Freedom of Information request 2012-4034

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Information request

- 1. The number of men and women that reached State Pension age in 2011 with the full basic State Pension.
- 2. The number of men and women reaching State Pension age in 2012 with the full basic State Pension.
- 3. The number of men and women that reached State Pension age in 2011 with State Pension above the basic level of the means test (Pension Credit Standard Minimum Guarantee).
- 4. The number of men and women reaching State Pension age in 2012 with State Pension above the basic level of the means test (Pension Credit Standard Minimum Guarantee).

DWP response

Based on the Department's forecasting models we estimate that around 360,000 men and 190,000 women started to receive State Pension between April 2011 and March 2012 and 370,000 men and 190,000 women will start to receive State Pension between April 2012 and March 2013. Based on the Department's forecasting models:

- 1. We estimate that around 350,000 men received a full basic State Pension (£102.15 per week) between April 2011 and March 2012, which is around 95% of men in this cohort. Over the same period we estimate around 150,000 women received a full basic State Pension, which is around 75% of women in this cohort.
- 2. We estimate that around 350,000 men will receive a full basic State Pension (£107.45 per week) between April 2012 and March 2013, which is around 95% of men in this cohort. Over the same period we estimate around 150,000 women will receive a full basic State Pension, which is around 80% of women in this cohort.
- 3. We estimate that around 280,000 men received a gross State Pension above the basic level of the means test (£137.35 per week) between

April 2011 and March 2012, which is around 80% of men in this cohort. Over the same period we estimate around 70,000 women received gross State Pension above the basic level of the means test, which is around 40% of women in this cohort.

4. We estimate that around 280,000 men will receive a gross State Pension above basic level of the means test (£142.70 per week) between April 2012 and March 2013, which is around 75% of men in this cohort. Over the same period we estimate around 90,000 women will receive a gross State Pension above the basic level of the means test, which is around 45% of women in this cohort.

Figures have been rounded to the nearest 10,000 or 5%.

The question asked about individuals reaching State Pension age in 2011 and 2012. We only have full administrative data up to September 2011 so we have based the answers above on the Department's PENSIM2 model which are broadly in line with administrative data.

The cohorts used for this analysis are men and women who started to receive State Pension between April 2011 and March 2012 and men and women who will start to receive State Pension between April 2012 and March 2013. This will include a small number of individuals that have deferred their pension from previous years. The cohort of women asked about is affected by State Pension age equalisation. This is why there are significantly fewer women then men reaching State Pension age in this period.

State Pension estimates are based on gross State Pension outcomes. Some people will not receive all of their State Pension directly from the state as they will have contracted out of Additional Pension. Gross State Pension amounts include Additional Pension rights accrued in private pension schemes during periods of contracting out. Estimates of gross State Pension also include inherited and derived rights. These estimates do not include income from means tested benefits.

Estimates of the numbers of individuals who are projected to receive a full basic State Pension and a gross State Pension above the basic level of the means test were derived from the Department's Pensim2 model. This is a dynamic micro-simulation model designed to project pensioners' incomes to 2100. As such, the model is best suited to comparing long-term trends and differences between groups rather than to providing short range estimates. The figures above should only be used as an indication of the number of individuals that would have a full basic State Pension and gross State Pension amount above the basic level of the means test. Eligibility to means tested benefits is based on joint income for couples and people will have other sources of income, so not all of those with State Pension below the basic level of the means test will be

eligible to receive it. Please also note that the Pensim2 model is based on a sample of the population so the estimates given above are subject to sampling uncertainty.

State Pension forecasts are presented by financial year rather than calendar year.

Source:

DWP Forecasting Division: Budget 2012

DWP PENSIM2 model

Further benefit caseload forecast information is published at: http://research.dwp.gov.uk/asd/asd4/index.php?page=expenditure