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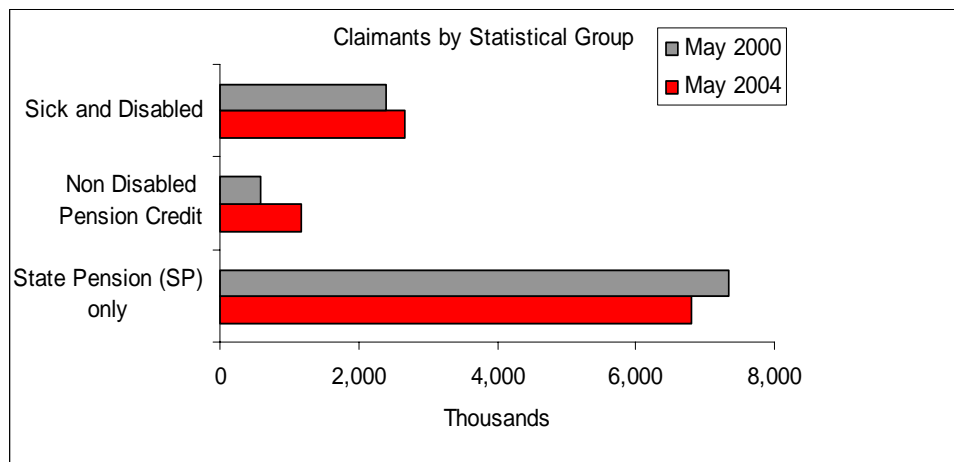
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CLIENT GROUP ANALYSIS OF THE POPULATION OVER STATE PENSION AGE: MAY 2004

The Client Group Analysis of the Population Over State Pension Age for May 2004 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 May 2004, approximately 10.6 million, or 99.9% 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 287 thousand between May 2000 and May 2004. In the year to May 2004 the number of claimants increased by 98 thousand.
- In May 2004, the proportion of women claiming at least one of the key state benefits is slightly lower than for men; 99.6% compared with 100.0 % respectively.



- The **sick and/or disabled** statistical group has increased by 258 thousand during the period May 2000 to May 2004. In the year to May 2004 the number within this statistical group increased by 80 thousand.
- During the period May 2000 to May 2004, the **non disabled MIG/pension credit** statistical group increased by 583 thousand. In the year to May 2004 the number within this statistical group increased by 461 thousand.
- The **SP only** statistical group has decreased by 554 thousand in the period May 2000 to May 2004. In the year to May 2004 the number within this statistical group decreased by 443 thousand.

NOTES TO EDITORS

Background information

The DWP Information Centre (part of the 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) under 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 May 2004 there were around 12 thousand that had not been transferred to PC, the main reason being that the claimant was aged under 60 (and therefore ineligible for PC) with a partner aged 60 or over (making the claimant formerly eligible for MIG). Those claimants who have not transferred to Pension Credit continue to receive Income Support.

In addition, several hundred thousand additional pensioner households not previously entitled to MIG are entitled to PC. These are households who have income from savings and/or a second pension that takes them above the guarantee level in GC, but who are now rewarded for those savings via the 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 previously with MIG.

As many more pensioners are entitled to PC than to MIG, 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 group. This trend should continue through subsequent editions of this client group analysis because of the target of 3.2m pensioner households claiming PC by March 2008.

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:

- Child dependency increases were abolished for new claims to State Pension, Bereavement Benefit, Incapacity Benefit and Carer's Allowance from April 2003.
- CTC replaced the child allowances of Income Support (IS) and income-based Jobseeker's Allowance (JSA(IB)) from April 2004.

Population over state pension age claiming key benefits: Great Britain

A small number of IS/JSA(IB) recipients have ceased to be eligible for those benefits since the introduction of CTC. This is either because CTC payments will raise total income above the IS/JSA(IB) threshold, or because 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.

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 live claim on the SP data, caused by the time lag between death of the claimant, the Department being notified, and the SP computer system being updated. 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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