

Ref 1308

Comments to the SSAC consultation on The Social Security (Miscellaneous Amendments) (No...) Regulations 2008

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Name: Sally West
Email address sally.west@ace.org.uk
Policy Unit, Age Concern England, Astral House, 1268 London Road,
London SW16 4ER.

About this consultation

The Social Security Advisory Committee (SSAC) has been asked by the Secretary of State for Work and Pensions to consider proposed changes to regulations which will:

- reduce the time limit for pensioners to claim Pension Credit, Housing Benefit and Council Tax Benefit from 12 to 3 months.
- Reduce the backdating period for HB/CTB people of working age from 12 to 3 months and
- Allow Pension Credit to be retained for up to 13 weeks of a temporary absence abroad.

Before commenting on the proposed regulations SSAC are seeking views from interested organisations and individuals.

About Age Concern

Age Concern is the UK's largest organisation working with and for older people. Four national Age Concerns in England, Northern Ireland, Scotland and Wales and a federation of over 400 local organisations work together to promote the well-being of all older people. Our work ranges from providing vital services to influencing public opinion and government. Every day we are in touch with thousands of older people from all kinds of backgrounds – enabling them to make more of life.

The Age Concern England Policy Unit develops public policy proposals on ageing and older people with respect to England and UK-wide policy. We influence Government, public bodies and professional organisations by commissioning and undertaking research, responding to consultations, liaising with decision makers, holding policy events and developing partnerships with other organisations.

Most of our policy responses and summaries are available to download on our website: www.ageconcern.org.uk.

Policy Unit, Age Concern England, Astral House, 1268 London Road, London SW16 4ER. T: 020 8765 7200 E: policy@ace.org.uk Registered charity no. 261794.

Key points and recommendations

- Age Concern welcomes: the proposed extension of the time that Pension Credit can be paid to people abroad for a temporary stay; the improvements to the process for claiming HB/CTB; and the continuation of assessed income periods for people aged 80 and over.
- We are against the proposed reduction in backdating. Beneficial changes for one group of disadvantaged people should not be at the expense of other low income people
- If changes to backdating go ahead then it is essential that more is done to address the problem on incomplete take-up of income-related benefits.

1. The overall package of changes

1.2 Age Concern welcomes the opportunity to comment to the Social Security Advisory Committee (SSAC) on the proposed regulation changes which are described as part of a package of changes to simplify the benefit system for staff and claimants. The other two changes in the package are an improvement to the claims process for Housing Benefit (HB) and Council Tax Benefit (CTB) for people claiming Pension Credit and allowing the assessed income period to continue automatically after the age of 80. Both these changes are ones that we warmly welcome as we do the change to Pension Credit for a temporary stay abroad. However as discussed in more detail below we are concerned about the plans to limit backdating.

2. Changes to backdating for Pension Credit and HB/CTB for those aged 60 and over

2.1 Age Concern does not believe that the period of time for backdating should be reduced. Backdated payments of Pension Credit, HB and CTB can make a huge difference to the lives of those who have receive them. They compensate people for living below minimum accepted standards – sometimes for a long period of time. Over 650 older people completed an Age Concern survey as part of a study looking at the impact that our local benefits

information and advice services had on their lives¹. Many had received backdated payments and the report notes that these enabled them to purchase major items or carry out repairs and adaptations to meet needs that had accumulated as a result of not receiving entitlements when they were first due. One in five people in the survey said they had used extra money gained (including backdated payments) to clear debt.

Justification for reducing backdating

2.2 We are concerned that the paper suggests that improvements proposed for those claiming benefits can only be made as a result of savings elsewhere in the benefit system – in this case by reducing the period for which benefits can be backdated. We do not believe that beneficial changes for one group of disadvantaged people should be at the expense of others on low incomes.

2.3 The other argument for reducing backdating is in order to simplify the system. We acknowledge that backdating can increase complexity for staff and claimants. However we believe older people are happy to go through the additional process in order to receive the money that they are entitled to. To address any concerns about delays or additional intrusion we would suggest that the procedure could be for the first step to be assessing and paying benefit based on current circumstances. Backdating could then be looked at afterwards – or not at all if the claimant felt this would be too intrusive.

The need to increase take-up

2.4 Backdated payments are important because many people do not claim as soon as they become entitled to benefits. We support the ongoing initiatives by DWP and the Pension, Disability and Carers Service to encourage benefit take-up. However despite their efforts, and those of many other organisations, take-up remains incomplete. The most recent DWP estimates show that between £3.1 and £4.6 billion income-related benefits remain unclaimed by pensioners each year². Between 1.2 and 1.7 million pensioners are missing out on Pension Credit. And while the Pension, Disability and Carers Service aims to secure at least 250,000 new Pension Credit claims this year³ it is likely that a similar number will leave the caseload so not increasing overall take up levels⁴.

2.5 If the backdating changes go ahead then it is essential that more is done to address the problem of underclaiming. The change to processing Housing and Council Tax Benefit claims (part of this package of reforms) is a welcome

¹ *Transforming lives: Tackling poverty and promoting independence and dignity through information and advice* Age Concern, 2008.

² *Income related benefits estimates of take-up in 2005-06*. DWP 2007.

³ *House of Commons written answers* 27 March 2008, col 21.

⁴ The Pension Service Business Plan 2007-08 noted that between 260,000 and 300,000 Pension Credit leave the caseload each year.

and important step forward which will simplify the process for those claiming these benefits alongside Pension Credit. It should also improve take-up by ensuring fewer people drop out of the process of making a claim and may encourage those reluctant to make a claim to do so if they realise information needed for 3 benefits can be collected in a single call. As a next step we believe that this should be developed into a single claim line so that older people can claim Housing and Council Tax Benefit even if they are not entitled to Pension Credit. An eventual goal should be for automatic payment of benefits whereby information already held by Government is used to identify entitlements and people are asked to verify that the information is correct rather than having to proactively make a claim.

3. People aged under the age of 60

3.1 We are mainly contacted by people aged 60 and over so the focus of our response is on benefits for people in this age group. However we do also hear from people approaching 60 – for example those who have retired early due to caring responsibilities or ill health. In line with our views above we do not support reducing the period for backdating. We also note that if the intention is to align and simplify the systems then consideration should be given to providing backdating to all age groups without the complexity of having to prove good cause.

4. Extension of payment of Pension Credit during a temporary stay abroad

4.1 Age Concern strongly welcomes the extension of Pension Credit payment for up to 13 weeks during a temporary stay abroad. As the DWP paper says this is an issue that we have been campaigning on for some time. Concerns about the 4 week limit have been raised with us by local Age Concern Information and Advice staff, the Black and Minority Ethnic Elders Forum which is supported by Age Concern, and by individual members of the public. The change will greatly help older people who wish to stay abroad for more than 4 weeks and will particularly help older people from black and minority ethnic groups who wish to visit family abroad.

4.2 It is not only beneficial for people financially but will prevent them needing to go through the demands of having to reapply for Pension Credit after a few weeks abroad – sometimes being subject to the habitual residence test. There will be a corresponding reduction in administration for staff.