

15th December 2023

SUPPORTING THE PROMOTION & TAKE-UP OF PENSION CREDIT

Purpose

1. This paper provides an update on the current position in relation to unclaimed Pension Credit and the role Councils could play in maximising income.

Background

2. Welfare or State benefits have a long tradition of being underclaimed. The Department for Work and Pensions (DWP) regularly report on unclaimed benefits and credits. Their recent report ([October 2023](#)) notes that only 73% of the total Pension Credit that could have been claimed was actually claimed.
3. The report states that around £2.1billion of available Pension Credit is unclaimed, an increase on the previous year of £0.4bn. On average this equates to £2,200 per year for each potential eligible recipient. Research by [Independent Age in 2019](#) found around 80,000 people in Wales were missing out, equating to around £200M of lost income.
4. The Older People's Commissioner for Wales has been undertaking work on promoting Pension Credit, including a Pension Credit Summit in December 2022 attended by representatives of some Councils, and meetings with key stakeholders.

Reasons for underclaiming

5. Underclaiming of Pension Credit in Wales remains an issue, despite attempts to increase take up including high profile campaigns (current TV advertisement ongoing). One reason could be potential recipients might already be in receipt of state pension and assume that they are not entitled to further support. Disability benefits such as Attendance Allowance are not counted in the assessment of Pension Credit, but recipients may think because they already receive additional financial support, they are not eligible for Pension Credit.
6. The application process itself may be a deterrent for claimants. Whilst applicants are encouraged to apply online this is often not accessible or preferable to all. The Pension Credit pages on Gov.UK advises on the alternatives such as making a telephone claim or downloading an application form. It also points to voluntary organisations who can help with claiming. But getting online in the first instance may be problematic for some. Although accessing welfare benefits has changed from having printed applications available in many offices (to online) sometimes that's the method that would be most successful.

7. Stigma. There can be a certain stigma in claiming state support. Rebranding as a 'credit' was designed to reduce this by appearing to be something people are entitled to but there have been mixed messages in the media around benefit claimants which still deters people from applying. Also, the perceived intrusion and lack of privacy associated with the application process can deter applicants.

Reasons to promote Take Up

8. Pension Credit is a passported benefit – recipients will be eligible to receive additional support such as:
 - 8.1 UK Government Cost of Living Payments
 - 8.2 NHS Costs (dental, sight tests and some travel costs)
 - 8.3 Free TV licence (over 75)
 - 8.4 Cold Weather Payments
 - 8.5 Eligible for certain utility 'social tariffs'.
9. Helps towards Council Tax bills – recipients of 'guarantee credit' will be entitled to full council tax reduction where liable (minus any relevant charges).
10. Pension Credit puts extra money in recipients' pockets – money that is most likely to be spent in local shops and on local services, supporting the local economy.

Recent developments

11. The Older People's Commissioner and the WLGA have been working together to ask the Welsh Government to consider supporting a targeted 'Take Up' campaign. Councils do not lack the appetite to promote benefit take however they do lack the resources to effectively manage a campaign and deliver results.
12. Funded, managed campaigns can be successful. The then Welsh Assembly Government previously funded 'Take up' over a number of years and there was a detailed [research paper](#) published in 2010. The proven results detailed in the paper remain valid today, namely 'home visits especially for older people and often via trusted intermediaries' - especially in light of digital exclusion amongst older people and the fear of scam operators. The WLGA has had encouraging discussions with the Pension Service who are keen to work alongside us where possible and have given access to their suite of stakeholder communications (Annex 1)
13. Successful campaigns and efforts require effective partnership working – councils cannot do this alone and will need to work with partners, either in the voluntary sector or in the wider policy field to achieve results. Unfortunately, Welsh Government have confirmed that they are unable to provide any resource to councils to drive a campaign at this time.

Next Steps

14. The Older People's Commissioner and the WLGA are keen to maximise any opportunity to encourage unclaimed benefit especially given the current cost-of-living crisis and entering the winter months a lack of income adds to health and wellbeing issues.
15. The WLGA is seeking support to approach and engage with councils and other stakeholder groups to promote the 'Take Up' of Pension Credit. Councils are asked to, where possible, use some of the DWP marketing materials to promote Pension Credit and its take up. The more information that comes from trusted partners helps to manage the concern over scam operations.

Recommendations

16. Members are asked to:

- 16.1 **Note the contents of the report; and**
- 16.2 **Agree the actions noted in paragraph 15**

Cleared by: Councillor Anthony Hunt, WLGA Finance Spokesperson

Author: Lisa Hayward, Finance Policy Officer (Revenues and Benefits)
Tel: 07979018007
E-mail: lisa.hayward@wlga.gov.uk

Useful Pension Credit Links

- [Pension Credit: Overview - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pension-credit)
- [Pension Credit: Eligibility - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pension-credit-eligibility)
- [Pension Credit calculator - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pension-credit-calculator)
- [Pension Credit: How to claim - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pension-credit-claim)
- [Information you will need to apply online - Apply for Pension Credit \(apply-for-pension-credit.service.gov.uk\)](https://apply-for-pension-credit.service.gov.uk/)

Support our Pension Credit Campaign

- Share content from DWP's social media accounts, including the video with Harry Redknapp:
 - <https://x.com/DWPgovuk/status/1729417417460162957?s=20>
 - <https://x.com/DWPgovuk/status/1729418113802793145?s=20>
 - <https://x.com/dwpngymraeg/status/1729451759498662174?s=20>
(Welsh version)
 - <https://x.com/DWPgovuk/status/1729160716949561418?s=20>
- Take a look at our latest press release - [Countdown to Deadline Day: Claim Pension Credit by 10 December and score extra £300 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/countdown-to-deadline-day-claim-pension-credit-by-10-december-and-score-extra-300)
- Take a look at our Pension Credit Toolkit – [Pension Credit toolkit - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/pension-credit-toolkit)
