# Retirement at 60? Looking Back at Pension Expectations 40 Years Ago

Back in 1986 when Cartwright, back then known as I. S. Cartwright & Co. was first established, the world of pensions looked very different from the landscape we operate in today. Expectations around retirement age, financial security, and workplace benefits have shifted dramatically. The world of pensions has been shaped by economic change, regulatory reform and shifts in how we work and live.

As Cartwright Pension Trusts celebrates its 40th anniversary, it feels fitting to look back at how pension expectations have evolved since those early days, and how our own journey has mirrored the transformation of the wider industry.

## Retiring at 60 was the norm in the 1980s

In the mid-1980s, many people genuinely expected to retire at 60 and for some, even earlier. Defined Benefit (DB) schemes were widespread, offering predictable income, based on years of service and final salary. For employees, pensions felt secure, understandable and dependable.

For employers, however, the financial commitments behind these promises were already becoming complex. Inflation, increasing longevity, and market volatility were beginning to put pressure on schemes. These were the first signs of the challenges that would define the decades to come.

To counter this, in 1986, the government encouraged workers to take control of their own retirement funds through portable personal pensions, shifting risk away from employers and the state. And, in 1988 Personal pension plans launched under the Financial Services Act 1986, accelerating the trend toward individual responsibility in retirement planning.

These changes began a gradual shift away from universal early-retirement expectations and toward more flexible, and risk-laden, retirement pathways.

It was into this environment that Cartwright was born: a small actuarial consultancy equipped to help trustees and employers of up to 1000 scheme members navigate the emerging complexities of DB funding and regulation.

## The 1990s and shifting expectations

By the time Cartright had grown to 12 staff in 1996, attitudes toward retirement were starting to change. Several key trends influenced this shift:

- Longer life expectancy meant retiring at 60 no longer matched the demographic reality.

- Economic pressures on DB schemes meant that employers began re-evaluating long-term pension commitments.

At the same time the sector was undergoing regulatory upheaval.

- The Pensions Act 1995, introduced in response to the Maxwell pension scandal, strengthened regulation, established the Occupational Pensions Regulatory Authority (OPRA), and improved member protections.
- The introduction of mark-to-market accounting in 1997 changed how DB liabilities were valued, increasing transparency but also exposing schemes to more sensitivity from market movements.

The message was clear. DB schemes were becoming more expensive to run and retirement at 60 was becoming harder for employers to sustainably support.

## The 2000s and the end of an era for DB dominance

By 1999, when we became Cartwright Consulting Limited, DB schemes were firmly under strain. The early 2000s delivered the most significant industry shift in generations:

- Many employers closed DB schemes to new members.
- DC (Defined Contribution) schemes became the norm.
- Individuals carried more responsibility for their retirement outcomes.

When Cartwright made its first acquisition in 2007, adding administration services, it reflected a wider trend: schemes needed more support, more oversight, and more specialist knowledge than ever before.

This decade brought with it reforms by the year:

- 2001: Stakeholder pensions were introduced to help lower and middle-income earners access affordable pension saving.
- 2002: SERPS were replaced with the State Second Pension (S2P), aiming to boost retirement income for lower earners.
- 2004: The Pensions Act 2004 created The Pensions Regulator and the Pension Protection Fund (PPF), protecting members if their employer became insolvent.

These reforms strengthened the system but also signalled the beginning of the end for most private-sector DB schemes.

## Redefining retirement from the 2010s

This decade marked a cultural shift. Retirement planning was no longer passive. Workers were now active contributors in their long-term financial security.

With the acquisition of Gallagher's DB Pensions arm in 2013 and the introduction of investment services in 2016, Cartwright expanded to meet the evolving needs of employers and trustees navigating:

- the October 2012 launch of the UK government initiative Auto-enrolment requiring employers to automatically enrol eligible staff into a workplace pension scheme to boost retirement savings. The phased rollout boosted UK pension saving from £41.5bn in 2012 to £62.3bn in 2021.
- Shifting retirement ages (state pension age rising well beyond 60). By April 2020, the State Pension age became 66 for both men and women. It is already legislated to rise again to 67 between 2026 and 2028.
- New funding rules and governance standards like the introduction of the New Flat-Rate State Pension in 2016 or the Funding Reform via the Pension Schemes Act 2024.
- The growing importance of risk management and long-term planning. Regulatory risk is now one of the top concerns for DB schemes, climbing from fourth to second place in Aon's Global Pension Risk Survey. This reflects the impact of major updates including the General Code, pensions dashboards, and the new DB Funding Code

For savers, retirement at 60 felt increasingly like a luxury. Though still possible, it required a deliberate long-term strategy and robust scheme governance.

## New perspective on retirement

The 2020s however, cemented retirement at 60 as an exception rather than an expectation.

Market shocks like the pandemic and the 2022 mini-budget gilt crisis highlighted the sensitivity of modern pension schemes to volatility. The UK saw:

- COVID-19 disruptions that caused severe declines in pension fund values and inflationary pressures.
- A 2022 "mini-budget" liquidity crisis, which triggering forced gilt sales and Bank of England intervention with a £19bn support package.

This current decade reflects a reality that has reshaped the pension landscape. Retirement planning is no longer linear or one-size-fits-all. It spans financial wellbeing, investment strategy, risk management, lifetime benefits, and long-term trust structures.

Retiring at 60? Still achievable for some. But today's retirees face a more dynamic, choice-led and often more complex path than those in 1986.

## And whatever comes next…

Looking back, it's clear how much expectations have evolved. What hasn't changed is the need for clarity, expertise, and trusted guidance.

Back in 1986 you could retire at 60, rely on your DB pension and expect predictability. Retirement In 2026 is personalised, flexible and often phased. Individuals balance DB legacy benefits, DC pots, investment markets, longevity considerations, and wider financial arrangements including charitable legacies and inheritance tax planning.

From a six-person actuarial firm to where we are today, our growth reflects the evolution of the sector itself. And as retirement becomes more dynamic, interconnected and financially intricate, Cartwright Pension Trusts will continue to help clients plan with confidence, whatever the next 40 years bring.

Because while retirement expectations may change, the need for trusted expertise never does.

**If you would like to discuss any of these matters further, please get in touch with your usual contact at Cartwright.**

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