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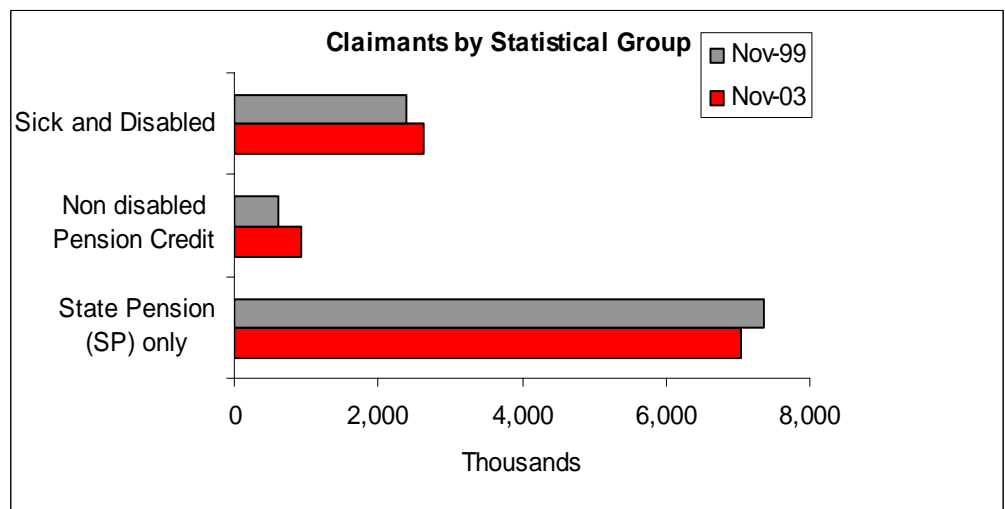
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## CLIENT GROUP ANALYSIS OF THE POPULATION OVER STATE PENSION AGE: NOVEMBER 2003

The Client Group Analysis of the Population Over State Pension Age for November 2003 is published today. This continues the series on the population over state pension age in Great Britain in receipt of key Department for Work and Pensions (DWP) benefits. The series has been developed from existing data on individual benefits to give a more coherent picture for this client group. It is published on a regular basis via the attached statistical bulletin. See notes to editors for further details.

The main findings are:-

- In November 2003, approximately 10.6 million, or 99.6% of people over state pension age and resident in Great Britain, claimed at least one of the key DWP benefits.
- The number of people over state pension age receiving one of the key DWP benefits rose by 254 thousand between November 1999 and November 2003. In the year to November 2003 the number of claimants increased by 95 thousand.
- In November 2003, the proportion of women claiming at least one of the key state benefits is slightly lower than for men; 99.6% compared with 100 % respectively.



- The **sick and/or disabled** statistical group has increased by 238 thousand during the period November 1999 to November 2003. In the year to November 2003 the number within this statistical group increased by 65 thousand.
- During the period November 1999 to November 2003, the **non disabled MIG/pension credit** statistical group increased by 324 thousand. In the year to November 2003 the number within this statistical group increased by 219 thousand.
- The **SP only** statistical group has decreased by 308 thousand in the period November 1999 to November 2003. In the year to November 2003 the number within this statistical group decreased by 188 thousand.

## NOTES TO EDITORS

### Background information

DWP Information Centre (Information and Analysis Directorate) has developed these analyses from its existing samples of administrative data on the population over state pension age. This work was done primarily to help improve the relevance of DWP data to monitor the Government's Welfare Reform agenda. By matching data from individual 5% samples, an estimate can be made of the number of people who were claiming at least one of the key benefits that are available to the population over state pension age, with the main exception of Housing Benefit and Council Tax Benefit. Information on the key characteristics of these claimants is also available, such as age, sex, and statistical group. It is also possible to look at changes in the composition of this group in the benefits system over time, including those that affect individual claimants.

Pension Credit (PC) replaced the Minimum Income Guarantee (MIG) on 6th October 2003. As well as continuing the income guarantee entitlement available to pensioners under MIG - termed Guarantee Credit (GC) in PC - PC brings in a new Savings Credit (SC) element to reward pensioners with modest savings.

The vast majority of pensioners who were previously in receipt of MIG transferred to PC on 6th October 2003. However, by end-November 2003 there were still a small number of claims (around 15 thousand) that had not been transferred to PC. The main reason why these cases were not transferred to Pension Credit was because the claimant was aged under 60 and the partner aged 60 or over. Those claimants who have not transferred to Pension Credit continue to receive benefit at the rate they received under MIG.

In addition, several hundred thousand additional pensioner households not previously entitled to MIG are entitled to PC. These are households who have deemed income from savings and/or a second pension that takes them above the guarantee level in Guarantee Credit, but who are now rewarded for those savings via the Savings Credit (SC) element of PC. SC is available to pensioner households where at least one of the benefit unit is aged 65+. The GC element of PC applies to pensioner households where at least one of the benefit unit is aged 60+, as with previously under MIG.

As many more pensioners are entitled to PC than MIG, the PC caseload is already beginning to increase significantly compared with MIG. At August 2003, there were 1.80m pensioners in receipt of MIG, increasing to 2.06m pensioners in receipt of PC at November 2003. The knock-on effect for the client group analysis of pensioners on key benefits is that the non-disabled PC group is significantly larger than the previous non-disabled MIG group, at the expense of the SP-only statistical group. This trend should continue through subsequent editions of this client group analysis because there is a target of 2.8m pensioner households receiving PC by October 2004 and 3.0m by 2006.

Figures in this and future DWP publications have been/will be affected by the introduction of Child Tax Credit (CTC) in April 2003. The main changes are:

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- Child dependency increases paid with non-income related benefits are abolished for new claims to State Pension, Bereavement Benefit, Incapacity Benefit and Carer's Allowance from April 2003.
- CTC will replace the child elements of Income Support (IS) and income-based Jobseeker's Allowance (JSA(IB)). This will happen from April 2004 onwards.

The figures in the statistical groups for November 2001 and November 2002 differ from those published in the Client Group Analysis on the Population Over State Pension Age Claiming Key Benefits: November 2002. The methodology for creating the statistical groups has been updated to give a more accurate breakdown of the characteristics of the claimants. This change has resulted in claimants who were previously in the SP only group moving into the sick and disabled group. The overall totals have not been affected.

A small number of IS/ JSA(IB) recipients have ceased to be eligible since CTC has in payment. This is because CTC payments will raise total income above the IS/JSA(IB) threshold, or other income exceeds the threshold once child allowances are removed.

We therefore advise that customers exercise caution when performing year on year comparisons, or when comparing with the previous quarter.

Prior to the November 2001 bulletin, the client group datasets for those above state pension age in receipt of key benefits had excluded some people where the underlying individual benefits data was inconsistent e.g. State Pension (SP) data suggested pensioner was also receiving the Minimum Income Guarantee (MIG), whereas MIG data suggested they were not. Previous analysis suggested that many of these people had, in fact, recently died, and hence they were removed from the client group datasets and published figures.

However, ahead of the November 2001 bulletin, extensive additional investigations were carried out, and it was discovered that the situation was more complicated than previously thought. Firstly, it was found that not all of the cases previously removed were actually dead, and secondly that there was no automatic way of identifying whether cases were dead or not. Therefore, everyone shown as a live claim on the underlying individual benefits data is now included within the pensioner client group datasets and statistics produced from them. In order to achieve consistent time series, all client group datasets back to November 1997 have been re-ran to reinstate all 'additional dead' cases previously removed. Thus, all time series in this bulletin (e.g. table 1.1) now include these cases.

Although no longer removed because of it not being possible to identify them automatically and accurately, it is thought that the number of additional dead cases is around 50 thousand at any one time, consistent across time periods. Put another way, **it is estimated that the total number of people over state pension age in Great Britain in receipt of key benefits reported by this bulletin is an over-estimate of around 50 thousand, consistent across time periods.** The over-estimate is principally due to people who have recently died still being recorded as a

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live claim on the SP data, caused by the time lag between death of the claimant and the department being notified and then updating the SP computer system. The problem of dead cases in the pensioner client group datasets is concentrated in the 90+ age group, especially the 100+ age group.

Figures are published on a six monthly basis via the attached statistical bulletin. The definitive estimates of caseloads and characteristics of claimants of each individual benefit can be found in the separate publications and first releases that IAD Information Centre also issues on behalf of DWP.

The full version of this bulletin in Adobe acrobat format is placed on the internet on the DWP website. The full address is: <http://www.dwp.gov.uk/asd/pensioners.asp>

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