



Work and Pensions Committee

House of Commons, London, SW1A 0AA
Tel 020 7219 8976 Email workpencom@parliament.uk

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, reading "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](#)