

## Research Note:

Age UK's Equality Impact Assessment of the Government's decision to means-test Winter Fuel Payments from the winter of 2024-25

September 2024

## Introduction

This research note presents findings from analysis of the most up to date official data available to set out Age UK's estimate of the impact of the Government's decision to means-test Winter Fuel Payment on the 2.5 million pensioners living in poverty or just above the poverty line in the UK, by reference to certain personal characteristics. These characteristics are age, disability, sex, living alone and region. It was unfortunately not possible to analyse the impact by ethnicity because the sample size was too low.

This note begins by providing a background to the announcement to means-test Winter Fuel Payment from the winter of 2024-25, before presenting our estimates of the proportion and number of pensioners living in or just above the poverty line that will no longer receive Winter Fuel Payments by age, disability, sex, living alone and region. Annex A then explains the methodology behind our estimates and Annex B presents the analysis for all pensioners.

## Background

The Winter Fuel Payment is an annual payment to people of State Pension age in the United Kingdom<sup>1</sup> intended to help them with heating costs during the colder months. The payment was first introduced in 1997 and has since evolved in amounts of payment and eligibility criteria.

Since the winter of 2011-12, the payment amounts have remained the same at either £200 or £300 depending on age and family composition (see table 1). The real terms value of these amounts has therefore fallen by around three-tenths since 2011 (and around one-third since 2008 when the payment amounts were slightly higher<sup>2</sup>).

Table 1: Winter Fuel Payment amounts since winter of 2011-12

Amount	Eligibility
£200	Single person aged under 80 Couple both aged under 80
£300	Single person aged 80 & over Couple with at least one partner aged 80 & over

In July 2024 the Government announced that from the winter of 2024-25 Winter Fuel Payments will be made to people of State Pension age (pensioners) in receipt of one of the following income related means-tested benefits during the qualifying week<sup>3</sup>:

- Pension Credit
- Universal Credit
- Income-related Employment and Support Allowance (ESA)
- Income-based Jobseeker's Allowance (JSA)
- Income Support
- Child Tax Credit
- Working Tax Credit

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<sup>1</sup> Scotland and Northern Ireland currently mirror the winter fuel payment scheme in England & Wales

<sup>2</sup> During the winters of 2008, 2009, 2010 and 2011 there was an additional payment so those entitled to £200 got £250 and those entitled to £300 got £400.

<sup>3</sup> Qualifying week is 16<sup>th</sup> to 22<sup>nd</sup> September 2024

## Equality Analysis

There are around 11.8m pensioners in the UK of whom 10.7m (90%) will no longer receive Winter Fuel Payments from the winter of 2024-25. Among these 10.7m pensioners are:

- 1.6m pensioners who live in poverty
- 0.9m pensioners who live just above the poverty line
- 0.4m pensioners who live with income below that required for minimum living standards (but not in poverty or just above the poverty line)

Pensioners living in poverty are those in households with a net equivalised disposable household income after housing cost below a threshold set at 60% of median income. This is the Government's preferred definition of poverty and is called relative poverty.

Pensioners living just above the poverty line are those in households with a net equivalised disposable household income after housing cost above 60% but below 70% of median income.

The Retirement Living Standards published by the Pensions and Lifetime Savings Association (PLSA) provide a picture of what kind of lifestyle pensioners could expect in retirement. The minimum retirement standard is defined as the income needed to “*cover all your needs, with some left over for fun*”<sup>4</sup>.

Annex B presents an estimate of the proportion and number of the 10.7m pensioners who will no longer receive Winter Fuel Payments by characteristics.

Below, in the main body of this research note, we present estimates on the proportion and number of the 2.5m pensioners living in poverty or just above the poverty line (representing around four in five, 82%, of all such pensioners) who will no longer receive Winter Fuel Payments by age, disability, sex living alone and region.

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<sup>4</sup> Further information of the Retirement Living Standards is available at <https://www.retirementlivingstandards.org.uk/> (accessed 25<sup>th</sup> September 2025)

Around nine in ten (90%) pensioners in the UK will no longer receive Winter Fuel Payments from the winter of 2024-25. Of these 10.7m UK pensioners, almost one in four (23%) live in poverty or just above the poverty line and:

*Age:*

- 87% (0.5m) of UK pensioners aged 66 to 69 living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 81% (0.6m) of UK pensioners aged 70 to 74 living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 82% (0.6m) of UK pensioners aged 75 to 79 living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 80% (0.8m) of UK pensioners aged 80 and over living in poverty or just above the poverty line will no longer receive Winter Fuel Payments

*Disability:*

- 78% (1.1m) of UK pensioners with a disability living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 87% (1.4m) of UK pensioners without a disability living in poverty or just above the poverty line will no longer receive Winter Fuel Payments

*Age & Disability:*

- 79% (0.2m) of UK pensioners with a disability aged 66 to 69 living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 79% (0.3m) of UK pensioners with a disability aged 70 to 74 living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 79% (0.2m) of UK pensioners with a disability aged 75 to 79 living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 75% (0.4m) of UK pensioners with a disability aged 80 and over living in poverty or just above the poverty line will no longer receive Winter Fuel Payments

*Sex:*

- 79% (1.4m) of female pensioners in the UK living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 87% (1.1m) of male pensioners in the UK living in poverty or just above the poverty line will no longer receive Winter Fuel Payments

*Living alone:*

- 76% (1m) of UK pensioners living alone in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 83% (1.5m) of UK pensioners living with someone in poverty or just above the poverty line will no longer receive Winter Fuel Payments

*Region:*

- 74% (0.1m) of pensioners in the North East living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 83% (0.3m) of pensioners in the North West living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 84% (0.3m) of pensioners in Yorkshire & Humber living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 82% (0.2m) of pensioners in the East Midlands living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 75% (0.2m) of pensioners in the West Midlands living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 85% (0.3m) of pensioners in the East of England living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 78% (0.2m) of pensioners in London living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 86% (0.3m) of pensioners in the South East living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 81% (0.2m) of pensioners in the South West living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 86% (0.1m) of pensioners in Wales living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 85% (0.2m) of pensioners in Scotland living in poverty or just above the poverty line will no longer receive Winter Fuel Payments
- 83% (0.06m) of pensioners Northern Ireland living in poverty or just above the poverty line will no longer receive Winter Fuel Payments

## Annex A: Methodology

To estimate the proportion and number of pensioners that will no longer receive Winter Fuel Payments by characteristics we used the Household Below Average Income (HBAI) 2022-23 dataset. The HBAI dataset is drawn from the Family Resource Survey (FRS), the focus of which is capturing information on incomes as well as contextual information on household and individual's circumstances.

For each benefit unit (i.e. family) in the HBAI 2022-23 dataset we identified whether there are any members who were in receipt of any of the qualifying benefits for Winter Fuel Payments. For benefit units where at least one member is in receipt of one or more of the qualifying benefits we defined all members in that benefit unit to be in receipt of a qualifying benefit.

We then estimated the number of pensioners, the proportion and number that were not in receipt of a qualifying benefit and will therefore no longer be in receipt of Winter Fuel Payments, and these estimates by poverty, age, disability, sex, living alone and region.

The HBAI is a survey and therefore has some limitations, such as being subject to both non-response bias and reporting error, which leads to, amongst other issues, under-reporting of benefit receipts. This may suggest that our estimates of pensioners who will no longer be in receipt of Winter Fuel Payments may be a slight overestimate. To produce estimates for smaller sub-groups and geographical areas it is advised multiple survey years are combined – something that we have not had the opportunity to do.

As our analysis is based on survey data there is uncertainty around the estimates produced, which would typically be reported as confidence intervals – something that we have not had the opportunity to calculate.

Even given these caveats, we are confident that our mid-point estimates provide a reasonable ballpark figure for the scale of the impact.

Furthermore, the Government expectations that the announcement to means-test Winter Fuel Payment will lead to an increase in the number of pensioners making a Pension Credit claim from 63% to 68%, leading to an additional 0.1m pensioner families being in a position to receive Winter Fuel Payment. Even if these assumptions turn out to be what happens, 0.1m will not make a material impact on our analysis. However, for the eleven years of data published between 2010 and 2022, Pension Credit take-up has not risen above 66% and so the chances of it reaching 68% is small, making it even more unlikely that any such increase will impact on our estimates.

## Annex B: Equality Assessment for all pensioners no longer to be in receipt of Winter Fuel Payments

Around nine in ten (90%) pensioners in the UK, around 10.7m, will no longer receive Winter Fuel Payments from the winter of 2024-25 and:

### *Age:*

- 92% (2.5m) of pensioners aged 66 to 69 in the UK will no longer receive Winter Fuel Payments
- 90% (3.0m) of pensioners aged 70 to 74 in the UK will no longer receive Winter Fuel Payments
- 91% (2.4m) of pensioners aged 75 to 79 in the UK will no longer receive Winter Fuel Payments
- 87% (2.8m) of pensioners aged 80 and over in the UK will no longer receive Winter Fuel Payments

### *Disability:*

- 87% (5.5m) of pensioners with a disability living in the UK will no longer receive Winter Fuel Payments
- 93% (5.1m) of pensioners without a disability living in the UK will no longer receive Winter Fuel Payments

### *Age & Disability:*

- 84% (0.8m) of UK pensioners with a disability aged 66 to 69 will no longer receive Winter Fuel Payments
- 85% (1.1m) of UK pensioners with a disability aged 70 to 74 will no longer receive Winter Fuel Payments
- 87% (1.1m) of UK pensioners with a disability aged 75 to 79 will no longer receive Winter Fuel Payments
- 83% (1.5m) of UK pensioners with a disability aged 80 and over will no longer receive Winter Fuel Payments

### *Sex:*

- 87% (5.5m) of female pensioners in the UK will no longer receive Winter Fuel Payments
- 93% (5.1m) of male pensioners in the UK will no longer receive Winter Fuel Payments



*Living alone:*

- 83% (3.1m) of pensioners living alone in the UK will no longer receive Winter Fuel Payments
- 90% (7.6m) of UK pensioners living with someone in the UK will no longer receive Winter Fuel Payments

*Region:*

- 84% (0.4m) of pensioners in the North East will no longer receive Winter Fuel Payments
- 89% (1.2m) of pensioners in the North West will no longer receive Winter Fuel Payments
- 88% (0.9m) of pensioners in Yorkshire & Humber will no longer receive Winter Fuel Payments
- 91% (0.8m) of pensioners in the East Midlands will no longer receive Winter Fuel Payments
- 87% (0.9m) of pensioners in the West Midlands will no longer receive Winter Fuel Payments
- 92% (1.1m) of pensioners in the East of England will no longer receive Winter Fuel Payments
- 89% (0.9m) of pensioners in London will no longer receive Winter Fuel Payments
- 93% (1.6m) of pensioners in the South East will no longer receive Winter Fuel Payments
- 92% (1.1m) of pensioners in the South West will no longer receive Winter Fuel Payments
- 89% (0.6m) of pensioners in Wales will no longer receive Winter Fuel Payments
- 89% (0.9m) of pensioners in Scotland will no longer receive Winter Fuel Payments
- 88% (0.3m) of pensioners Northern Ireland will no longer receive Winter Fuel Payments