



13 September 2024

Thank you for your Freedom of Information (FoI) request received on 20 August. You wrote:

“Please can you send me the Government's internal impact assessment relating to proposals to limit the annual Winter Fuel Payment to those over state pension age who are receiving pension credit or other means-tested support.”

DWP Response

We can confirm that we hold information within scope of your request. Please find below a copy of the Equality Analysis.

Equality analyses are not impact assessments and are not routinely published alongside secondary legislation.

The government has followed its legal and statutory duties ahead of introducing these changes and will continue to do so.

High Level Equality Analysis (July 2024)

Policy Summary

The Winter Fuel Payment is a universal, annual payment of (normally) £200 to people aged 66-79 and £300 to people aged 80 or over made in November or December each year. Shared payments are made for those in the same household. It is not means-tested and not taxed. This change would restrict Winter Fuel Payments to those in receipt of Pension Credit (PC) or other income-related benefits available to pensioners (excluding Housing Benefit), namely Universal Credit, Income Support, Jobseekers' Allowance (Income-Based), Employment Support Allowance (Income-Related). Although WFP will be devolved to Scotland from 2024-25, the figures presented within this equality impact analysis are on a GB basis.

This equality impact analysis only focusses on those claiming Pension Credit. Pensioners in receipt of income-related benefits other than PC, make up less than 5% (c.45,000 claiming) of the total post-policy WFP caseload. These will mostly be mixed age couples on Universal Credit (where one is over State Pension age) and therefore qualifies, but the other is under State Pension age¹.

¹ Mixed age couples are not allowed to claim PC. The same applies for JSA (IB), ESA (IR) and IS. Mixed age couples may choose to remain on ESA as they may be financially better off than on UC / not yet migrated to UC.

This equality impact analysis also only focusses on the difference between those we know to currently be in receipt of Pension Credit – and therefore retain eligibility for WFP under this policy – and those who are not currently in receipt of Pension Credit. Out of the total c.10m who will lose out in the 1st year of the policy, we estimate that around 880k of these will be pensioners who would be entitled to Pension Credit if they claimed it, but have not done so². The modelling underpinning the policy costing assumes a 5 percentage point “loss aversion” increase in PC take-up (from 63% to 68%), reducing this to around 780k and increasing the PC caseload by around 100k. The estimates of people who would be entitled but have not claimed are based on less robust small sample survey data, and as a result we do not have the level of granularity we have in the 100% administrative data we hold on *actual* PC claimants. We therefore cannot produce the same protected characteristic analysis for this sub-group of pensioners who will be losing their Winter Fuel Payment.

This policy will reduce the numbers entitled from around 12m to 1.7m in the 1st year, dropping to 1.2m by the end of the scorecard period³. No transitional protection is assumed.

The rationale would be to focus support on those pensioners with the lowest incomes. It would be important to continue to promote take-up of Pension Credit in this context, since the main criticism of Government in this respect is that 1/3 of eligible households do not claim it.

High Level EA - *Does the policy have a disproportionate impact (positive or negative) on any group which share a protected characteristic? What forms of mitigation can be applied to lessen the impact? Please confirm where these will be applied. Where a difference of treatment is identified, please provide a high-level justification for it.*

This policy will have the highest proportional impact on couples, and a marginally greater impact on men than women. Older pensioners are less likely to be affected, but those which are affected will lose larger amounts. The age and gender analysis below is based on the PC main claimant, with partners of PC claimants being included in the marital status and disability analysis.

Age

28% (3.2m) of those who received a WFP in GB in 2022/23 were aged 80+⁴.

40% (0.5m) of the current (Nov-23) PC caseload are aged 80+⁵.

This means that 83% (2.7m) of those aged 80+ currently receiving a WFP will lose out, compared to 90% (7.3m) of those aged 66 to 79.

In 2021/22, the PC take-up rate was higher for those aged 75+ (65%) than for those aged under 75 (60%)⁶.

Although a smaller proportion of those aged 80+ will lose out than those under 80, due to the higher rate of WFP from that age, older pensioners who are affected will be proportionally worse off financially as a consequence of the policy.

Gender

54% (6.1m) of those who received a WFP in GB in 2022/23 were Female, and 46% (5.2m) were Male.

² Source: [Income-related benefits: estimates of take-up: financial year ending 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-ending-2022)

³ Source for Winter Fuel Payment & Pension Credit caseload forecast: [Benefit expenditure and caseload tables 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2024)

⁴ Source for WFP caseload statistics: [Winter Fuel Payment statistics for winter 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/winter-fuel-payment-statistics-for-winter-2022-to-2023)

⁵ Source for Pension Credit caseload statistics: [Pension Credit – Data from May 2018](https://www.gov.uk/government/statistics/pension-credit-data-from-may-2018)

⁶ Source for Pension take-up statistics: [Income-related benefits: estimates of take-up: financial year ending 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-ending-2022)

66% (0.9m) of the current (Nov-23) PC caseload are Female, and 34% (0.5m) are Male.

This means that 85% (5.2m) of women receiving a WFP will lose out, compared to 91% (4.8m) of men.

Men are therefore marginally more likely to be affected by this policy than women.

Couple or single

Approximately 51% (5.8m) of those who received a WFP in GB in 2022/23 were single.

87% (1.2m) of the current (Nov-23) PC caseload is single.

In 2021/22, the PC take-up rate was higher for single males (68%) than for single females (65%) or for couples (52%).

Therefore, those in a couple (97%, 5.5m) are more likely to lose out than single people (79%, 4.5m).

Disability

We do not have published information relating to disability of WFP recipients. However, as a proxy we can look at those in receipt of the State Pension (as almost all of those on State Pension receive a WFP), and whether or not they received a pensioner disability benefit (AA/DLA/PIP). Latest available data (May-23) shows that 20% (2.6m) of State Pension recipients claim AA/DLA/PIP⁷.

53% (0.8m) of the latest available (May-23) PC caseload claim AA/DLA/PIP. Therefore, those with a disability will be disproportionately likely to retain the WFP. However, around 71% (1.6m) of people with a disability will still lose entitlement.

Other

There is no further information on our Pension Credit or Winter Fuel Payment data relating to the other protected characteristics.

Summary

Those most affected by the policy are disproportionately likely to be in couples rather than single, and marginally disproportionately likely to be male. This is because these groups are less likely to be on the lowest incomes. However, across all assessed characteristics those affected by this policy greatly outnumber those unaffected.

If you have any queries about this letter, please contact us quoting the reference number above.

Yours sincerely,

DWP Central Freedom of Information Team
Department for Work and Pensions

⁷ Source for raw State Pensions and Pension Credit data: [Benefit Combinations for England and Wales - Data from May 2019](#) and [Benefit Combinations for Scotland - Data from May 2019](#)

Your right to complain under the Freedom of Information Act

If you are not happy with this response you may request an internal review by e-mailing freedom-of-information-request@dwp.gov.uk or by writing to: DWP Central Fol Team, Caxton House, 6-12 Tothill Street, London, SW1H 9NA.

Any request for an internal review must be received by us within 40 working days of the date of this letter. Please note we are not obliged to provide a review if it is requested after more than 40 working days.

If you are not content with the outcome of the internal review, you may apply directly to the Information Commissioner's Office for a decision. Generally, the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Website: [ICO FOI and EIR complaints](#) or telephone 0303 123 1113