which would be free at the point of use, like the National Health Service (PPI, 2024b). Another pledge related to reducing healthy life expectancy inequalities between regions. The Labour Party also committed to building 1.5 million homes over the life of this Parliament, and reducing ethnic and gender pay gaps (ibid).

Taken together, the Labour Party's pre-election pledges speak more to issues of adequacy (through uprating and better pension outcomes) and sustainability (through greater market consolidation and environmental investment). Such emphasis is not surprising and reflects a number of points. Firstly, it reflects the absence of pension reform by previous governments, except in terms of legislating the increase in the State Pension Age (SPA) – such context has increased the urgency of the need for more comprehensive pension reform against the background of rapid population ageing. Secondly, it reflects the salience of pension policy in public opinion and the importance of pensioners' vote for political parties (Chrisp and Pearce, 2019). Thirdly, it reflects the centre-left orientation of the Labour government, albeit with elements promoting a stronger private sector and greater individualisation of pensions (Doctrinal, 2023; Fernandez *et al.*, 2023). A commitment to tackling healthy life expectancy inequalities between regions, and reducing gender and ethnic pay gaps could be considered to contribute to greater fairness, while greater environmental investment could also contribute to intergenerational fairness. Although a direct engagement with issues of fairness in the pension system, including intergenerational fairness, was lacking in the pre-election pledges, it is possible that the Pension Commission's recommendations may place fairness more firmly on the government's future agenda. The next section discusses what became of each of these pledges in practice.

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The Labour government's record in pensions

Soon after taking office, the new Labour government announced a Pensions Review, the first phase of which was tasked with 'exploring new ways to boost investment, increasing saver returns, and tackling waste in the pensions system' (GOV, 2024a). The focus of the first phase of this exercise was very much on workplace and private pensions, rather than state pensions, and on sustainability, rather than adequacy or fairness. This phase focused on key areas signalled in their manifesto: driving scale and consolidation of defined contribution workplace schemes; tackling fragmentation and inefficiency in the Local Government Pension Scheme through consolidation and improved governance; achieving a greater focus on value to deliver better outcomes for future pensioners, rather than cost; and encouraging further pension investment into UK assets to boost growth across the country (GOV, 2024a). A Call for Evidence was issued in September 2024, and consultation was undertaken with the pensions industry before the release of a consultation document in November 2024. Responses were due in January 2025, and a final report was released ahead of a Pension Schemes Bill introduced in the summer of 2025 (GOV, 2024a). With this bill, the government aims to increase efficiency in the pensions sector through cutting running costs and facilitate greater investment in pension funds of all sizes, which in turn could generate increased pensions and deliver better value for money for investors. Such goals speak to improving the sustainability in the pension system, through larger and stronger pension schemes.

From the viewpoint of system sustainability, the government is required to regularly review the state pension age under The Pensions Act 2014. The government had committed to reviewing the timeframe of raising the SPA to sixty-eight by the end of the current Parliament in 2029 and the third SPA Review commenced in July 2025. Under current legislation, this rise in the SPA is due to take place between 2044 and 2046, following an increase to age sixty-seven between 2026 and 2028. A rising pension age is a response by many governments around the world to a rising life expectancy (Arcanjo, 2019). However, raising the SPA (and at a faster rate than originally planned) is a policy that affects poorer persons more, as they tend to have a lower life expectancy and to work in more manual occupations over their working life (Cribb *et al.*, 2024a). The issue of raising the SPA and communicating such changes to the public also relates to the group of WASPIs (Women Against State Pension Inequality), which did not feature in the Labour manifesto, but is discussed in the next section of the paper.

A key feature of many workplace pension schemes is the use of salary sacrifice schemes. These schemes involve exchanging some amount of remuneration that would otherwise be paid as salary, wages, or bonuses into contributions to a pension plan. This reduces the amount of taxable income received by the individual and does not attract National Insurance Contributions (NICs) from either the employee or the employer. In the autumn budget, the Chancellor capped the amount of salary sacrifice that is exempt from employee or the employer NICs in this way to £2,000 per year, meaning any employee contributions above £2,000 will become subject to employer and employee NICs like other employee workplace pension contributions. This change reflects the government's concern that the 'costs of relief through salary sacrifice relate disproportionately to pension contributions from those on higher incomes' (GOV, 2025a). The impact of this change depends at some level on the scale of behavioural response, because if individuals reduce their pension contributions, adequacy in later life is a risk. However, the move supports sustainability as it increases revenue to the Crown, and supports fairness concerns by keeping a threshold from which low earners will benefit. However, due to the lower rate of NICs paid by individuals on higher incomes, the impact will be mostly keenly felt by those earning around £50,000 a year, which is around £10,000 above the average median earnings (PPI, 2025d).

The second phase of the Pensions Review is intended to focus specifically on adequacy, however its timing remains unclear. The second phase was initially planned to start in 2024, but in December of that year the Chancellor announced a 'pause' without indicating a likely new commencement date. At the time of writing, the terms of reference for the second phase of the

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review had still not yet been issued and it is therefore difficult to be certain about its content. However, the emphasis in the Labour Party's pre-election manifesto on workplace pension reform could be understood as implying that pension adequacy will be a key focus on the next phase of review, for example by considering default contribution rates in workplace pensions. Pension reforms in the last two decades, during the majority of which the Labour government was not in power, have aimed at improving the coverage and pension adequacy particularly among individuals on low incomes, including the rise in the SPA for both men and women, and the introduction of Automatic Enrolment. This scheme automatically enrols individuals over the age of twenty-two, who are earning a minimum of £10,000 p.a. from a single employer, into their workplace pension scheme, and employers of all sizes are now obliged to enrol their employees into such schemes (Department for Work and Pensions, 2023).

Since the introduction of the Automatic Enrolment scheme, about 88 per cent of eligible employees (20.4 million) in the UK now participate in workplace pensions (Department for Work and Pensions, 2023). However, although Automatic Enrolment has proven effective in reducing disparities in enrolment by age, occupation, and income, nevertheless small firms observed a relatively smaller gain (Scarfe *et al.*, 2023). Specific demographic characteristics have also been highlighted as impacting Automatic Enrolment, bringing intersectional perspectives in focus. The Pension Policy Institute's recent Underpensioned Report showed that only 82 and 64 per cent of Pakistani and Bangladeshi employees, respectively, are eligible for Automatic Enrolment, compared with 88 per cent of White employees (PPI, 2025b), while Wilkinson and Adams (2024) have shown a gender dimension to such eligibility, with 17 per cent of employed women not meeting the Automatic Enrolment criteria compared to 8 per cent of men (Wilkinson and Adams, 2024). The government's own analysis has also shown that Pakistani/Bangladeshi individuals report the lowest participation rate across all ethnic groups at 74 per cent, albeit also showing the largest increase in participation between 2011 and 2022 (Department for Work and Pensions, 2023). The main reason behind such differentials relates to the interaction between the Automatic Enrolment eligibility rules and the nature of paid work, which is more common among female workers and workers from minority ethnic communities (i.e. non White British communities), who are often concentrated in lower-paid occupational sectors and may hold multiple or part-time jobs in order to make ends meet (Williams *et al.*, 2023). More embedded structural inequalities are, in turn, responsible for ethnic differentials in labour market participation, for example the timing of migration into the UK by different minority ethnic groups has an effect on their patterns of pension eligibility (Veldman *et al.*, 2025), while discrimination in the labour market continues to play a role in terms of wage differentials between different ethnic groups (Longhi *et al.*, 2012). The persistent impact of such differentials emphasises the importance of an intersectional perspective, as a result of a number of individual characteristics combining to produce accumulating disadvantages in terms of pension protection.

Since coming to power, the Labour government has reiterated its intention to continue applying the 'triple lock' to state pensions throughout the current Parliament until 2029 – this was introduced in 2010 by the Conservative/Liberal Democrats' Coalition government. This is an important commitment in reducing the poverty risk among pensioners, particularly as the absolute value of the State Pension remains relatively low at around 27 per cent of median earnings (Cribb *et al.*, 2023a). However, the rising cost of this commitment has come under scrutiny, and the same is true for the fact that as a mechanism, the triple lock creates significant uncertainty that can make planning for retirement more difficult (Cribb *et al.*, 2023b).

Other pension-related changes have occurred in the broader welfare system. The Pension Credit, which replaced the Minimum Income Guarantee in 2003, provides extra money to help with living costs for people over SPA and on a low income. Pension Credit can also help with housing costs such as ground rent or service charges, and recipients also become entitled to a range of other support including a free TV license, the warm home discount scheme, a council tax discount, help with NHS dental treatment and glasses, and some people can receive transport for

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hospital appointments (GOV, 2026). The Pension Credit is worth on average £3,900 per year, which means it could significantly help older people with their living expenses. However, it is underclaimed, with an estimated 880,000 eligible households not claiming Pension Credit, due to complex reasons such as lack of trust, stigma, and language barriers (Purdam and Ebrey, 2025). At the same time, the government announced plans to axe the Winter Fuel Payment for all but the poorest pensioners – a policy which has now been reversed due to its widescale, adverse impact: the government's own estimates had shown that before this change, 10.8 million pensioners in 7.6 million households received this payment, whereas after this change, the payment would be received by 1.5 million individuals in 1.3 million households (Mackley *et al.*, 2025). This change had been expected to save £1.3 billion in 2024/25 and £1.5 billion in years after that (ibid). In addition, the government has signalled its intention to work with older persons' charities and local authorities in order to encourage more households to claim Pension Credit, which would allow more households to then qualify for the Winter Fuel Payment. For example, the government ran a 'Pension Credit Week of Action' in November 2024 to encourage greater take up. In addition, the government is intending to bring forward to 2026 plans to introduce a housing element in Pension Credit which replaces the Housing Benefit for persons over state pension age (ibid). Although taking away the Winter Fuel payment poses a risk to income adequacy for some pensioners, the planned actions can contribute to greater adequacy in the future.

Discussion

The Labour government inherited a pension system that has witnessed increasing workplace pension participation and, overall, a decreasing proportion of pensioner households in poverty. Official government statistics show that since 2002, the percentage of pensioners in relative low income (60 per cent of the UK median net equivalised household income) has remained relatively stable and was at 21 per cent in 2023 after housing costs; whereas, the percentage of pensioners in absolute low income, which takes into account inflation, has reduced from just under 25 per cent in 2002 to 18 per cent in 2022/23 (GOV, 2025b). However, between 2020 and 2023, the Department for Work and Pensions has also noted a statistically significant increase in the percentage of pensioners experiencing material deprivation (ibid), which is largely due to rising living costs. Such trends should be considered against the fact that pensioner households have benefitted more from cost-of-living support schemes, however they have not benefitted from wage growth being higher than increases to the state pension, while the real value of occupational pensions has also reduced during this time (ibid). This paints an uncertain picture regarding future pension adequacy for pensioners.

At the same time, the pension system masks important inequalities within and between cohorts of individuals, including gender and ethnic inequalities, and inequalities between pensioners in terms of pension and housing wealth. Other important challenges persist, for instance individuals making inadequate pension contributions over their lifetime, restrictions in the automatic enrolment scheme, and inadequate take-up of means-tested benefits such as Pension Credit. Against this background, and returning to the overall themes of adequacy, fairness, and sustainability, there are a number of areas that the government could consider over the rest of the current Parliament and into the future.

Adequacy

Maintaining the triple lock mechanism is important in contributing to the adequacy of the state pension for future generations of pensioners. However, with the value of the state pension standing at 27 per cent of median earnings, it is income from workplace and private pensions which could make the difference between facing a poverty risk in later life in the UK or not (Bridgen and Meyer, 2009). Previous research has shown that only one in ten individuals aged

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between thirty and forty-nine have put money aside for retirement in the previous two years, owing to a lack of economic resources and willingness to save (Suh, 2022). Government initiatives promoting greater financial inclusion and awareness of the benefits of saving for later life could contribute to a greater proportion of future cohorts of pensioners entering later life in stronger financial circumstances (Atkinson and Overton, 2023). However, behavioural changes in terms of saving for retirement are only one side of the coin, with the improvement in individuals' and households' financial circumstances being the other side (Suh, 2022).

Analysis of pensioner incomes over time has evidenced an overall growth in pensioner incomes between 2011 and 2023 of about 12 per cent (Cribb *et al.*, 2024b). However, the same analysis shows that the poorest 10 per cent of pensioners have experienced a growth in their income of about 5 per cent, as a result of not benefitting from private pension wealth as much as pensioners in the middle- or high-income brackets (ibid). The latest Households Below Average Income series shows that 43 per cent of pensioners in the bottom quintile of the net equivalised disposable household income distribution had no occupational or personal pensions, compared to 6 per cent of pensioners in the top quintile, and just over one-third of pensioners in the bottom quintile had no savings at all compared to just 7 per cent of pensioners in the top quintile (GOV, 2025b). In terms of gender differentials, female pensioners made up 56 per cent of all pensioners in relative low incomes (60 per cent of median), compared to male pensioners who made up 44 per cent (ibid). In addition, the Pensions Policy Institute estimates about two-thirds of pensioners in poverty are women, and about half of pensioners in poverty are single women (PPI, 2024c). These are stark gaps in pension protection, which the government should aim to reduce.

The Automatic Enrolment scheme has been successful in enrolling more individuals in workplace pension schemes, however, women and individuals from certain minority ethnic communities are still less likely to benefit (Robertson-Rose, 2021; PPI, 2022; PPI 2025b). In the short- to medium term, the government could consider removing existing barriers to enrolling on workplace pension schemes, such as scrapping the minimum income threshold, or allowing earnings from more than one job to be taken into account in calculating one's eligibility above that threshold – the latter would be more administratively complex. In the longer term, the government could ensure that structural barriers to labour market participation for women and workers from minority ethnic communities are removed (Zwysen *et al.*, 2020). Such measures could go a long way to opening up both participation in the labour market and eligibility for Automatic Enrolment, which could in turn contribute to increasing income adequacy in retirement.

The gender pay gap is an area of inequity that requires attention on grounds of fairness but also pension adequacy. The gender pay gap is responsible for around 16 per cent of the gender pensions gap, but this is less than half of the impact of women's labour market participation being lower than men's at 33 per cent (PPI, 2024b). Over their life course, women undertake 27 per cent fewer hours of paid work than men, largely because they undertake 60 per cent more hours of unpaid work (PPI, 2025a). While efforts to decrease the gender (and ethnic and other) pay gaps are crucial, their impact on pension savings will be reduced, so long as social and cultural expectations place responsibility for unpaid work (largely care) on women, and such work is inadequately recognised in the pension system.

Self-employed individuals do not experience the benefit of the default automatic enrolment settings because they do not have an employer. While the self-employed are not a homogenous group, when considered as a whole, their average annual earnings are around 20 per cent lower than the population average and their earnings may fluctuate throughout the year. Only 20 per cent of self-employed workers currently participate in a pension, compared to over three-quarters of employees (PPI, 2025b). Analysis from the Institute for Fiscal Studies has shown that if self-employed workers were to continue building up their private pension wealth at the current rate, 55 per cent of them would not have any pension savings to supplement their state pension in later life, and such risk is greater among younger cohorts of self-employed workers (Cribb *et al.*, 2024).

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This government has not made any changes to specifically address the adequacy issues faced by self-employed workers although the previous government collaborated with industry on some research and trials (NEST Insights, 2025).

Fairness

In terms of fairness, changes in the pension system always need to be considered in the context of intergenerational relations, particularly when such changes could imply that one generation of retirees is set to be advantaged or disadvantaged over another generation. The continuation of the 'triple lock' mechanism, which has lifted and kept many pensioners out of relative poverty, is an important safety net. However, future generations of retirees are expected to enter later life with a lower housing wealth on average, and having experienced greater labour market insecurity than their predecessors (Howard *et al.*, 2024).

The government's plans to reduce pay gaps, particularly in terms of ethnic and gender gaps, is another complex undertaking where detail in the government's plans is lacking. Ensuring that men and women from different minority ethnic communities are equally and fairly valued in the labour market is one area of policymaking, but another and much more complex area is tackling the structural inequalities underpinning such gaps in the first place (Evandrou *et al.*, 2016). Previous research has consistently demonstrated women's disadvantage in the labour market and pension system, compared to men, as a result of an unequal distribution of unpaid care demands across the life course, and particularly during one's prime years for paid work (Price, 2007; Ginn and MacIntyre, 2013; Foster and Heneghan, 2017; Collins, 2020; PPI, 2022), as well as the division of wealth and pension assets after separation (Joseph and Rowlingson, 2012). Another aspect of such disadvantage is how caring across the life course is recognised within pension systems (Hamilton and Thomson, 2017; Angsten Clark and James, 2025). Research has also consistently shown an 'ethnic penalty' in pensions in the UK (Gough and Adami, 2013; Adami, 2024), with individuals from particular minority ethnic communities, such as Bangladeshi and Pakistani communities, faring worse, whether they are of working age and saving towards retirement, or whether they are already retired (Vlachantoni *et al.,* 2015, 2017). Such analysis has distinguished between individuals who were born outside the UK and migrated into the UK (migrants or migrant workers), and individuals who were born in the UK (second- or third-generation of migrant families) and are part of minority ethnic communities (ibid).

Gender also permeates the dimension of fairness, with recent and current generations of retirees living through the equalisation of the state pension age for men and women, and indeed, many experiencing the acceleration of such equalisation over their working life. One of the areas where other political parties made a pre-election pledge was the compensation of the WASPI women's group, who claimed to have been adversely affected by the way the changes in the SPA were communicated to them. Research investigating the impact of the increases in the state pension age on women born in the 1950s, who were most affected by such changes, showed a positive impact on women's employment participation rate, but a negative impact on their mental health and life satisfaction (Cribb *et al.*, 2016; Cribb and Emmerson, 2017; Giusta and Longhi, 2021). Following unsuccessful efforts made by the group to obtain compensation, the relevant Ombudsman's report concluded that although maladministration had taken place on the part of the Department for Work and Pensions, nevertheless there was no evidence that women had been financially disadvantaged by such maladministration (Thurley and Keen, 2018). The Labour government made a decision not to compensate the women affected by this situation (GOV, 2024b); however, the WASPI group's experience remains a reminder of the importance of clearly communicating changes in the pension system that directly affect individuals' future plans of retirement and broader wellbeing (Della Giusta and Longhi, 2021). The government must also remain mindful of the adverse impacts of increasing the SPA in the future: the Centre for Ageing Better has noted that a raised pension age places pressure on individuals to work for longer, with

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those from poorer backgrounds, lower pension income and savings, and in poorer health being likely to be most affected (Centre for Ageing Better, 2025).

Sustainability

Making the pension system more sustainable for the future requires the combination of policies that reflect the changing labour market and other factors that impact people's ability to save for retirement. For instance, as people are living longer, policies may be required to extend individuals' working lives by offering older workers stronger incentives to stay in the labour market for longer (Hofäcker, 2015; Lee, 2024).

Population ageing also impacts family arrangements as well as the demand for and supply of health and social care. If more persons need to reduce their labour market participation, and for longer (i.e. by taking time out to raise children when younger and to care for parents when older), either as a preference or due to ill health or the lack of alternative care options, then their ability to save will be reduced. The assumed earnings life course on which the whole pension system is designed could start to change, and pension funds, as well as policy makers, may need to adapt to any changes. Empirical analysis has shown both increasing heterogeneity in men's and women's employment patterns over the life course, but also differentials in terms of wellbeing outcomes in later life. For example, analysis of employment patterns over the lifecourse and their impact on later life satisfaction by Falkingham and colleagues (2020) using the UK's Household Longitudinal Survey found that individuals who had spent a period of time caring within the family, and had then returned to part-time work, reported higher life satisfaction than individuals who had worked full-time over the lifecourse. The authors note that policy interventions aimed at improving individuals' wellbeing need to address issues of labour market opportunities and participation, inequalities in health, as well as encouraging saving over the lifecourse and facilitating better access to housing (ibid).

Other life course changes are already being experienced by Gen Z, who are less likely to own their own home in future due to high housing costs, and are partnering and starting families later than previous generations (PPI, 2025c). This generation is likely to face higher housing costs in retirement than previous generations and to do so without the guaranteed income of a defined benefit pension. This cohort may make additional demands on the government for benefits beyond the state pension.

The financial sustainability of the pension system depends on numerous domestic, international, and pan-national factors such as economic and political stability, trust in institutions, and even the impact of the climate crisis.

Conclusion

This paper makes a unique contribution to existing literature by being the first academic effort, to our knowledge, to review the Labour government's record in the area of pension policy so far. The Labour government's first year in office has included actions contributing to the overall efficiency and financial sustainability of the pension system, with a focus on state pensions. Issues of adequacy and inequalities in pension income, and issues of fairness in the pension system, are yet to be concretely addressed in government actions, although the government's rhetoric has referred to ideals of fairness in the labour market. The current setting for government policy combines challenges both in terms of the changing composition of the working-age and pensioner population, and in terms of the broader socio-economic context affecting individuals' and families' disposable incomes and wellbeing. For instance, the UK's population continues to age and become more ethnically diverse over time, while wage growth has benefited individuals in the lower parts of the income distribution to a lesser extent. At the same time, structural inequalities in the labour market and the pension system persist, with consistent evidence of gender and ethnic inequalities

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in labour market participation, the nature of such participation, pension outcomes, and a range of financial and non-financial wellbeing indicators. Similarly, evidence of inequalities between generations in terms of job stability and housing wealth also persists.

Such a landscape presents no small challenge for the Labour government in terms of developing and implementing pension policy in the future. Addressing issues of adequacy and fairness in addition to issues of sustainability can contribute to setting the parameters for a future pension system that produces equitable outcomes for all citizens. Indeed, placing adequacy and fairness at the heart of the next round of policy actions can send a strong message on the government's part of understanding the complex interactions of opportunities and costs across the lifecourse for individuals from diverse backgrounds, as well as being strongly placed to anticipate further demographic and socio-economic changes in the British society and economy. The Labour government has an opportunity to make step changes. Widening eligibility for Automatic Enrolment, strengthening the recognition of unpaid care work in the pension system, and incentivising self-employed workers to save more can directly improve pension adequacy in the future. Improving the system's intergenerational fairness could be achieved through a critical review of the triple-lock system, while addressing the issue of compensation for the WASPI group would contribute to greater fairness between the two genders. Finally, considering the socio-economic differences between current and future cohorts of pensioners can point to mechanisms of safeguarding the financial sustainability of the pension system overall. Taken together, such changes would align with the Pension Commission's focus on adequacy, fairness, and sustainability, whilst at the same time make a significant difference to how the pension system works for both current and future generations of pensioners.

Author Contributions: CRediT Taxonomy.

Athina Vlachantoni: Conceptualization, Formal analysis, Investigation, Methodology, Project administration, Visualization, Writing - original draft, Writing - review & editing.

Suzy Morrissey: Conceptualization, Data curation, Formal analysis, Funding acquisition, Investigation, Methodology, Project administration, Writing - original draft, Writing - review & editing.

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