



Department
for Work &
Pensions

GUY OPPERMAN MP
Minister for Pensions

Stephen Timms
Chair, Work and Pensions Committee
House of Commons

20 April 2021

Dear Stephen,

Thank you for your letter of 24 March. I have addressed the points raised in turn below.

As set out in my statement on 4 March, and affirmed in Parliament by the Secretary of State, we are taking decisive action to ensure this process is as thorough and robust as possible. We will contact people whose payments should have been increased and they will receive any arrears they are due in accordance with the law.

Why has the Department not answered questions about the amount of arrears paid so far and the number of people who have received repayments? When do you expect to publish that information?

When do you next expect to update Parliament? How often do you then expect to update Parliament after that?

What information do you expect to be able to provide in your future updates?

It has been reported in the press that “around 200,000” women will receive letters from the Department to tell them that their state pension has been underpaid. Is the Department the source of that figure? If so, why has it not been shared with Parliament?

We intend to publish data on the progress of the State Pension correction activity around the time of the next fiscal event. We are currently considering the content of the publication but, as a minimum, this will include information on the number of cases that have been reviewed to date and arrears payments.

Estimates on the numbers affected and costs are currently based on highly complex scans of the computer system, analysis of DWP administrative data and very small samples of cases randomly selected and reviewed. They are highly uncertain and will be further refined by our analysts as the correction activity progresses and we are able to base estimates on management Information gathered from cases actually reviewed and corrected.

Consistent with normal procedures, the Department supported the Office for Budget Responsibility (OBR) ahead of the publication of their Economic and Fiscal Outlook (EFO), dated 3 March 2021 in relation to information the EFO included about State Pension underpayments. These were initial estimates provided by the Department and were highly uncertain. On 1 April 2021, the OBR published additional lower level data connected to what they published in March, based on these estimates. This further publication can be found at obr.uk/supplementary-forecast-information-release-13/.

Will you share with the Committee a template of the letter that is being sent?

There is no one template as every case is individual. The Department has multiple different templates for this correction activity, not least because of the changes brought in by the government in 2008.

In terms of resourcing the correction activity, you asked “What progress has the Department made on this since your statement?”

The Department already has a dedicated team of over 150 people working on the correction activity. Throughout 2021/22 we intend to significantly increase the capacity of the team with the recruitment of an additional 360 staff. The additional resource will speed up the correction activity with the aim to complete the activity by the end of 2023.

Are divorced people within the scope of your exercise?

No. To ensure they are getting the correct amount of State Pension, it is important that, as set out in The Social Security (Claims and Payments) Regulations 1987 (32 (1B)), individuals report to DWP any change of circumstances that may affect their entitlement to State Pension. This has been the position under successive governments, of different political persuasions, who have then further made this information known in a variety of ways. There is information about this on Gov.uk (www.gov.uk/state-pension/circumstances-change).

In addition, to remind people of the need to report changes, we include information in the leaflet that accompanies the annual uprating notifications. This information asks people to contact the Department if their marital or civil partnership status changes.

In what order of priority is the Department investigating cases? For example, are you giving any priority by age, by the size of the underpayment, or to claimants who are still alive?

The department has started by reviewing cases where the individual is alive. In doing so, we are initially focusing available resources on older cases and those who we believe are likely to be most vulnerable. The approach therefore is to prioritise older individuals and those who have been widowed.

It is sadly inevitable that some people who have been underpaid have already died, and others will die in the six years that this process is expected to take. In such cases, how will you go about contacting the estate of the person who has died? Do you hold reliable contact details?

For many years, under successive governments, the approach of DWP has been to have protocols to identify and contact the estate when dealing with payments that may be due to deceased customers. DWP only holds contact information provided to us by our customers during the lifecycle of their award but we will review all available systems to identify an appropriate contact. We are currently investigating whether there are any other measures that could be taken to identify an appropriate contact if details are not held within DWP systems.

Given the difficulty with making calls to the State Pension telephone line, will there be a separate contact number for people affected by this exercise?

We do not intend to create a separate telephone line.

Without specific examples we cannot comment on any difficulties there may, or may not, have been in contacting the DWP through the state pension telephone systems. However, calls from customers about potential State Pension underpayments come through the State Pension Enquiries line. DWP continually monitors the volume of calls to this line and has recently introduced additional capacity and contingency measures to ensure service standards are maintained when call volumes increase.

We review thoroughly all State Pension records where an individual has contacted the Pension Service. Where underpayments are identified, the department will contact the individual to inform them of the changes to their State Pension amount and of any arrears payment they will receive in accordance with the law.

How far back will the Department be checking records?

Our records currently show the earliest occurrence of an underpayment dates from 1992.

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

**GUY OPPERMAN MP
MINISTER FOR PENSIONS AND FINANCIAL INCLUSION**