

People of pension age may be missing out on £5.2 billion

Report written in partnership with Money Saving Expert

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Executive summary

This research finds that over 1.1 million pension age households could be missing out on £5.2 billion of Attendance Allowance per year. This support is intended to help pension age households cope with the additional costs of disability.

Rising living costs, together with relatively low UK pensions compared to many similar countries,¹ mean that many pension age households now struggle to meet their basic outgoings. This issue is particularly acute in households in which a person has a disability and needs additional support to cope with day to day living. A recent report by Scope² calculated the average cost of disability to be an additional £1,122 per month.



Maximising pension age income through the take up of benefits is essential to reduce harm, debt or other crises. Additional income to assist with disability can make a significant difference to people of pension age by affording adequate nutrition, warmth and participation in society.

An award of Attendance Allowance can be worth up to £5,306 per annum. This represents a significant proportion of the average pension age income. ONS data shows that the average income for a single pensioner in 2022 was £18,148³ per year. An award of Attendance Allowance would therefore represent an additional 29% of income for these pensioners. For a single pensioner in receipt of Pension Credit, which is currently £10,454 per annum, Attendance Allowance would increase their income by 51%.

¹ Pensions: International comparisons, HoC Library, Research Briefing March 2022, <https://researchbriefings.files.parliament.uk/documents/SN00290/SN00290.pdf>

² A recent report by Scope calculated the average cost of disability to be an additional £1,122 per month, <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag-2023/>

³ National statistics, Pensioners' Incomes Series: Financial year 2021 to 2022, Published 23 March 2023, <https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2021-to-2022/pensioners-incomes-series-financial-year-2021-to-2022>

The overall financial benefit to a person awarded Attendance Allowance may be significantly higher than £5,306 per year. This is because Attendance Allowance acts as a passport to additional sources of support and to an increase in other benefits that the applicant may already be receiving.

Attendance Allowance is available to people over pension age who are assessed as needing assistance with day to day living or mobility, even if no assistance is in place. Income and savings are ignored. As claims start from the date of application, potential claimants are advised to make a phone claim as soon as possible. This can be done by contacting the Attendance Allowance helpline on 0800 731 0122.

This paper sets out the methodology for calculating the level of unclaimed Attendance Allowance, and its value, in Great Britain. It follows on from previous research⁴ by Policy in Practice that estimated that means tested benefits, across all age groups, are underclaimed by up to £19 billion a year.

About Attendance Allowance

Attendance Allowance is the main benefit for people of pension age who need support with daily living. Assessment for Attendance Allowance ignores any income or savings and so is available to everyone of pension age who needs support with daily activities and who has needed this support for at least six months.

Although Attendance Allowance is designed to cover the cost of support with daily living, a person does not need to have a carer, or have support in place, to be eligible.

The requirement for support covers a wide range of conditions. For example, these could be:

- Needing support with personal tasks such as getting dressed, eating, moving around or personal hygiene
- Managing personal tasks but finding these difficult to accomplish
- Supervision in order to stay safe
- Supervision during the day or night due to a mental health condition
- Learning difficulties
- Being blind or deaf



⁴ Missing out: £19 billion of support is unclaimed each year, <https://policyinpractice.co.uk/report-missing-out-19-billion-of-support-is-unclaimed-each-year/>

Pensioners who are already in receipt of a disability benefit such as Disability Living Allowance (DLA) or Personal Independence Payment (PIP) when they reach pension age will continue to receive this benefit rather than Attendance Allowance. As these benefits are typically paid at a higher rate, it is advantageous for those of pension age to remain on these benefits and not to claim Attendance Allowance. All new claims for disability support for people of pension age will be for Attendance Allowance.

Attendance Allowance is provided at two rates:

- £68.10 per week if support is needed **either** for the day or the night
- £101.75 per week if support is needed for **both** the day and the night

An award of Attendance Allowance can therefore be worth up to £5,306 per annum. This represents a significant proportion of the average pension age income. ONS data shows that the average income for a single pensioner in 2022 was £18,148⁵ per year. An award of Attendance Allowance would therefore represent an additional 29% of income for these pensioners. For a single pensioner in receipt of Pension Credit, currently £10,454 per annum, Attendance Allowance would increase their income by 51%.

Receipt of Attendance Allowance is important not only for its own financial value, but because it acts as a passport for increased support through other benefits.

- For pension age households reliant on Pension Credit as their main source of income, entitlement to Attendance Allowance provides a higher level of Pension Credit award
- For pensioners whose income means that they just miss out on Pension Credit, entitlement to Attendance Allowance may mean that they now qualify because income is assessed against a higher level of need
- Carers who are caring for a pension age person who is entitled to Attendance Allowance may themselves be entitled to Carers Allowance
- If a person does not receive full Council Tax support their Council Tax support may be higher once they receive Attendance Allowance
- Eligibility for Attendance Allowance acts as a passport to entitlement for a Disabled Person's Railcard
- Attendance Allowance can be used to support an application for a Blue Badge which allows holders to park in disabled parking bays
- Where a person is eligible for Attendance Allowance and their partner is not yet pension age, and they are subject to the benefit cap, the benefit cap will no longer apply

Because Attendance Allowance acts as a passport to additional sources of support and can lead to an increase in the level of benefit awards already in payment, the actual financial benefit of an award of Attendance Allowance may be significantly higher than £5,306.

Compared to many other benefits, Attendance Allowance is relatively straightforward to claim. A claim can be made by phone or by downloading a form⁶. If an application is made by phone a form is then sent to the applicant. It is usually advantageous to claim by phone as the date of claim will be the date of the phone call (as long as the follow up form is returned within six weeks) rather than the date the form is returned. A phone call also allows applicants to discuss any barriers to form completion with specialist DWP officers.

⁵ National statistics, Pensioners' Incomes Series: Financial year 2021 to 2022, Published 23 March 2023, <https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2021-to-2022/pensioners-incomes-series-financial-year-2021-to-2022>

⁶ Attendance Allowance helpline on 0800 731 0122. Or download a claim form online at www.gov.uk/attendance-allowance.

Methodology and approach

Policy in Practice has used publicly available data to arrive at an evidence based and data driven estimate of the number of people of pension age who may be eligible for Attendance Allowance, and the possible value of unclaimed Attendance Allowance.



All countries making up the UK collate country-specific health and social care data. This data is collected and aggregated separately across each of the devolved administrations. Comparable primary statistics are therefore not available for each country. In order to overcome this statistical barrier, the ratio of the pension age population potentially entitled to Attendance Allowance compared to the pension age population receiving disability benefits has been calculated for England and extrapolated to other countries. Although this methodology accounts for differences in health and disability across the nations, as the ratio is applied to the number of residents currently claiming Attendance Allowance in each country, it cannot account for possible differences in benefit take up between countries.

Many of the statistics used to calculate current take up derive from Stat Xplore, which holds benefit data for England, Wales and Scotland. Comparable statistics are not readily available for Northern Ireland and so Northern Ireland has been excluded from this current analysis.

Table 1 shows the pension age population currently entitled to Attendance Allowance (AA), Personal Independence Payment (PIP) or Disability Living Allowance (DLA) across England, Wales and Scotland. The population entitled to support in these statistics represents those that have made a successful claim that may or may not be in payment.

Table 1: People of pension age entitled to disability benefits in Great Britain

	England	Wales	Scotland
Population over 65 ⁷	10,468,153	665,792	1,073,861
Currently entitled to AA ⁸	1,326,734	103,883	146,223
Currently entitled to DLA ⁹	401,818	45,016	91,340
Currently entitled to PIP ¹⁰	498,168	43,099.00	55,324.00
Total pension age population currently entitled to disability benefits	2,226,720	191,998	292,887

The NHS Health Survey for England suggests that 31% of people of pension age require a level of assistance with daily living¹¹. This equates to 3,245,127 people of pension age in England.

As there are currently 2,226,720 people of pension age claiming disability benefits in England, this suggests that current claims for disability benefits represent 68.6% of those potentially eligible for support.

Wales and Scotland do not provide comparable statistics to those provided by the Health Survey for England¹². In order to calculate the number of people missing out on support, the current population entitled to disability benefits is taken to represent 68.6% of the potentially eligible population for each country (as in England).

Table 2: People of pension age entitled to disability benefits and the population potentially entitled to Attendance Allowance, and not claiming, across Great Britain

	England	Wales	Scotland
Number of people of pension age already entitled to disability benefits	2,226,720	191,998	292,887
Potential population of pension age eligible for disability benefits (assuming current claim rate of 68.6% provide by English only statistics)	3,245,127	279,809	426,841
Total pension age population currently entitled to disability benefits	1,018,407	87,811	133,954

⁷ [https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2021\)/MYE1](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2021)/MYE1): Population estimates: Summary for the UK, mid-2021

⁸ Stat Xplore(https://stat-xplore.dwp.gov.uk/webapi/openinfo?page?id=AA_Entitled_New/) AA cases with entitlement/Table 3 region

⁹ Stat Xplore/England only/ DLA: Cases with entitlement - Data from May 2018 | Table: Table 3 – Region/Filtered by Age (bands and single year)

¹⁰ Stat Xplore/ England only/ Month and Age (bands and single year) by National - Regional - LA – Oas. Filters: National - Regional - LA - OAs V : England/ Default Summation : PIP Cases with Entitlement

¹¹ <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/health-survey-for-england-2021-data-tables> - Health Survey for England 2021: Social care for older adults, Table 2: Number of Activities of Daily Living (ADLs and IADLs) for which help was needed in the last month, by age and sex

¹² <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/health-survey-for-england-2021-data-tables> - Health Survey for England 2021: Social care for older adults, Table 2: Number of Activities of Daily Living (ADLs and IADLs) for which help was needed in the last month, by age and sex

Caveats and notes

1. The take up rate that has been applied (68.6%) is based on a self reported survey undertaken by NHS England to determine the number of people requiring assistance with activities of daily living (ADL) and instrumental activities of daily living (IADL). These are roughly comparable to the requirements for Attendance Allowance. However, the level of assistance required is not recorded which means the requirement for support may not be severe enough to meet the criteria for Attendance Allowance. The non take up population derived from this analysis may therefore be an overestimate. Nevertheless, it is worthwhile for anyone with potential eligibility to make a claim in order for an assessment to be carried out and eligibility to be determined
2. Statistics on entitlement to disability benefits rather than payment of disability benefits are used for this analysis. This ensures that those with current entitlement but where Attendance Allowance is not in payment (approximately 9% of those entitled) are not included in the take up figures
3. Disability benefits have been devolved to Scotland. Scotland has introduced the Adult Disability Benefit (ADP) to replace PIP for working age adults from 29 August 2022. Figures for pension age PIP recipients provided in this report are taken from November 2022. ADP recipients moving to pension age by 2022 are therefore unlikely to be significant. Attendance Allowance will be replaced by the Pension Age Disability Payment in Scotland from 2025



An estimate of the number of people of pension age missing out on Attendance Allowance in Great Britain

The methodology described suggests that approximately 1.2 million people of pension age in Great Britain may be missing out on entitlement to Attendance Allowance.

Table 3: Population potentially entitled to Attendance Allowance and not currently claiming a disability benefit

Population potentially entitled to Attendance Allowance and not currently claiming a disability benefit	
England	1,018,407
Wales	87,811
Scotland	133,954
Total	1,240,172

Not all those entitled to Attendance Allowance will receive payment as awards are suspended when a person enters a publicly funded care facility, such as a hospital, NHS-funded home or respite facility, for more than four weeks. Support will usually be reinstated when the person leaves the care facility.

DWP data shows that 9% of people entitled to Attendance Allowance were not in payment in November 2022. This percentage reduction can be applied to the number of people potentially entitled to Attendance Allowance to give a figure of people missing out on payment of Attendance Allowance.

Table 4: Pension age population potentially missing out on a payment of Attendance Allowance and not currently claiming disability support, across Britain

Population potentially entitled to a payment of Attendance Allowance	
England	926,750
Wales	79,908
Scotland	121,898
Total	1,128,557

Value of unclaimed Attendance Allowance

Currently 37% of Attendance Allowance awards are made at the lower rate of £68.10 per week, or £3,551 per year, with the remaining awards made at the higher rate of £101.75 per week, or £5,306 per year¹³.

To calculate the value of unclaimed Attendance Allowance the same proportion of lower and higher awards is applied to the population potentially missing out on Attendance Allowance payments.

This methodology results in an estimate of £5.26 billion of unclaimed Attendance Allowance across Great Britain with £4.32 billion potentially unclaimed in England, £372 million potentially unclaimed in Wales and £568 million potentially unclaimed in Scotland.

Table 5: Estimates of the value of unclaimed Attendance Allowance across Britain

	Higher AA value	Lower AA value	Total value
England	£3,098 million	£1,218 million	£4,316 million
Wales	£267 million	£105 million	£372 million
Scotland	£407 million	£160 million	£568 million
Total	£3.7 billion	£1.48 billion	£5.2 billion



¹³ Stat Xplore

Conclusion

This research suggests that over 1.1 million people across Great Britain may be missing out on up to £5.2 billion per year in Attendance Allowance payments.

Increases in living costs have a greater impact on people living with disability. Additional needs for fuel and food, caused by underlying health problems, mean that essential costs make up a greater proportion of budgets. People of pension age with a disability are particularly affected as pension incomes are significantly lower than working age incomes.

In addition to the award of Attendance Allowance of up to £5,306 per year, Attendance Allowance can provide access to additional benefit and support and increase the award of means tested benefits. It represents a significant increase to pension age income and, for the claimant, can make the difference between being able to cope with rising costs and living with unmet need.

The benefits system can be complex to navigate and many people who are entitled to means tested and disability benefits may need support to navigate this maze. Potential claimants may require signposting to relevant benefits and supporting through the claim and assessment process. There is a role for councils, front line advice agencies and the DWP in making this happen.

- Policy in Practice works with many councils who identify eligibility to benefits and target support, primarily through Policy in Practice's LIFT platform. We would urge councils to ensure that all pension age residents are made aware of Attendance Allowance and supported through the process
- Front line organisations, including councils, can use a reputable benefit calculator such as Policy in Practice's Better Off Calculator to identify eligibility to benefits including Attendance Allowance
- The DWP should provide greater publicity around disability benefits and the eligibility criteria. Many potentially eligible people do not claim these benefits as they believe income and capital is taken into account



¹⁴ Policy in Practice's LIFT platform, <https://policyinpractice.co.uk/lift-product-page>

¹⁵ Policy in Practice's Better Off Calculator, <https://policyinpractice.co.uk/software>

About Policy in Practice

Families on the lowest incomes have the most complicated finances, often because government departments aren't able to talk to each other effectively.

Policy in Practice sets out to make government policy simple to understand, empowering people with the clarity and confidence they need to make positive decisions. As a team of policy experts, we have developed services that overcome departmental silos to help people to tackle rising living costs and build resilience, enable councils to be proactive and track the impact of their intervention, and improve safeguarding decisions while saving social workers' time.

Better Off is a software tool used by millions of people and thousands of advisors each year to help assess eligibility for the widest possible range of support without needing to be experts in the benefit system. It is free for individuals and available for advisors as an API and a self serve tool for their organisation's website.

LIFT (Low Income Family Tracker) is an analytics platform used by nearly a hundred local authorities. It combines their benefits administration data with advanced analytics to identify and support people with low financial resilience. It enables councils to increase take up of financial assistance to prevent homelessness, arrears and to increase take up of support.

MAST (Multi Agency Safeguarding Tracker) is a service backed by the LGA and NHS Digital that links data across adults, childrens, fire, police and health on a daily basis. This helps frontline staff to proactively identify where there are multiple contacts with the same individual or family to make better informed safeguarding decisions.

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