



Department
for Work &
Pensions

Pension Credit: Supporting Information

Information on Pension Credit customers: receipt of
additional amounts and Assessed Income Periods

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Summary

This publication provides information on Pension Credit customers, specific to the following aspects of Pension Credit:

1. **Additional amounts:** breakdowns for the number of Pension Credit customers qualifying for the severe disability additional amount or the additional amount for carers.
2. **Assessed Income Periods (AIPs):** breakdowns for the number of Pension Credit customers that have been awarded an AIP.

All data in this publication relate to May 2014, which is the latest data available.

Background

Pension Credit is an income-related benefit available to people who have reached the qualifying age. It comprises of the Guarantee Credit, which tops up weekly income to a guaranteed minimum level, and the Savings Credit, which is an extra payment for people who have made some provision for their retirement.

Information about the number of customers receiving Pension Credit is available on the DWP tabulation tool:

http://tabulation-tool.dwp.gov.uk/100pc/pc/tabtool_pc.html

Entitlement to additional amounts

Entitlement to Pension Credit is determined by comparing a customer's income against their appropriate amount. This is based on the Standard Minimum Guarantee (currently £148.35 for singles and £226.50 for couples) plus any additional amounts that they (or their partner) may qualify for if they are disabled, have caring responsibilities, or responsibility for paying certain housing costs¹.

A detailed guide to Pension Credit is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382513/pc10s.pdf

The tabulation tool does not provide a breakdown for the number of Pension Credit customers who qualify for the severe disability additional amount (SDAA) or the carers additional amount (CAA).

We have therefore decided to publish these breakdowns in anticipation of their possible use in forthcoming debates around how these amounts are updated each year.

¹ Note that the additional amounts are not awarded directly but are instead applied to a customer's applicable amount. The actual amount of Pension Credit that the customer receives in respect of these additional amounts will therefore vary depending on how much income they have and will not necessarily be equal to the full value of the additional amount.

Assessed Income Periods

Assessed Income Periods (AIPs) were introduced as a feature of Pension Credit in 2003, for recipients aged 65 and over. They removed the requirement for customers to notify certain changes to retirement provision (savings and retirement income such as non-State Pension) for a fixed term (usually 5 years) or indefinitely for those over 75 when the AIP is set.

The Pensions Act 2014 provides for the phasing out of Assessed Income Periods (AIPs) in Pension Credit from 6 April 2016. An Impact Assessment was published in October 2013:

<http://www.parliament.uk/documents/impact-assessments/IA13-25C.pdf>

No other information about numbers of Pension Credit customers who have been awarded an AIP is in the public domain so we have decided to publish figures here in anticipation of their use in equality analysis and briefing to support the laying of secondary legislation relating to the abolition of AIPs.

Methodology

Characteristics of Pension Credit customers, such as their age and gender have been sourced from the department's National Benefits 100% frozen dataset. This has been merged with the department's Generalised Matching Service (GMS) datasets, which contain further information about any additional amounts that the customer qualifies for, and any AIP that has been set.

Customer information has been matched in 99.99% of cases, with the results scaled up to ensure consistency with figures available via the tabulation tool.

All figures are based on data relating to May 2014, which is the latest data available. All figures have been rounded to the nearest 1,000 recipients.

Key to Results Tables:

Pension Credit (PC) entitlement

- GC only = only receiving the Guarantee Credit
- GC & SC = in receipt of both the Guarantee Credit and Savings Credit
- SC only = only receiving the Savings Credit

Additional Amounts

- SDAA = Severe Disability Additional Amount
- CAA = Carers Additional Amount

Disability Benefits

- AA = Attendance Allowance
- DLA = Disability Living Allowance, of which there are separate care and mobility components

Results

Entitlement to additional amounts

Numbers qualifying for additional amounts

- 746,000 Pension Credit customers (33%) qualified for either the additional amount for severe disability or the additional amount for carers.
- 426,000 customers receiving both guarantee credit and savings credit (52%) qualified for additional amounts.
- A total of 517,000 customers in receipt of the savings credit (39%) qualified for an additional amount.

Table 1: Numbers qualifying for additional amounts, split by type of Pension Credit

	Total qualifying	Total not qualifying	Total PC caseload ¹
GC only	229,000	721,000	950,000
GC & SC	426,000	398,000	824,000
SC only	90,000	406,000	496,000
Total	746,000	1,525,000	2,270,000

¹ Figures have been rounded to the nearest 1,000 and may not sum due to rounding

- A total of 581,000 customers (26%) qualified for the severe disability additional amount, including 43% of those in receipt of both the guarantee credit and savings credit.
- A total of 219,000 customers (10%) qualified for the carers additional amount.

Table 2: Numbers qualifying for each of the additional amounts, split by type of Pension Credit

	SDAA only	CAA only	SDAA and CAA ¹	None	Total PC caseload ²
GC only	167,000	54,000	8,000	721,000	950,000
GC & SC	313,000	69,000	44,000	398,000	824,000
SC only	46,000	41,000	2,000	406,000	496,000
Total	527,000	165,000	54,000	1,525,000	2,270,000

¹ It is possible for customers to qualify for both additional amounts, more typically for couples

² Figures have been rounded to the nearest 1,000 and may not sum due to rounding

Age breakdown

- A greater proportion of older customers qualified for the severe disability additional amount – 50% of those aged 90 and over, compared with 11% of those aged 60-64.

- Just 6% of Pension Credit customers aged 85 and over qualified for the carers additional amount, compared with 11% of those aged less than 85.

Table 3: Numbers qualifying for each of the additional amounts, split by age of the customer

	All with SDAA ¹	All with CAA ¹	Total with SDAA or CAA	Total PC caseload ²
60-64	26,000	23,000	47,000	233,000
65-69	58,000	43,000	96,000	443,000
70-74	69,000	43,000	105,000	398,000
75-79	92,000	47,000	126,000	379,000
80-84	113,000	36,000	136,000	336,000
85-89	118,000	20,000	128,000	271,000
90 and over	105,000	7,000	108,000	210,000
Total	581,000	219,000	746,000	2,270,000
Average age	81	75	79	76

¹ 54,000 customers qualifying for the severe disability and carers additional amounts have been included in tallies for both 'All with SDAA' and 'All with CAA', meaning that the sum of these categories will be higher than the 'Total with SDAA or CAA'.

² Figures have been rounded to the nearest 1,000.

Family Type breakdown

- A greater proportion of single customers (29%) qualified for the severe disability additional amount compared with Couples (11%).
- A greater proportion of couples (37%) qualified for the carers additional amount compared with single customers (3%).
- A greater proportion of single females (33%) qualified for one of the additional amounts compared with single males (27%).

Table 4: Numbers qualifying for each of the additional amounts, split by family type

	All with SDAA ¹	All with CAA ¹	Total with SDAA or CAA	Total PC caseload ²
Single Females	400,000	34,000	426,000	1,283,000
Single Males	129,000	12,000	139,000	518,000
Couples	52,000	173,000	181,000	469,000
Total	581,000	219,000	746,000	2,270,000

¹ 54,000 customers qualifying for the severe disability and carers additional amounts have been included in tallies for both 'All with SDAA' and 'All with CAA', meaning that the sum of these categories will be higher than the 'Total with SDAA or CAA'.

² Figures have been rounded to the nearest 1,000.

Regional breakdown

- 33% of customers in Wales qualified for the severe disability additional amount; a higher proportion than any other region.
- 19% of customers in London qualified for the severe disability additional amount; a lower proportion than any other region.
- Wales (13%) and London (6%) also have the highest and lowest proportions of customers who qualify for the carers additional amount.

Table 5: Numbers qualifying for each of the additional amounts, split by government office region

	All with SDAA ¹	All with CAA ¹	Total with SDAA or CAA	Total PC caseload ²
North East	33,000	13,000	43,000	128,000
North West	87,000	33,000	111,000	299,000
Yorks & Humber	48,000	20,000	63,000	211,000
East Midlands	40,000	16,000	53,000	163,000
West Midlands	60,000	25,000	78,000	229,000
East of England	47,000	18,000	61,000	188,000
London	50,000	16,000	64,000	261,000
South East	55,000	18,000	70,000	241,000
South West	49,000	18,000	63,000	189,000
Wales	45,000	17,000	56,000	137,000
Scotland	67,000	23,000	83,000	222,000
Total	581,000	219,000	746,000	2,270,000

¹ 54,000 customers qualifying for the severe disability and carers additional amounts have been included in tallies for both 'All with SDAA' and 'All with CAA', meaning that the sum of these categories will be higher than the 'Total with SDAA or CAA'.

² Figures have been rounded to the nearest 1,000.

Assessed Income Periods

Numbers awarded an Assessed Income Period (AIP)

- 1.86m existing Pension Credit customers (82%) have been awarded an AIP, of which half have a specified end date, and half have been awarded indefinitely.

Table 6: Numbers of existing customers with AIPs, split by type of Pension Credit

	No AIP	Fixed-length AIP	Indefinite-length AIP	Total PC caseload ¹
GC only	291,000	377,000	281,000	950,000
GC & SC	77,000	331,000	416,000	824,000
SC only	41,000	228,000	228,000	496,000
Total	409,000	936,000	925,000	2,270,000

¹ Figures have been rounded to the nearest 1,000 and may not sum due to rounding

Age breakdown

- The majority of customers under the age of 65 have not been awarded an AIP (97%). AIPs are not automatically awarded at this point, so there are also 182,000 customers aged 65 and over (9%) who have not been awarded an AIP.
- The majority of customers aged between 65 and 75 have been awarded an AIP with a specified end date (83%), while the majority of customers aged 80 and over have been awarded an indefinite-length AIP (95%).
- Variations could arise due to the circumstances of the customer (or their partner), or where there has been a delay in completing the review of an existing AIP.

Table 7: Numbers of existing customers with AIPs, split by age of the customer

	No AIP	Fixed-length AIP	Indefinite-length AIP	Total PC caseload ¹
60-64	227,000	6,000	0	233,000
65-69	107,000	335,000	0	443,000
70-74	35,000	363,000	1,000	398,000
75-79	14,000	213,000	151,000	379,000
80-84	10,000	13,000	313,000	336,000
85-89	8,000	3,000	260,000	271,000
90 and over	7,000	2,000	200,000	210,000
Total	409,000	936,000	925,000	2,270,000
Average age	67	71	85	76

¹ Figures have been rounded to the nearest 1,000 and may not sum due to rounding

Gender and Family Type breakdowns

- 1.22m female customers have been awarded an AIP (88%), compared with 0.64m male customers (73%).

Table 8: Numbers of existing customers with AIPs, split by customer gender

	No AIP	Fixed-length AIP	Indefinite-length AIP	Total PC caseload ¹
Female	168,000	548,000	675,000	1,392,000
Male	241,000	387,000	250,000	879,000
Total	409,000	936,000	925,000	2,270,000

¹ Figures have been rounded to the nearest 1,000 and may not sum due to rounding

- 1.52m single customers have been awarded an AIP (85%), compared with 0.34m couples (72%).

Table 9: Numbers of existing customers with AIPs, split by family type

	No AIP	Fixed-length AIP	Indefinite-length AIP	Total PC caseload ¹
Single Females	146,000	486,000	651,000	1,283,000
Single Males	131,000	234,000	154,000	518,000
Couples	133,000	216,000	121,000	469,000
Total	409,000	936,000	925,000	2,270,000

¹ Figures have been rounded to the nearest 1,000 and may not sum due to rounding

Receipt of disability benefits

- 1.09m Pension Credit customers (48%) are either in receipt of a disability benefit themselves, or their partner is.
- 0.59m are in receipt of Attendance Allowance (AA), of which 75% have been awarded an indefinite-length AIP, and 22% have been awarded an AIP with a specified end date.
- 0.50m are in receipt of Disability Living Allowance (DLA), of which 16% have been awarded an indefinite-length AIP and 56% have been awarded an AIP with a specified end date.
- Note that new claimants for DLA must be under the age of 65, although customers in receipt of DLA at this point can continue to receive it. AA is only available to customers over the age of 65.

Table 10: Numbers of existing customers with AIPs, split by receipt of disability benefits

	No AIP	Fixed-length AIP	Indefinite-length AIP	Total PC caseload ¹
AA	21,000	128,000	444,000	593,000
DLA care (not AA ²)	121,000	232,000	64,000	417,000
DLA mobility only	18,000	45,000	17,000	81,000
None	249,000	531,000	400,000	1,180,000
Total	409,000	936,000	925,000	2,270,000

¹ Figures have been rounded to the nearest 1,000 and may not sum due to rounding

² It is not possible for an individual to receive AA and DLA, although it is possible for a Pension Credit customer to be in receipt of one, and their partner to be in receipt of the other. In the above table these cases have been included in the figures for AA, but not in the figures for DLA.

Contacts

Press enquiries should be directed to the Department for Work and Pensions press office:

Media enquiries: 0203 267 5129

Out of hours: 0203 267 5144

Website: <https://www.gov.uk>

Other enquiries about these statistics should be directed to:

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