Independent Age

Credit Where It's Due

> *Pension Credit could be the difference between good health, bad health and survival. Peace of mind hopefully brings better quality of health and that in turn lessens the impact on the NHS.*
> **Edwina, 71**

£2.2bn

of Pension Credit is not reaching the poorest pensioners.

What is Pension Credit? Who is it for?

Pension Credit is a lifeline to older people most in need of support. As a weekly financial top-up, it ensures that people in later life do not have to make difficult decisions like choosing between buying food or heating their home. Pension Credit is available to people of State Pension age who fall below a certain income. As well as providing extra money, it unlocks various other benefits such as council tax reduction, the Cold Weather Payment and Housing Benefits, and a free tv license for people aged 75 and over.

People are entitled to Pension Credit if their weekly income is below £173.75 if they're single, or £265.20 if they're a couple when they reach State Pension age. This is usually due to having a small private, or State Pension. People can also become eligible if their income falls below the threshold after reaching State Pension age due to life events, such as experiencing a bereavement.

What is the impact of receiving Pension Credit?

Pension Credit can provide the income that many people need in later life to get by and feel secure. It can make the difference between being able to pay for food, heat a home and use public and private transport. It also removes the barriers people face when taking part in social activities, which can reduce isolation and loneliness. For example, enabling people to make trips to a cafe or the cinema.

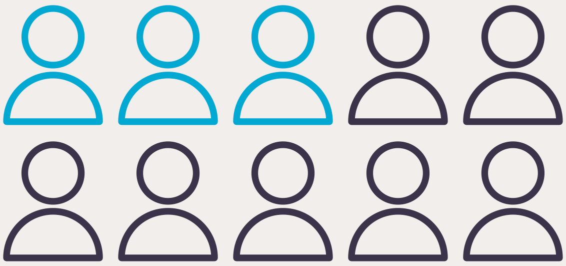
What has been done?

Despite 10 years of consistently low uptake, successive Governments have done little to make sure that older people can access Pension Credit. Apart from a short twelve-week marketing campaign to raise awareness of this benefit, there has been no new research or any pilots of solutions from Government during this time. Despite the UK Government telling the Scottish Parliament's Social Security Committee in 2020 that if all pensioners received the benefits they were entitled to, including Pension Credit, pensioner poverty would be all but eliminated.

New research conducted by the Centre for Social Policy at Loughborough University, commissioned by Independent Age, shows a connection between Pension Credit uptake and increased NHS and social care spending. The research estimates that the knock-on effect of 40% of eligible people not receiving Pension Credit is costing the Government roughly £4 billion a year in increased NHS and social care costs. It also confirms estimates that if everyone eligible for Pension Credit received it, pensioner poverty would be reduced to its lowest ever level.

Estimates of additional health and care spending associated with non-take-up of Pension Credit

Spending area	Acute and community health care	Primary health care	Social care	Total
Survey based estimates	£2,867m	£154m	£189m	£3,210m
Area based estimates	£4,497m	£313m	£66m	£4,876m
Average	£3,682m	£248.5m	£127.5m	£4,043m



If everyone who is entitled to Pension Credit received it, roughly 3 in 10 pensioners would be lifted out of poverty.

440,000

people could be lifted out of poverty

What is Independent Age calling for?

We want the Government to recognise this serious, long-term issue and take action.
Independent Age is calling on the Government to:

- **Put in place an ambitious action plan** outlining how they will increase the uptake of Pension Credit over the next five years. This must be reviewed on a regular basis to ensure it remains effective.
- **Conduct high quality commissioned research** into who is not claiming Pension Credit. Low take-up of Pension Credit has been a problem for too long. The Department for Work and Pensions has admitted it does not know who is not claiming Pension Credit or why. Without knowing this, the Government cannot fully understand the problem.

