

Financial Entitlements

(Region varies)

Also see policy positions on State Pensions, Poverty and Financial Disadvantage, and Employment

December 2021

The benefit and entitlement systems should ensure an adequate income for people in retirement and for younger people who are unable to work for reasons such as disability or caring responsibilities. Benefits designed to boost income for those in work should ensure that work pays.

Introduction

In addition to the State Pension, there are a range of different social security entitlements. These can be means-tested, based on NI contributions, or linked to circumstances such as age or disability. Benefits make an important difference to the lives of many people although some find the process of finding out about entitlements and making an application difficult and many people are missing out on money due to them. The biggest change in recent years has been the introduction of Universal Credit, replacing 6 working age benefits and tax credits. Some benefits have been devolved to the Scottish Parliament including Attendance Allowance and the Winter Fuel Payment.

Key issues

1. Universal Credit and older people

Although Universal Credit is a benefit for people of 'working age', since May 2019 pensioners with a partner under State Pension age, who need to claim means-tested benefits, must claim Universal Credit rather than Pension Credit and Housing Benefit. As the standard rates are much lower, pensioners are, in effect, financially penalised for having a younger partner and also miss out on other support for pensioners such as Cold Weather Payments and, if they are 75+, a free TV licence.

2. Support for disabled people and carers

Carer's Allowance, the main benefit for carers, is worth just £67.60 a week (April 2021-22) even though carers must provide at least 35 hours a week of care to qualify. In Scotland an additional Carer's Allowance Supplement, currently worth £231.40, is paid twice a year.

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Attendance Allowance plays an important role in helping disabled older people remain independent and meet the costs of ill health and disability. In the past the Government asked for views about transferring Attendance Allowance to local councils in England but decided not to go ahead with changes.

3. The role of age-based entitlements

The free TV licence for over 75s is now means-tested and some commentators have suggested other benefits linked to age should also be restricted. However, aged-based payments such as the annual Winter Fuel Payment are valued by many and are particularly important to some of the poorest - those who should be getting means-tested benefits but are not receiving them - and to people others with income just below the threshold to receive support.

Public Policy Proposals

- The Government should review the mixed age couples rules and make the system fairer, for example, by introducing an additional pensioner element within Universal Credit or modifying Pension Credit rates for mixed age couples.
- Attendance Allowance provides a flexible, highly valued national entitlement which helps with the costs of disability and promotes independence. Age UK believes it should remain a national cash entitlement.
- The Winter Fuel Payment provides valuable extra help in a straightforward way. Age UK would oppose any move to means-test the payments which could lead to those in greatest need missing out.
- The benefit system needs to provide better support for carers. Carer's Allowance should be increased - a first step is to provide support in England, Wales and Northern Ireland in line with the supplement in Scotland. There should also be a new 'cost of caring' allowance to help with the financial impact of caring for all carers including those over State Pension age who often cannot benefit from claiming Carer's Allowance.

Want to find out more?

Age UK has agreed policy positions on a wide range of public policy issues. Our policies cover money matters, health and wellbeing, care and support, housing and communities. There are also some crosscutting themes, such as age equality and human rights, age-friendly government and information and advice.

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