



Department
for Work &
Pensions

GUY OPPERMAN MP
Minister for Pensions

Rt Hon Stephen Timms MP
Chair, Work and Pensions Select
Committee
House of Commons

27 April 2022

Dear Stephen,

I am writing in response to the points you raised at DWP Oral Questions on 21 March and in your letter of 30 March in relation to Pension Credit. Apologies for the delay in responding.

At Oral Questions, you asserted that, *'The Department could feasibly work out who those households are and simply make them an award of pension credit.'*

As you will know, Pension Credit is a means-tested benefit introduced through the State Pension Credit Act 2002. Subsequently, as the Minister for Pensions, you were in charge of administering it. You understand that by its design, eligibility and award amounts are determined by a claimant's specific financial circumstances, including their income, savings, assets as well as certain circumstances such as their marital status or household composition. When assessing a claim, there are also a range of other things that need to be considered, such as whether to apply certain income or capital disregards and for how long. That's how this system was set up and has been run under successive governments since 2002.

Given this complexity in the decision-making process, and the fact that claims require agent discretion or judgement, this cannot be simply automated to identify eligible households. Moreover, an accurate assessment of entitlement could not be made, purely on the data the Department for Work and Pensions holds. Crucially, current legislation requires that a person make a valid benefit claim by providing the information that DWP needs to establish their entitlement. This is a long-standing principle which applies to contributory benefits such as the State Pension as well as non-contributory ones such as Pension Credit. If you have practical solutions, I am interested to hear them.

In your subsequent letter you asked, *'Whether the Department has the means to track the proportion of new claims for Pension Credit that are successful (resulting in an award of Pension Credit)?'*

At present it is not possible to track the proportion of new claims for Pension Credit that result in a successful award of Pension Credit. The IT systems used to administer the Pension Credit system and those that gather management information do not allow for this information to be collected without disproportionate resource.

You also asked, *'Whether [DWP] have set a target for take-up of Pension Credit and a written strategy for achieving it...?'*

While we do not have a formal target, we are always looking at ways to maximise the number of people claiming Pension Credit. We want everybody who is eligible to claim the support they are entitled to. This is the case even where the Pension Credit award is very small because of how it acts as a passport to a raft of other support. The latest Pension Credit take-up estimates (for the financial year ending 2020) show that take-up of Pension Credit is at its highest level since 2010. There were around 7 in 10 eligible pensioners claiming Pension Credit in the financial year ending 2020¹. That is encouraging, and DWP's recent efforts to raise awareness – such as last year's media day of action and using opportunities to promote Pension Credit in the press and via social media to reach potential recipients, their families and friends – appear to be showing positive results with the number of new claims 30% higher in 2021 compared to 2019.

This year, we've already directly targeted over 11 million pensioners with information about Pension Credit in the leaflet accompanying their annual up-rating notification. We are now focussing our efforts on an extensive new communications campaign, building on the 2020 GP/Post Office initiative and the work we undertook last year. There are many parts of the campaign. I will also be writing to all MPs to ask them to get behind the campaign and promote Pension Credit to their constituents.

As such, there will be Pension Credit promotion on social media, with advertising targeted both at potential recipients as well as their friends and family. We are also promoting Pension Credit through search engines so that it features prominently on internet search results when pensioners, or again their friends and family, look for further support online. In June, we plan to expand this to include advertising in regional and national newspapers. We will also be producing and distributing leaflets and posters, which can be used across local communities in venues such as pharmacies, as well as updating our digital toolkit with information and resources that any stakeholder can use to help promote Pension Credit. As well as addressing pensioners themselves, I want to ensure our campaign reaches those who support older people, such as grown-up children.

On 15 June 2022, we will hold another Pension Credit Awareness media day of action, encouraging broadcasters, newspapers and other partners and social media, to reach out to pensioners and as well as those who care for or support older people, such as their adult children. Ahead of the media day, I will also be holding a roundtable event with key stakeholders, including pensioner charities, utility companies, financial institutions as well as the BBC and other broadcasters, encouraging them to do all they can to support this specific campaign and get behind the media day.

¹ Income-related benefits: estimates of take-up: financial year 2019 to 2020 - GOV.UK (www.gov.uk)

A handwritten signature in blue ink, appearing to read "Guy Opperman", with a large, sweeping flourish underneath.

Guy Opperman MP
Minister for Pensions and Financial Inclusion



Work and Pensions Committee

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Guy Opperman MP
Minister for Pensions and Financial Inclusion
Department for Work and Pensions

30 March 2022

Dear Guy

Take-up of Pension Credit

I am writing to follow up on some of the questions I raised in Parliament on Monday about the continued low take-up of Pension Credit and the Government's strategy for increasing it.¹ In response, you said take-up was increasing.²

The latest figures show take-up of Pension Credit by caseload to be 66%, up by three percentage points from 63% the previous year. Take-up of the Guarantee Credit element only, is also up by three percentage points from 70% to 73%.³

While a three percentage points increase in take-up is welcome, it is very modest. Furthermore, there is a question about the extent to which it represents a real increase in take-up. According to the DWP commentary, part of the reason is the exclusion from the analysis of 'mixed-age couples', following the change in policy in May 2019 requiring both partners in a couple to have reached State Pension age to be eligible.⁴

This appears to be borne out by the figures for take-up of Pension Credit by family type, which show take-up to be static for single women (at 65%) and having increased by only two percentage points for single men (from 65% to 67%). On the other hand, there appears to be a statistically significant increase in take-up by couples, from 56 to 69%.⁵ A similar pattern appears in the take-up figures for Guarantee Credit only, with take-up having increased from 70% to 73% overall, but remaining static at 72% for single people.⁶

You also say that internal management information suggests that in the 12 months to December 2021, the number of new claims for pension credit was about 30% higher than the figure for the 12 months to December 2019.⁷ However, this has yet to be reflected in take-up statistics.

Given current increases in the costs of living, it is of great concern that the latest statistics show that 850,000 families entitled to receive Pension Credit had not claimed it and that £1.7 billion went unclaimed.⁸

¹ [HC Deb 21 March 2022 c2](#) and [c97 and 102](#)

² [HC Deb 21 March 2022 c128](#)

³ DWP, [Income-related benefits: estimates of take-up: financial year 2019 to 2020](#), Feb 2022

⁴ DWP, [Income-related benefits: estimates of take-up: financial year 2019 to 2020](#), Feb 2022

⁵ DWP, [Pension Credit tables 2019-20](#), Table PC 3

⁶ *Ibid*, Table PC5

⁷ [HC Deb 21 March 2022 c128](#)

⁸ DWP, [Income-related benefits: estimates of take-up: financial year 2019 to 2020](#), Feb 2022

Asked what the Government was doing to increase take-up, you referred to the establishment of a Pension Credit taskforce, an awareness day last June and the inclusion of a Pension Credit factsheet in 11 million letters sent out about State Pension uprating.⁹ While welcome, we are concerned this will be insufficient in current circumstances.

I would be grateful if you could explain:

- Whether the Department has the means to track the proportion of new claims for Pension Credit that are successful (resulting in an award of Pension Credit)? If so, what proportion of new claims in the 12 months to December 2021 were successful and how does this compare to the 12 months to December 2019;
- Whether you have set a target for take-up of Pension Credit and a written strategy for achieving it, and, if not, whether you plan to do this.

I would be grateful for a reply no later than 19 April 2022.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Timms". The signature is written in a cursive, flowing style.

Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee

⁹ [HC Deb 21 March 2022 c128](#)