Pension Credit – Take Up Activity

History and Facts

7th December 2015

Agenda

Pension Credit

- What it is and how many people get it
- Take up statistics
- Take up activity
- What next

What is Pension Credit?

Pension Credit

- Non-contributory, non-taxable, means tested benefit
- Introduced October 2003
- Guarantee Credit tops income up to a guaranteed minimum
- Savings Credit additional amount for people with some provision for their retirement

Pension Credit

Latest Caseload Statistics

As at Feb 15	Guarantee Credit Only	Guarantee and Savings Credit	Savings Credit Only	Pension Credit Overall
Caseload (thousands)	931,34	739,73	425,74	2,096,82
Average Amount	£86.84	£45.17	£8.47	£56.23

Take Up Report

- Take up statistics published on 25th June for the first time in 3 years
- Statistics used a new methodology, but replicated stats for 2009/10 the last published data
- Pension Credit stats showed that take up has remained broadly constant over the period 2009/10 to 2013/14

Take Up Statistics

- Key figures:

	Guarantee Credit (with or without Savings Credit)	Savings Credit Only	Pension Credit Overall
2009/10	68% - 71%	40% - 44%	60% - 62%
2013/14	68% - 72%	44% - 49%	61% - 64%

Take Up

- Whilst it is good to see that there has been no reduction in take up, it does mean that around one third of pensioners are persistently not accessing support available to them.
- For some it is only a small amount of benefit going unclaimed, but for others they are missing out on money that could make a real difference

Take Up

- All Pensions Ministers have been clear that pensioners should access the support available to them

- In the past, before the recession, significant resource was invested in take up activity

Take Up Activity

- Activity included:
  - high profile marketing campaigns
  - closer working with partners
  - visits
  - improved benefit processing (State Pension, Pension Credit & HB in one go) and
  - data sharing

- All underpinned by extensive analysis

Automaticity Pilot

- Despite all the activity take up remained broadly constant, so a more radical approach was deployed the ‘Automaticity Pilot’

- Involved paying people what our analysis indicated they may be entitled to for 12 weeks without a claim being made

Automaticity Results

- At the end of the pilot take up was compared with a comparator group who were visited and a sample from the wider pool of entitled non-recipients
  - For those receiving a payment take up was 8.6%
  - For those visited it was 13.1%
  - From the remaining population of entitled non-recipients take up was 2.9%

Automaticity Results

- Although take up for both those paid and those visited was higher than for the wider pool of entitled none recipients, the cost per successful award was high
  - £3,800 for those receiving payments
  - £600 for those visited

- This level of investment was not appropriate/viable

Economic Downturn

- At around this time the full effect of the recession was felt in government expenditure
- Resources were targeted
- In response to this we developed the Pension Credit tool kit