

Research report

Pension Credit eligible non-recipients: Barriers to claiming

by Lucy Radford, Lisa Taylor and Claire Wilkie

Department for Work and Pensions

Research Report No 819

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Lucy Radford, Lisa Taylor and Claire Wilkie

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Central Analysis Division, Department for Work and Pensions, Upper Ground Floor, Steel City House,
West Street, Sheffield, S1 2GQ

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The Authors

Lucy Radford was formerly a Higher Statistical Officer at the Department for Work and Pensions.

Lisa Taylor is a Senior Research Officer at the Department for Work and Pensions.

Claire Wilkie is a Principal Research Officer at the Department for Work and Pensions.

Abbreviations and glossary of terms

The Pension Service	The Pension Service is part of the Department for Work and Pensions (DWP) and provides information to customers about pensions, benefits and retirement information. Referred to from this point onwards as TPS or where relevant, PDCS/TPS.
CER	Customer Engine Room – a database combining administrative data from a range of public bodies.
ENR	Eligible non-recipient
ER	Eligible recipient
Guarantee Credit	One of the two components of Pension Credit, alongside Savings Credit.
PDCS	Pension, Disability and Carers Service
Pension Credit	An income-related benefit available to those who have reached the qualifying age.
TNS-BMRB	The Social Research Agency which carried out the telephone survey.

Summary

Aims and methods

This report documents the findings from a quantitative research project designed to provide further insight into the barriers that exist to claiming Pension Credit. It provides the first robust quantitative evidence, using a sample of those the Department for Work and Pensions (DWP) estimated to be eligible non-recipients (ENRs), about why some potentially eligible people do not claim Pension Credit. The study used as its sample 2,224 people identified as ENR in the Customer Engine Room (CER) database. The CER is the best source of information available, combining DWP, local authority (LA) and HM Revenue & Customs (HMRC) administrative data on income and capital, to estimate eligibility.

The survey was conducted on behalf of the DWP by Alex Thornton and Nicholas Fitzgerald at TNS-BMRB, a social research agency, and was carried out by telephone survey.

Awareness and knowledge of Pension Credit

This study shows that while awareness of Pension Credit is high, with nearly three-quarters (72 per cent) of ENR respondents having heard of Pension Credit, knowledge is lower. Of those who had heard of Pension Credit, over half (54 per cent) had only heard the name. Only 16 per cent of ENR respondents said they were well informed about Pension Credit (Chapter 2).

Respondents had limited knowledge of who to contact if they required information about the State Pension or other benefits, over a third (35 per cent) said they did not know who they would contact, while the most common response was The Pension Service/Pension, Disability and Carers Service¹ (16 per cent) (Chapter 2).

Perceived barriers to claiming Pension Credit

Previous research conducted on the reasons why people do not claim has consistently shown perceived ineligibility to be a primary barrier, with barriers related to process and stigma being shown to act as secondary barriers only. This new survey evidence supports this, showing that only two per cent were put off claiming due to a perception that the application process would be too long or too complicated. Furthermore, only one per cent of ENR respondents said that they were not claiming because they felt bad asking for benefits or help from the Government. The primary reason given for not claiming was perceived ineligibility, with 65 per cent of ENR respondents saying that they did not claim because they did not think they were eligible/no longer eligible/have too much money (Chapter 3).

There does, however, appear to be a secondary barrier around perceived stigma, with 62 per cent of ENR respondents agreeing that they 'do not like asking for benefits'. Only 16 per cent agree that their family/friends would have a negative view of them claiming Pension Credit. However, the vast majority of ENR respondents (92 per cent) said they would apply for Pension Credit if they knew they were eligible.

¹ Referred to as TPS or where relevant, PDCS/TPS.

Past experiences of claiming Pension Credit

Perceived ineligibility to Pension Credit by the ENR respondents is evident again in the reasons why ENRs do not complete the application process, with 53 per cent reporting that they did not complete the process because they did not think they would be eligible. Those who had received or applied for Pension Credit in the past were unlikely to apply again, with only 36 per cent saying they would apply again in the future (Chapter 4).

Only 17 per cent of ENR respondents who had never received, nor applied for, Pension Credit had thought about applying.

In respect of triggers for applying, only eight per cent of respondents who had received or applied for Pension Credit did so alongside applying for their State Pension. Instead, the most common response given as to the trigger for applying was that they were short of money/struggling financially (12 per cent), followed by to see whether eligible/entitled to receive it (11 per cent).

1 Introduction

1.1 Background

Pension Credit is a tax-free income-related benefit available to those who have reached the qualifying age. The Pension Credit qualifying age is gradually increasing to 66 by December 2020. It was introduced in October 2003 to replace the Minimum Income Guarantee (Income Support for those aged 60 and over).

There are two parts to Pension Credit: Guarantee Credit and Savings Credit. Based on benefit rates at April 2012, the Guarantee Credit provides those who have reached the qualifying age with a top-up to bring their income up to the level of at least £142.70 a week for a single person or £217.90 a week for those living with a partner. Those who have certain housing costs, caring responsibilities or who are severely disabled may be entitled to higher amounts.

The Savings Credit rewards people aged 65 or over who have made modest provision for their retirement, such as an occupational or personal pension or through savings. Based on benefit rates at April 2012, the Savings Credit can be up to £18.54 a week for a single person and £23.73 a week for those living with a partner.

Whilst the DWP has a responsibility to ensure that customers are aware of Pension Credit and to encourage those eligible to claim it, the responsibility for claiming Pension Credit rests with the customer.

Customers are able to apply for Pension Credit:

- by telephone;
- by completing an application form that can be obtained by telephone or written request from TPS or one of its partner organisations, downloaded from TPS website or received by post as part of the State Pension claim pack, which is usually issued four months in advance of reaching State Pension age; and
- at face-to-face visits. DWP Visiting is available to visit customers who are identified as 'vulnerable' and who are unable to access DWP's services through the normal channels. DWP Visiting staff will conduct full benefit entitlement checks and help customers to apply for Pension Credit where appropriate.

Pension Credit does not achieve full take-up amongst those eligible for the benefit. In 2009–10 (the latest data available) the level of Pension Credit take-up was between 62 per cent and 68 per cent. Take-up of the Guarantee Credit, paid to the poorest pensioners, was between 73 per cent and 80 per cent.²

The Department has undertaken a range of research to understand why some people eligible for Pension Credit do not claim. Previous research has included using individuals' social class as a proxy to identify likelihood of eligibility, as without knowing individuals' incomes and savings levels, it is difficult to gauge whether or not they are eligible. This new research extends the evidence base on barriers to take-up by using as its sampling frame a model of administrative data from DWP, Local Authority benefit systems and HMRC PAYE tax returns to identify individuals most likely to be eligible but not claiming.

² Barton, A. and Riley, K., eds. (2012). *Income Related Benefits: Estimates of Take-Up in 2009–10*. DWP.

1.2 Past research

The evidence base on older people's take-up of income-related benefits, in particular Pension Credit, provides consistent accounts of 'barriers' and 'triggers' to take-up across a wide range of circumstances.

Previous qualitative research has shown that the primary barrier to claiming Pension Credit amongst potential ENRs is perceived ineligibility.

The 2006 report³ states: *'There were three key barriers that prevented older people from making a claim for Pension Credit: a belief that they were not eligible, a concern about how the receipt of Pension Credit would interact with other benefits that they were currently receiving and a lack of awareness of Pension Credit. A range of other barriers existed to reinforce the decision not to make a claim but, in nearly all cases, one of these key barriers was acting as the key obstacle to making a claim.'*

'Older people's Attitudes to Automatic Awards of Pension Credit' was published in 2009. It examined older people's attitudes to the principle of using data to automate parts of the Pension Credit awards process and states *'respondents perceived themselves to be ineligible so had not applied or were unaware of Pension Credit.'*⁴

The study led to the Pension Credit take-up study, whereby a sample of potentially ENRs were paid their estimated Pension Credit awards for a short period – the evaluation showed that only 8.6 per cent of people went on to claim following the end of the payments, suggesting that the barriers are entrenched. The early findings were published in 2011⁵ and indicated that: *'Participants cited a number of reasons for not claiming, including persistent perceptions of ineligibility and feeling they did not need the money; not claiming because of health issues, or simply forgetting; and misunderstandings about the trial and confusion around how to apply.'*

These findings were supported by the final evaluation which stated that: *'Some respondents appeared resistant towards claiming because of their underlying attitudes towards claiming benefits, often as a result of past negative experiences of the benefits system. Concerns about feeling they were ineligible were amplified by anxieties about the upheaval of the claims process itself, and a worry that they might have to give the money back if they were wrongly paid, leaving them to feel that it was not worth applying.'*^{6 7}

In respect of consistency between past research and this study, previous research supports key findings from this study, which finds high levels of misunderstanding about the eligibility rules for Pension Credit. Nearly a fifth (18 per cent) of non-recipients who state they 'know' they are not eligible think home ownership bars people from claiming, and 32 per cent are unsure whether this is the case. This lack of understanding about eligibility rules is linked to the main barrier: perceived ineligibility.

³ Bunt, K., Adams, L. and Leo, C. (2006). *Understanding the relationship between the barriers and triggers to claiming Pension Credit*. DWP Research Report No. 336.

⁴ Kotecha, M., Callanan, M., Arthur, S. and Creegan, C. (2009). *Older people's attitudes to automatic awards of Pension Credit*. DWP Research Report No. 579.

⁵ Radford, L., Holland, J., Kotecha, M. and Arthur, S. (2011) Early findings from the evaluation of the Pension Credit Payment Study, DWP Research Report summary.

⁶ Radford, L., Holland, J., Maplethorpe, N., Kotecha, M. and Arthur, S., (2012). *Evaluation of the Pension Credit payment study* DWP Research Summary No. 795 and 796.

⁷ Maplethorpe, N., Kotecha, M. and Arthur, S. (2012). *Qualitative evaluation of the Pension Credit payment study*. DWP Research Report No. 795.

1.3 Research objectives

The main objectives of the research were to:

- improve knowledge about the demographic characteristics and attitudes of the population of Pension Credit ENRs;
- understand more about the reasons why people do not claim when they appear to be entitled;
- explore differences in attitudes towards applying for Pension Credit amongst sub groups within the eligible non-recipient population; and
- understand more about individuals' past experiences of the claiming process.

1.4 Research methods

The research was carried out by TNS-BMRB using quantitative methods. A telephone survey was undertaken with 2,224 individuals defined by the DWP as being eligible for Pension Credit but not in receipt. Interviews lasted approximately 25 minutes.

The survey was piloted with approximately 100 people in May 2010, with mainstage fieldwork taking place in June-July 2010. Analysis revealed that London was underrepresented in the sample so additional fieldwork with 200 people took place in 2011. Weighting by region and urban/rural nature of location was introduced to compensate.

Screening questions were used at the beginning of the interview to ensure those already receiving Pension Credit and those below pensionable age were not approached.

Throughout the report, the survey respondents are referred to as ENRs (potential eligible non-recipients of Pension Credit).

As in all surveys, quantitative findings are based on a sample of respondents only and differing levels of statistical confidence apply to the various groups.

Further details of the research methods can be found in the Appendix.

1.5 Report structure

The report is set out as follows:

Chapter 2 considers ENR awareness of Pension Credit as a means-tested benefit, as well as examining their levels of knowledge around the details of the benefit, for example, the eligibility rules;

Chapter 3 examines the range of barriers cited by ENRs as reasons for not applying for Pension Credit. It also examines the range of attitudes held by ENRs towards means-tested benefits and Pension Credit in particular;

Chapter 4 explores the experiences of ENRs who have previously made a claim for Pension Credit;

Chapter 5 provides a summary of the main issues outlined in the report. An explanation of the methodology used is in the Appendix.

2 Awareness and knowledge of Pension Credit

2.1 Awareness of Pension Credit

Around three-quarters (72 per cent) of Pension Credit ENRs had some level of awareness of Pension Credit prior to taking part in the survey. The research found that awareness levels decrease with age, with 74 per cent of 60-64 year olds stating their awareness, in contrast to 62 per cent of those aged 85 and over. However, it is interesting to note that statistics on take-up of Pension Credit show that there is not much variation in take-up by age⁸.

Women were somewhat more likely to be aware of the benefit than men (76 per cent compared to 67 per cent), and respondents reporting themselves to be White British and Irish were more likely to be aware than respondents from other ethnic backgrounds.

However, having an awareness of Pension Credit often signified only a very basic level of knowledge of the benefit. Of those who had heard of Pension Credit, over half (54 per cent) had only heard the name; with only 16 per cent said they were well informed about Pension Credit.

2.2 Knowledge of eligibility rules

Respondents who stated they were either informed or 'knew a bit' about Pension Credit were asked whether a range of statements about the benefit's rules and regulations were true or false. There was a high level of 'don't know' responses throughout, particularly regarding the interaction of Pension Credit with disability and carers' benefits.

'People who have any money in a private or work pension may not apply for Pension Credit'. Only half of ENRs with knowledge of Pension Credit correctly responded that this statement is false.

'People who get disability benefits can get a higher rate of Pension Credit'. There was much confusion around this statement, with only 35 per cent knowing this is true, and nearly half (47 per cent) stating they 'don't know'.

'People who get carer's allowance can get a higher rate of Pension Credit'. This statement also resulted in a large percentage of 'don't know' responses (54 per cent), with only 30 per cent correctly responding that this statement is true.

Respondents who had had contact with TPS, regardless of the contact method, were more likely to have better knowledge of the rules around Pension Credit than those who reported no previous contact with TPS. We cannot deduce from the survey results whether this increased knowledge was gleaned from contact with TPS, or whether it is those respondents who have better knowledge of the system who are the individuals who tend to use the service.

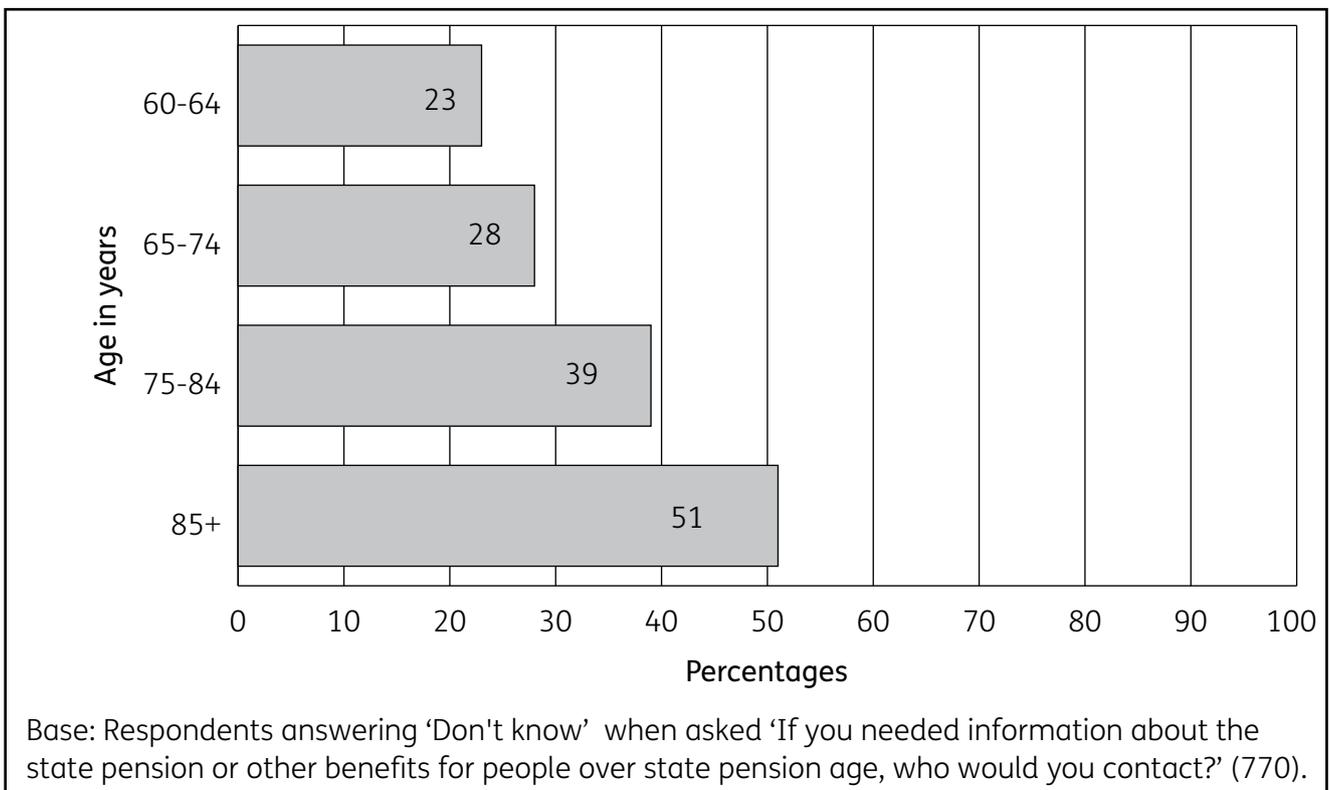
⁸ Eligible recipients (ERs) and ENRs of Pension Credit were similarly likely to be aged 80 and over (36 per cent and 34 per cent in each group respectively). See: *Income Related Benefits: Estimates of Take-Up in 2009-10*. (2012). DWP.

2.3 Information and contacting

Respondents had very limited knowledge of who they would contact if they required information about the State Pension or other benefits for older people. The most common source of information was TPS (16 per cent of respondents), with a further 12 per cent stating the DWP. However, over a third (35 per cent) said they did not know who they would contact.

There was a marked difference in knowledge of where to find relevant information when broken down by age of the respondent, as shown in Figure 2.1.

Figure 2.1 Proportion not knowing where to get information about benefits and state pensions



This figure highlights a group of elderly individuals who have not claimed their benefit entitlements, and also do not know how to seek information on the State Pension or other benefits.

For those respondents who were thinking about claiming Pension Credit and sought advice; 48 per cent sought advice from a friend/relative/neighbour, while 17 per cent sought it from the DWP.

3 Perceived barriers to claiming Pension Credit

3.1 Main reasons for not claiming

Table 3.1 summarises the main, unprompted reasons given by ENRs for not claiming Pension Credit. Uncertainty around eligibility (cited by 65 per cent of ENRs) and a perceived lack of need for the benefit (cited by ten per cent of ENRs) were the main reasons reported for not claiming.

There are notable differences in barriers according to age – the percentage reporting perceived ineligibility decreases significantly as age increases. Nearly three-quarters (73 per cent) of 60–64 year olds report not claiming due to perceived ineligibility, in contrast to two-thirds (65 per cent) of 75–84 year olds and just over a half (53 per cent) of those aged 85 and over. Conversely, the percentage reporting not needing the money/being able to cope without it increases with age. Only six per cent of those aged 60–64 cite this as the main reason for not claiming, in contrast to 15 per cent of those aged 85 and over.

Previous research evidence on the reasons why people do not claim has consistently shown perceived ineligibility to be a primary barrier. Barriers related to process and stigma have previously been shown to act as secondary barriers only, often reinforcing decisions not to claim made on the basis of the primary perceived ineligibility barriers.

This new survey evidence supports this, showing that only two per cent were put off claiming due to a perception that the application process would be too long or too complicated. Furthermore, only one per cent of ENR respondents said that they were not claiming because they felt bad asking for benefits or help from Government.

Table 3.1 Main reason for not claiming Pension Credit

What is the main reason you have not applied for Pension Credit?	%
Don't think I'm eligible/no longer eligible/I have too much money	65
I don't need it/can cope without it	10
Don't know enough about it	7
Never heard of it before today	4
I think the application process would be too long or complicated	2
I/partner still working	1
I just haven't got round to it	1
Previous application was turned down	1
Haven't thought about it	1
I feel bad asking for benefits/help	1
Other	2
No answer/don't know/refusal	5

Base: All respondents (2,196) 100.

3.1.1 Reasons for perceived ineligibility

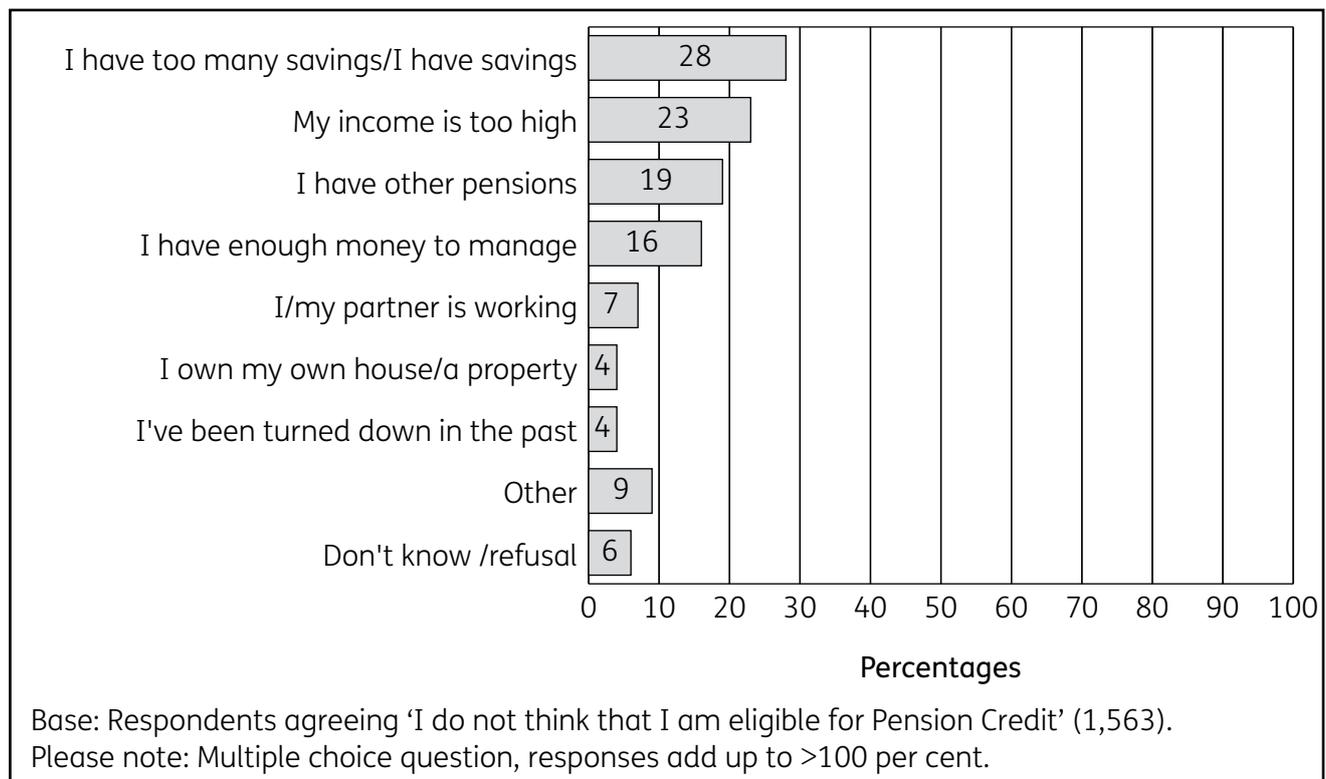
Perceptions of ineligibility appear to be high right across the income and savings distribution, so amongst those most likely to be eligible (at the lower end of the distributions), perceived ineligibility remains the most common barrier. In addition to being asked about the main barrier to claiming, respondents were also asked whether they agree/disagree with the statement ‘I do not think that I am eligible for Pension Credit’, with 70 per cent agreeing (17 per cent said they don’t know).

ENRs who reported that they did not think they were eligible for Pension Credit were asked a follow up question as to why they thought this. The most frequent reasons cited were that they have too many savings (reported by 28 per cent), or their income is too high (reported by 23 per cent).

Responses differed notably according to employment status. Retired ENRs were far more likely than employed or self-employed ENRs to cite too much savings as a reason for perceived ineligibility. Employed and self-employed ENRs most frequently reported their/their partner’s employment status as the reason for their perceived ineligibility.

Only 16 per cent reported ineligibility as they ‘have enough money to manage’, but there were notable differences according to age. Around a quarter (24 per cent) of those in the over-85 age group said they had enough money to manage, in contrast to only five per cent in the youngest age group (60–64 year olds).

Figure 3.1 Reasons for reporting ineligibility for Pension Credit



3.2 Attitudes towards Pension Credit and claiming

The decision-making process around whether or not to make a claim for a means-tested benefit is a complex one. Whilst individuals often report their main reason for not applying (as shown in the previous section), past qualitative research has shown that there are a number of different facets to the decision, with a range of primary and secondary barriers affecting decisions. This is

further evidenced by the attitudes towards Pension Credit and claiming benefits reported by ENRs. Sometimes these attitudes can appear to contradict the reasons cited for non-take-up. However, they arguably serve to further demonstrate the multifaceted nature of decision-making in relation to deciding whether or not to claim Pension Credit.

3.2.1 Stigma

A key example of this is the evidence surrounding stigma and means-tested benefits. Only one per cent of ENRs said, unprompted, that the main reason they have not claimed Pension Credit is because they felt bad asking for benefits or help from the Government. However, when asked whether they agree or disagree with a range of statements on the subject of benefits, 62 per cent agree that they 'do not like 'asking' for benefits'. Adding to the complexity of the picture on 'stigma', only a third agree that they would feel bad about claiming Pension Credit, and just 16 per cent agree that their family/friends would have a negative view of them claiming Pension Credit.

ENRs did not tend to have a problem with the name 'Pension Credit', however, a quarter agreed that they find the name off-putting. However, older age groups were more likely to find the name off-putting (a third of those aged 85 and over agreed).

The vast majority of ENRs (92 per cent) said they would apply for Pension Credit if they **knew** they were eligible. Interestingly, there was no difference in response on this according to age group.

3.2.2 General attitudes towards benefits

Perhaps surprisingly, over half of ENRs (54 per cent) agreed that it is best to make a claim for a benefit in case you qualify. Respondents from minority ethnic groups were less likely to think this (43 per cent). As might be expected, those who were receiving other benefits and those who had ever applied for Pension Credit were more likely to agree with this statement.

Views were divided on whether the government lets people know if they are entitled to a benefit, with 44 per cent agreeing that they did, and 40 per cent disagreeing. ENRs aged 85 and over were more likely to agree that the Government would let them know (50 per cent agreed, in contrast to 39 per cent of those aged 60–64).

3.2.3 Automatic payment

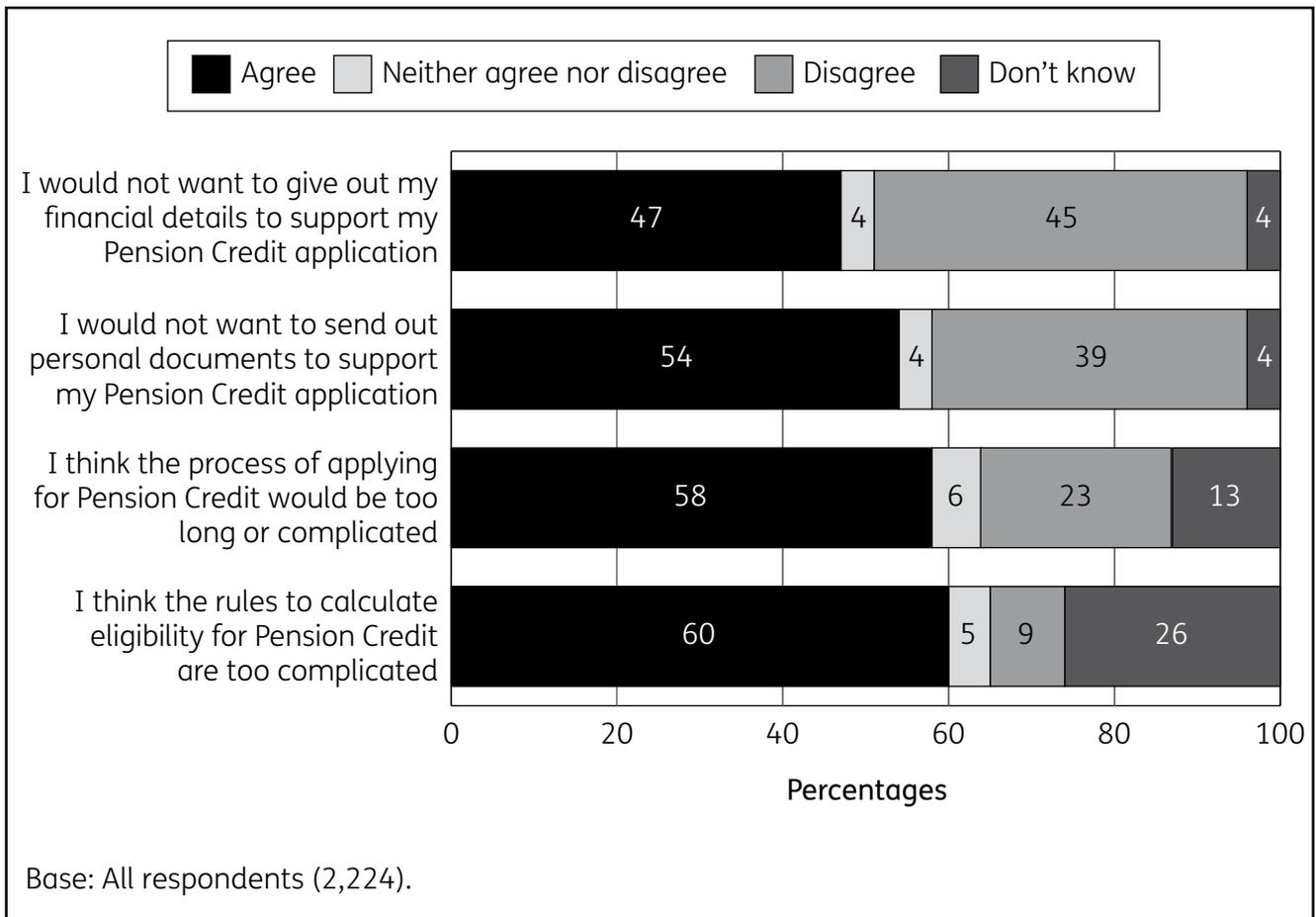
The majority of ENRs, regardless of age, gender and ethnicity, said that Pension Credit should be paid automatically to those who are entitled, without them needing to claim it (75 per cent agreed). Respondents who were already receiving other benefits, and those who thought they were eligible for Pension Credit were more likely to say Pension Credit should be paid automatically to those who are entitled. The less people know about Pension Credit the more likely they were to think it should be paid automatically (84 per cent of ENRs who had not heard of Pension Credit reported this, in contrast to 61 per cent of very/quite well informed ENRs). (It should be noted that automatic payment, if introduced, would probably generate an unacceptable level of error because of inaccuracies in the available data.)

3.2.4 The application process

Qualitative research previously undertaken with ENRs showed that process-related barriers acted only as secondary barriers to Pension Credit take-up, simply reinforcing decisions not to claim made on the basis of barriers around perceived ineligibility. This is backed up by the survey evidence on reasons for non-take-up outlined already.

However, attitudinal evidence on process-related factors shows that some ENRs would have concerns with elements of the application process. These concerns centre around the need to provide financial details and documentation, as well as perceptions of the process being too long and complicated.

Figure 3.2 Attitudes towards applying for Pension Credit



Older people were more likely to agree that the process would be too long or complicated (68 per cent of those aged 85 and over agreed, in contrast to a half of those in the 60-64 age group).

3.2.5 Financial concerns

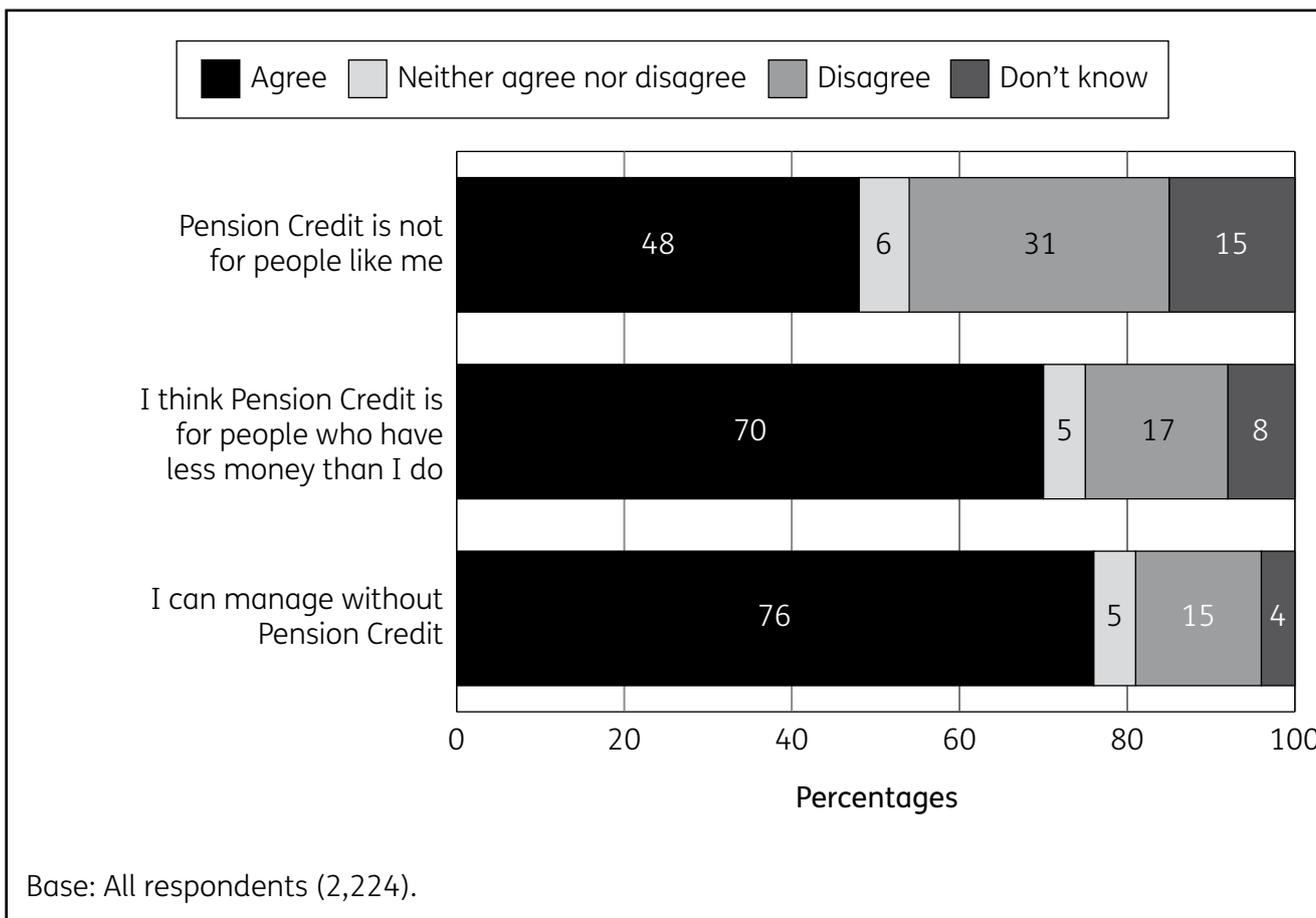
The survey identified some concerns around the impact on income of claiming Pension Credit. More than half (58 per cent) were worried about the financial implications if Pension Credit was overpaid. This was of greater concern to those ENRs who were already receiving benefits.

Concern about the impact Pension Credit might have on other current benefits was low by comparison, although 34 per cent still agreed they would be worried about this. Unsurprisingly, this was also of greater concern to those ENRs who are already receiving benefits.

3.2.6 Financial need

Only ten per cent of ENRs cited lack of financial need for Pension Credit as the main reason why they have not applied for the benefit. However, the findings from attitudinal statements on financial need and the perception of Pension Credit shows that there are issues around the perception of Pension Credit.

Figure 3.3 Attitudes around financial need for Pension Credit



Nearly half (48 per cent) of ENRs agreed that ‘Pension Credit is not for people like me’. Employed and self-employed ENRs, along with those not receiving benefits, were more likely to agree with this statement. The respondents’ level of knowledge of Pension Credit also made a difference – the better informed the respondent, the more likely they were to agree that ‘Pension Credit is not for people like me’.

A sizeable percentage of ENRs (70 per cent) agreed that ‘Pension Credit is for people who have less money than I do’. There were no significant differences in response according to age, in spite of the fact that older age groups are more likely to report ‘being able to cope’ as a reason for not applying for the benefit. Again, there was a difference in response according to people’s level of knowledge of Pension Credit – the better informed the respondent, the more likely they were to agree that ‘Pension Credit is for people who have less money than I do’.

In contrast, there were significant differences according to age in the percentage of ENRs who agreed with the statement ‘I can manage without Pension Credit’. Table 3.2 shows that 84 per cent of ENRs aged 85 and over agreed, in contrast to 69 per cent of those aged 60–64.

Table 3.2 Responses to the statement ‘I can manage without Pension Credit’

I can manage without Pension Credit	60-64 (%)	65-74 (%)	75-84 (%)	85+ (%)
Agree	69	74	77	84
Neither agree or disagree	6	7	4	3
Disagree	20	16	15	6
Don't know	5	4	4	7

Base: All respondents (2,224).

There were very few differences in attitudes according to gender. Women were more likely to say they were worried about sending personal documents to support their application and also were more worried about what would happen if their Pension Credit was overpaid. Men were more likely to say they were worried about other benefits being reduced if they also received Pension Credit.

3.3 Preferred method of claiming

ENR respondents were asked what their preferred application method would be if they were to make a claim for Pension Credit. The most common response was to claim by telephone (23 per cent), followed by a letter (15 per cent). Only five per cent said they would prefer to use the internet/email.

3.4 Sources of income and annual income levels

Table 3.3 shows that nearly all respondents (97 per cent) received income from a State Pension, while just over half (58 per cent) received income from a private pension. While only five per cent of respondents received income from employment, just over three times as many (16 per cent) of partners receive income from employment.

Table 3.3 Sources of regular income

(Derived from multiple questions)	Respondent (%)	Respondent's partner (%)
Employment	5	16
Self-employment	6	7
State Pension	97	32
Private pension	58	13

Base: All respondents (2,224); Respondents with partners (1,051).

Figure 3.4 shows that a third of respondents received some form of benefit, in addition to the State Pension.

Figure 3.4 Benefits received by respondents

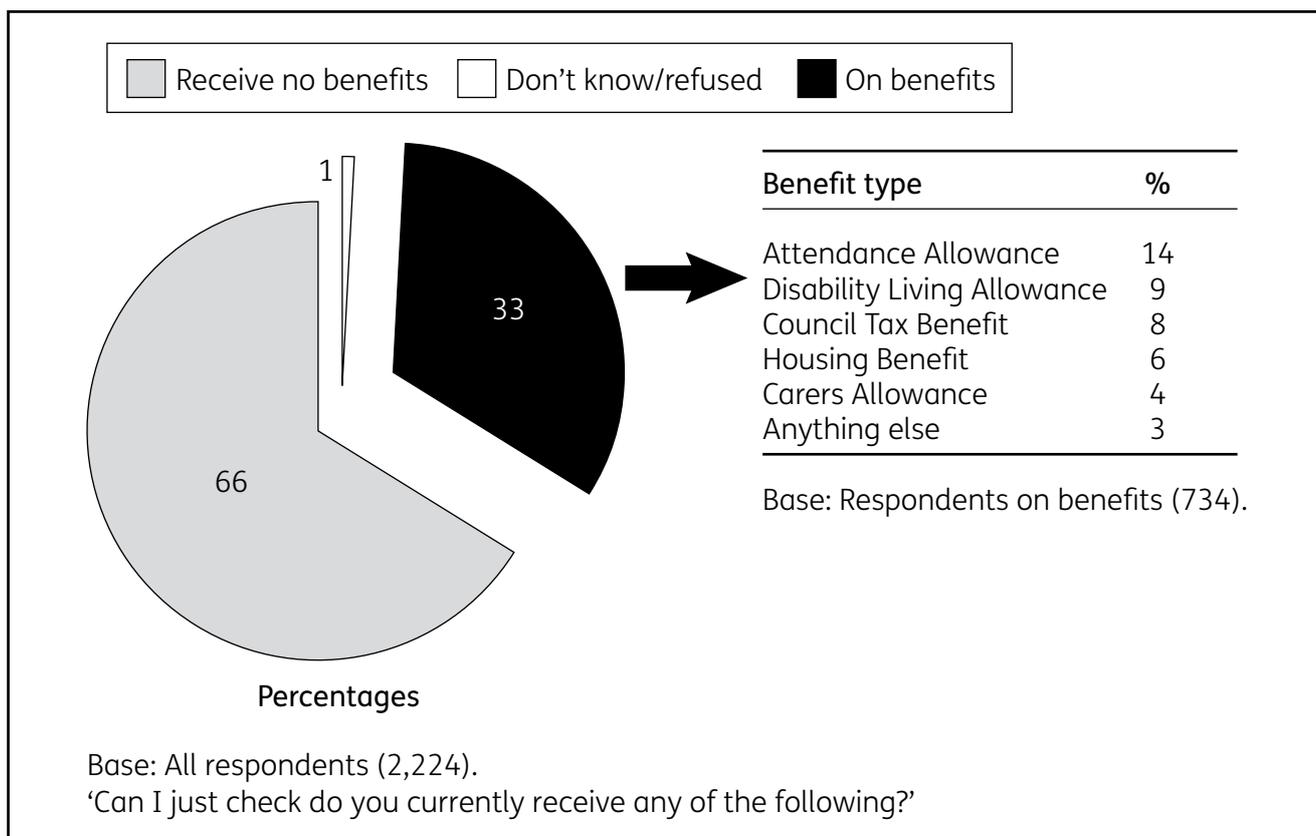
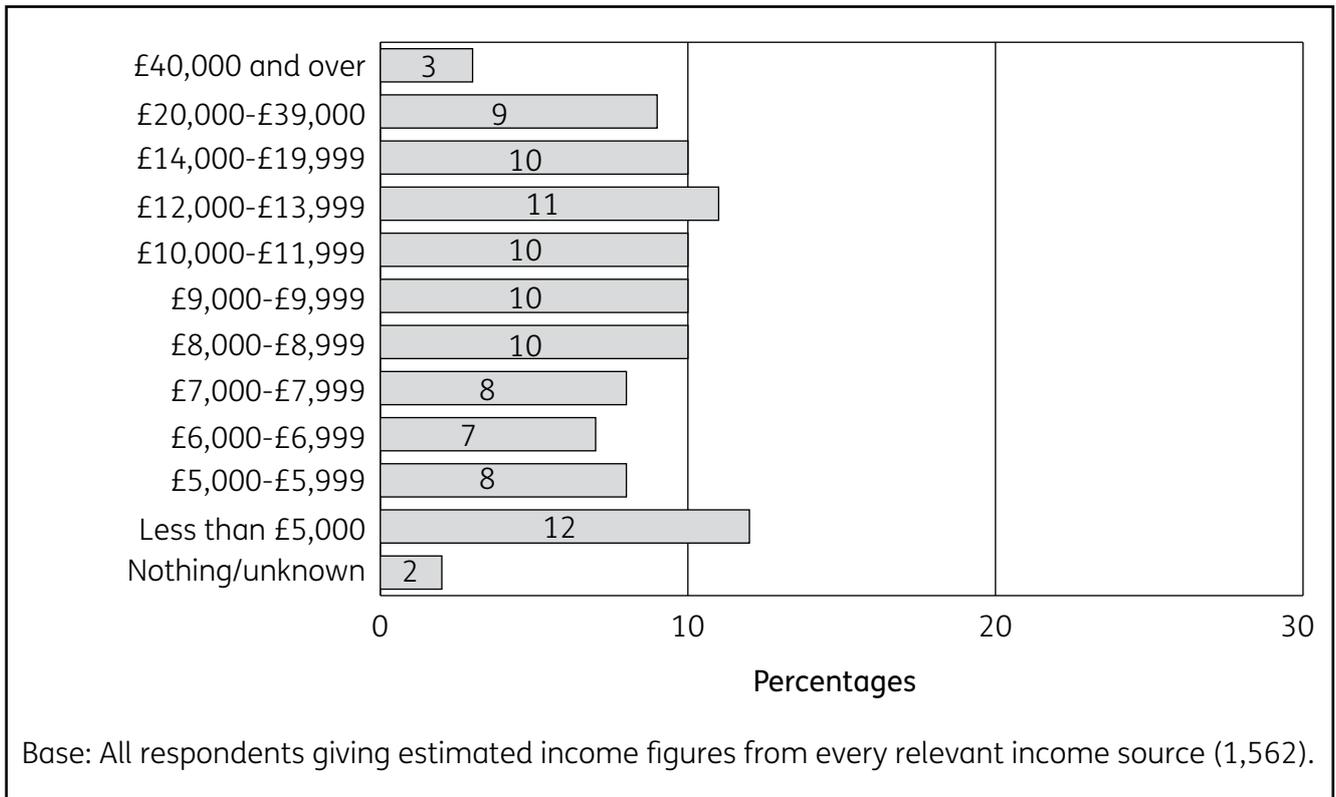


Figure 3.5 shows the total annual income (ENR respondents and partners combined) from employment/self-employment, State Pension(s), other pension(s) and any other sources. Respondents could provide either exact amounts or a banded estimate.

The mean average annual income is around £12,000 while the median annual income is around £9,000.⁹ However, these figures are distorted by a small number of very high annual incomes. Seven respondents reported annual income in excess of £100,000 while one respondent reported an annual income of around £350,000. Removing the top five per cent of responses (i.e. basing the estimate on what 95 per cent of the population experience) gives a mean annual income around £10,000 and a median annual income around £9,000. The household income of respondents spans a wide range, making it probable that some respondents' incomes might be above the threshold for receipt of Pension Credit. It is not possible, however, to assess this accurately.

⁹ Net income.

Figure 3.5 Total annual household income



4 Past experience of claiming Pension Credit

4.1 Past applications for Pension Credit

Respondents were asked about any previous experience of claiming or receiving Pension Credit in the past. Only three per cent reported having previously received Pension Credit, with a further ten per cent having applied at some point in the past. Nearly all ENRs (79 per cent) who had previously made a claim had done so only once.

The most common method of claiming Pension Credit was over the telephone, with a third of respondents who had previously received or applied for Pension Credit using this method. This was followed by filling in and posting a form (30 per cent), and applying through a home visit (18 per cent).

The most common reason why respondents did not complete the application process was because they did not think they would be eligible (53 per cent), followed by not thinking it was worth it (14 per cent). There were some gender and age differences for both these responses, with males and those aged 60–64 and 85 and over more likely to not complete the application process because they did not think they would be eligible, while males and those aged 75–84 were more likely to not complete the process because they did not think it was worth it.

Only 36 per cent indicated that they would apply for Pension Credit again. There was a clear age split with younger respondents, aged 60–74, more likely to apply again (40 per cent), compared to those aged over 74 (19 per cent).

Of those respondents who had never received Pension Credit, nor applied for it, only 17 per cent had thought about applying. Those who were quite/very well informed about Pension Credit were more likely to have thought about applying (27 per cent) compared to those who had only heard the name (14 per cent).

Of those who would seek advice about claiming Pension Credit (28 per cent of respondents who had thought about claiming), the most common place to seek advice was with friends/relatives/neighbours (48 per cent), followed by DWP (17 per cent).

4.2 Triggers to applying

Only eight per cent of respondents who had received or applied for Pension Credit did so alongside applying for their State Pension. For those respondents who did not apply at the same time as applying for their State Pension, the key triggers for respondents to apply for Pension Credit are shown in Table 4.1.

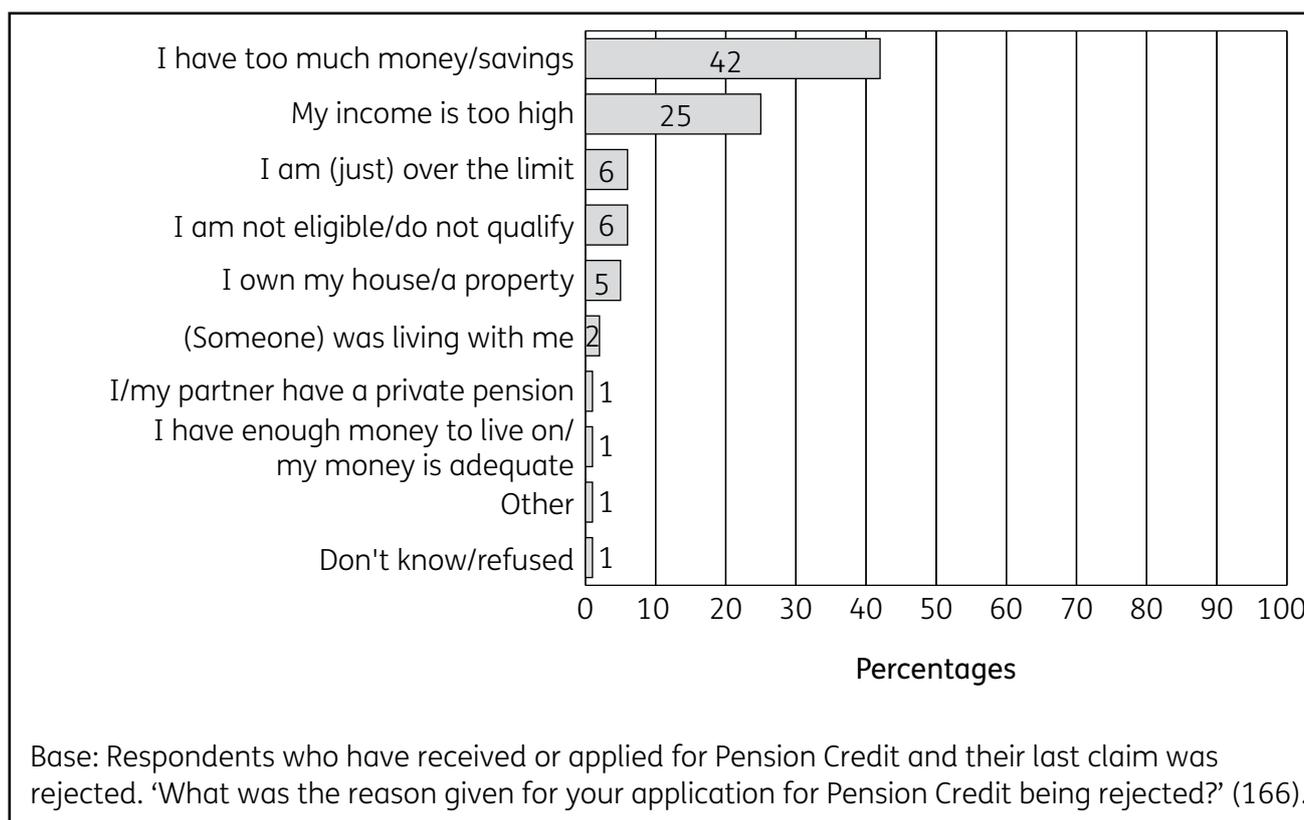
Table 4.1 Events which prompted application for Pension Credit

Was there any specific event which prompted application for Pension Credit?	%
No/none/nothing/don't know	37
A change in financial circumstances	16
Just to see if they were eligible	12
Word of mouth/advice	12
Marketing/advertising from The Pension Service	17
Other	5
No answer/refusal	0

Base: All who applied (but not at same time as applying for State Pension) (201).

Of those who had received or made a claim for Pension Credit, 78 per cent had their last claim rejected (14 per cent were approved). Figure 4.1 shows the key reasons given as to why claims were rejected.¹⁰

Figure 4.1 Reasons why claims were rejected

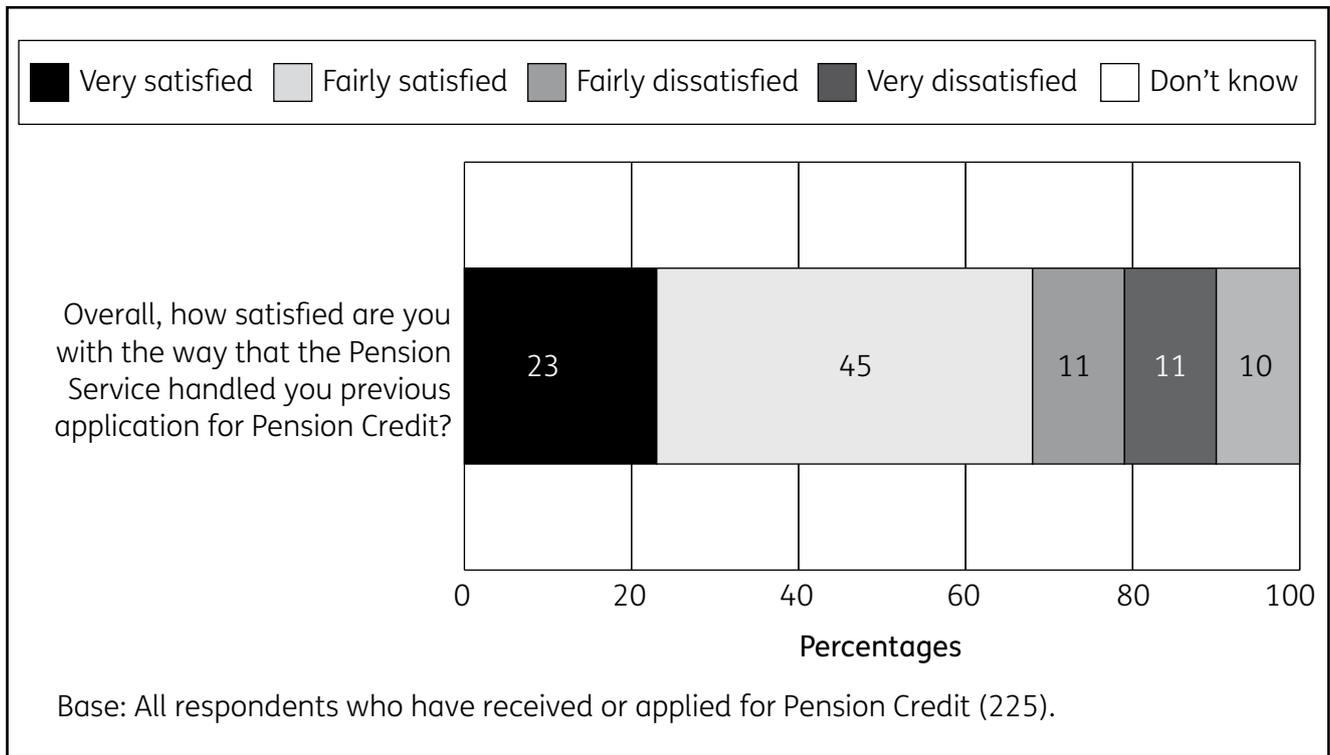


4.2.1 Satisfaction with The Pension Service

All respondents who had received or applied for Pension Credit were asked how satisfied they were with the way their application was handled by TPS. The responses are shown in Figure 4.2.

¹⁰ This could include people who previously received or claimed Pension Credit, and those who began a claim but did not complete it.

Figure 4.2 Level of satisfaction with The Pension Service



Those who were dissatisfied with the service received from TPS gave a variety of reasons as to why this was, with the most common response being because they were not eligible or their claim was rejected (29 per cent). This was followed by feeling let down by the system or that the system was not fair (16 per cent) and thinking that TPS had made a mistake (11 per cent).

4.3 Past recipients of Pension Credit

Of all ENR respondents who had heard of Pension Credit or a similar benefit, only three per cent had previously received it, while one per cent of all respondents had previously received Minimum Income Guarantee (a benefit Pension Credit replaced). Those who had previously received Pension Credit were asked whether they received Guarantee Credit, Savings Credit or both. The majority of respondents did not know what type of Pension Credit they had received in the past.

The most popular response given as to why Pension Credit is no longer received was having too much money (income/savings) (53 per cent), followed by not being eligible/no longer qualifying (25 per cent). Those in receipt of other benefits were more likely to lose entitlement to Pension Credit due to having too much money (income/savings) while those in receipt of a non-state pension are more likely to lose entitlement through not being eligible/no longer qualifying.

5 Conclusion

This study further investigated the barriers to claiming Pension Credit faced by ENRs. The key findings from this research are summarised below.

5.1 Awareness and knowledge of Pension Credit

This study shows that while awareness of Pension Credit is high, with nearly three-quarters (72 per cent) of ENR respondents having heard of Pension Credit, knowledge is lower. Of those who had heard of Pension Credit, over half (54 per cent) had only heard the name. Only 16 per cent of ENR respondents said they were well informed about Pension Credit.

Respondents had very limited knowledge of who to contact if they required information about the State Pension or other benefits, over a third (35 per cent) said they did not know who they would contact, while the most common response was TPS/PDCS (16 per cent).

5.2 Perceived barriers to claiming Pension Credit

Previous research conducted on the reasons why people do not claim has consistently shown perceived ineligibility to be a primary barrier, with barriers related to process and stigma being shown to act as secondary barriers. This new survey evidence supports this, showing that only two per cent were put off claiming due to a perception that the application process would be too long or too complicated. Furthermore, only one per cent of ENR respondents said that they were not claiming because they felt bad asking for benefits or help from Government. The primary reason given for not claiming was perceived ineligibility, with 65 per cent of ENR respondents saying that they did not claim because they did not think they were eligible/no longer eligible/have too much money.

That is not to say there is absolutely no stigma attached to claiming Pension Credit, however: 62 per cent agreed that they 'do not like 'asking' for benefits'. Only 16 per cent agree that their family/friends would have a negative view of them claiming Pension Credit. However, the vast majority of ENR respondents (92 per cent) said they would apply for Pension Credit if they knew they were eligible.

5.3 Past experiences of claiming Pension Credit

Perceived ineligibility to Pension Credit by the ENR respondents is evident again in the reasons why ENRs do not complete the application process, with 53 per cent reporting that they did not complete the process because they did not think they would be eligible. Those who had received or applied for Pension Credit in the past were unlikely to apply again, with only 36 per cent saying they would apply again in the future.

Only 17 per cent of ENR respondents who had never received, nor applied for, Pension Credit had thought about applying.

When it comes to triggers for applying, only eight per cent of respondents who had received or applied for Pension Credit did so alongside applying for their State Pension. Instead the most common response given as to the trigger for applying was that they were short of money/struggling financially (12 per cent), followed by to see whether they were eligible (11 per cent).

Appendix

Methodology

The sample frame used was derived from a model developed by TPS, consisting of data from DWP and local authority benefit systems and HMRC PAYE tax returns, that seeks to identify ENRs of Pension Credit within the general population. Using this model, a database was created with details of all potential ENRs and this forms the basis for all activity to increase the uptake of Pension Credit. Although the model cannot predict eligibility with complete accuracy because of the level of financial information required for each individual at the point of claim, it is the best method of estimating eligibility and has been the basis of TPS' Pension Credit take-up campaigns.

The sample frame is not perfect because the model cannot predict eligibility with complete accuracy, so there will always be individuals who are wrongly included or excluded from the ENR group. However, it does focus in on the population more systematically, and enables the research to provide a more robust profile of the eligible groups than previous research has allowed.

It is important to note that certain groups were excluded from the research (i.e. they were initially screened out from the sample frame):

- terminally ill customers;
- requests for no further contacts, complaints involving Members of Parliament;
- customers who have been excluded because they were recently part of a mailing;
- customers who have previously been flagged as living abroad; and
- customers flagged with potential address issues.

Excluding certain groups results in the survey population being different to the original TPS model. Some of these groups may in fact be ineligible (such as those living abroad) and hence, are not part of the 'true' ENR population. Screening these individuals out increases the accuracy of the model by redefining those who are ineligible. However, there are other groups for which it was impractical to conduct a survey and excluding these has an effect on capturing the entire TPS ENR model population, albeit a very small impact given the small size of these groups.

Once these individuals were removed from the sample frame, a random sample was selected, stratified by customer group (a variable included within the database providing further information about the individual – for example, whether a previous claim was registered, whether they previously claimed Minimum Income Guarantee).

Table A.1 Profile of respondents

Attribute	Interviewed (%)	Weighted sample (%)
Gender		
Male	43	41
Female	57	59
Age		
60–64	9	9
65–74	43	40
75–84	35	36
85+	13	14
Marital Status		
Married/civil partnership/living with partner	47	44
Widowed	37	41
Single/separated/divorced	14	15
Ethnicity		
White British or Irish	92	92
Other/Black and Minority Ethnic	7	7
First language		
English	96	97
Other	3	3
Urban		
Urban	37	71
Other	63	29
Region		
South East	21	13
London	10	11
South West	16	11
West Midlands	7	10
East Midlands	7	9
Wales	8	6
East of England	11	10
Yorkshire and The Humber	6	8
North East	2	4
North West	7	11
Scotland	5	7

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This report documents the findings from a research project designed to examine the barriers to claiming Pension Credit. It provides the first robust quantitative evidence, using a sample of respondents the Department for Work and Pensions (DWP) estimated to be eligible non-recipients (ENRs). Findings are presented on the demographic characteristics and attitudes of the population of Pension Credit ENRs and also the reasons why people do not claim when they appear to be entitled.

If you would like to know more about DWP research, please email:
Socialresearch@dwp.gsi.gov.uk

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