

ONS Response to Public Consultation on the change to female state pension age and the implications for Labour Market Statistics

1. Background

1.1 Currently headline employment and inactivity rates are based on working age definitions, and are calculated on the basis of those aged 16 to 59 for women and those aged 16 to 64 for men. This reflects the current school leaving age of 16 and the current state pension ages for men (65) and women (60). These headline employment and inactivity rates are published every month in the *Labour Market Statistical Bulletin*:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1944>

1.2 Due to a change in government policy, the state pension age for women will gradually increase from 60 to 65 over a ten year period from 2010 to 2020. It will increase by one month every two months over this ten year period.

1.3 The headline unemployment rate is based on those aged 16 and over. The change to the female state pension age therefore has no implications for the headline unemployment rate.

2. The consultation

2.1 A public consultation was published on the website on 2 December 2008 at:

<http://www.ons.gov.uk/about/consultations/consultation-on-labour-market-statistics/index.html>

2.2 The closing date for responses to this consultation was 6 March 2009.

2.3 The consultation asked for views on the ONS's proposal to replace the current working age employment and inactivity rates with rates based on the population aged from 16 to 64 for both men and women. These 16 to 64 employment and inactivity rates would become the new headline rates.

3. Responses to the consultation

3.1 Responses were received from all key stakeholders and some other users of the statistics. All of those who responded stated that they agreed with the proposal to move to headline employment and inactivity rates based on those aged from 16 to 64. However there was a demand from most key stakeholders for ONS to publish alternative rates where the denominators gradually change in line with movements in the female state pension age. There was also a demand for the existing rates, based on those aged 16 to 59 for women and 16 to 64 for men, to continue to be published for a limited period.

4. ONS decision

4.1 ONS has decided that:

- From the August 2010 *Labour Market Statistical Bulletin* the current working age employment and inactivity rates will be replaced with headline rates based on those aged from 16 to 64 for both men and women.
- The existing rates based on women aged from 16 to 59 and men aged from 16 to 64 will continue to be published every month for a limited period. ONS will also publish, every quarter, a rate which mirrors movements in the female state pension age.
- The alternative rates, referred to in the above paragraph, will be published on the website but not in the *Labour Market Statistical Bulletin* so that it will be clear to users of the Bulletin that the headline employment and inactivity rates will be for those aged from 16 to 64.

5. Further information

5.1 Further information can be obtained from Richard Clegg (Tel: 01633 455400, email richard.clegg@ons.gov.uk).