

Client Group Analysis of the population over State Pension age

May 2004

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.

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>

Client Group Analysis
Population Over State Pension Age:
May 2004
ISSN: 1469 8609

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**DEPARTMENT FOR WORK AND PENSIONS
Information and Analysis Directorate**

**Client Group Analysis on the Population
Over State Pension Age Claiming Key Benefits:
May 2004.**

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Definitions and conventions

1. Key benefits

Attendance Allowance (AA)

Disability Living Allowance (DLA)

Incapacity Benefit (IB)

Pension Credit (used to be Minimum Income Guarantee (MIG) i.e. Income Support for those aged 60+)

State Pension (SP, also known as Retirement Pension, RP)

Severe Disablement Allowance (SDA)

2. Statistical groups

Sick and/or disabled

Claimant receiving one or more of AA, DLA, IB, SDA

or receiving PC and one of the following

- single and aged 60-79 in receipt of a Higher Pensioner Premium (HPP) due to disability;
- in a residential care or nursing home;
- sick days being recorded;
- hospitalised

or receiving SP and one of the following

- in hospital;
- have an Invalidity Allowance (IVA), AA or DLA indicator on their SP record

Non Disabled Pension Credit

PC claimants not included in the sick and/or disabled category

State Pension only

SP claimants not in other statistical groups above

Note that the statistical groups refer only to DWP benefits. The majority of claimants within the **SP only** statistical group will also be receiving income from other sources e.g. occupational pensions and investments.

3. Benefit combinations

Statistical group

Sick and/or disabled

- 1 AA or DLA
- 2 IB or SDA
- 3 One of AA or DLA and one of IB or SDA
- 4 PC only (disability-related Higher Pensioner Premium) or PC with one or more of AA, DLA, IB and SDA
- 5 SP only and in hospital or with an Invalidity Allowance (IVA), AA or DLA indicator on their SP record
- 6 SP and receiving AA or DLA
- 7 SP and PC
- 8 SP and PC and receiving AA or DLA

Non Disabled Pension Credit

- 9 PC claimants not included in sick and/or disabled statistical group

State Pension Only

- 10 SP claimants not in other statistical groups

4. Symbols and conventions

The population over state pension age is defined as men aged 65 and over (including men aged exactly 65) and women aged 60 and over (including women aged exactly 60).

Population estimates used for comparison with the May 2004 figures are mid-year figures for 2002, the latest published. The source of the population estimates is the Office for National Statistics for England and Wales and the General Register Office for Scotland.

“-” less than 500

“.” not applicable

Tables may not sum due to rounding.

Symbols and abbreviations

..	Not available	IVA	Invalidity Allowance
.	Not applicable	IVB	Invalidity Benefit
-	Nil or negligible	PC	Pension Credit
£pw	Pounds per week	NI	National Insurance
AA	Attendance Allowance	No.	Number
CGA	Client Group Analysis	SP	State Pension
CTB	Council Tax Benefit	SDA	Severe Disablement Allowance
DLA	Disability Living Allowance	SERPS	State Earnings Related Pension Scheme
HB	Housing Benefit		
IB	Incapacity Benefit		

Section 1 – Age and Gender

**Table 1.1 Claimants of key benefits by gender:
May 2000 - May 2004**

	<i>Thousands</i>				
	May 2000	May 2001	May 2002	May 2003	May 2004
All	10,338	10,388	10,442	10,526	10,625
% of pop¹	98	98	98	99	100
Men	3,769	3,806	3,850	3,901	3,947
% of pop ¹	100	99	99	100	100
Women	6,569	6,582	6,593	6,625	6,677
% of pop ¹	98	98	98	98	99

1. Population of GB residents above state pension age. Population data sources Office for National Statistics (ONS) and General Register Office, Scotland (GROS). May 2004 percentages derived from mid 2002 population estimates, based on 2001 Census. Percentages shown as 100 may actually have been calculated as slightly higher than 100 i.e. the benefit caseload is apparently at least as high, if not higher, than the corresponding population figure. This can occur because the latest population estimates available are at least a year behind the benefit data and/or because of slight inaccuracies associated with the data sources themselves.

- 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 proportion of women claiming at least one of the key state benefits is slightly lower than for men; 99.6% compared with 100% respectively.

Table 1.2 Claimants of key benefits by age and gender: May 2004

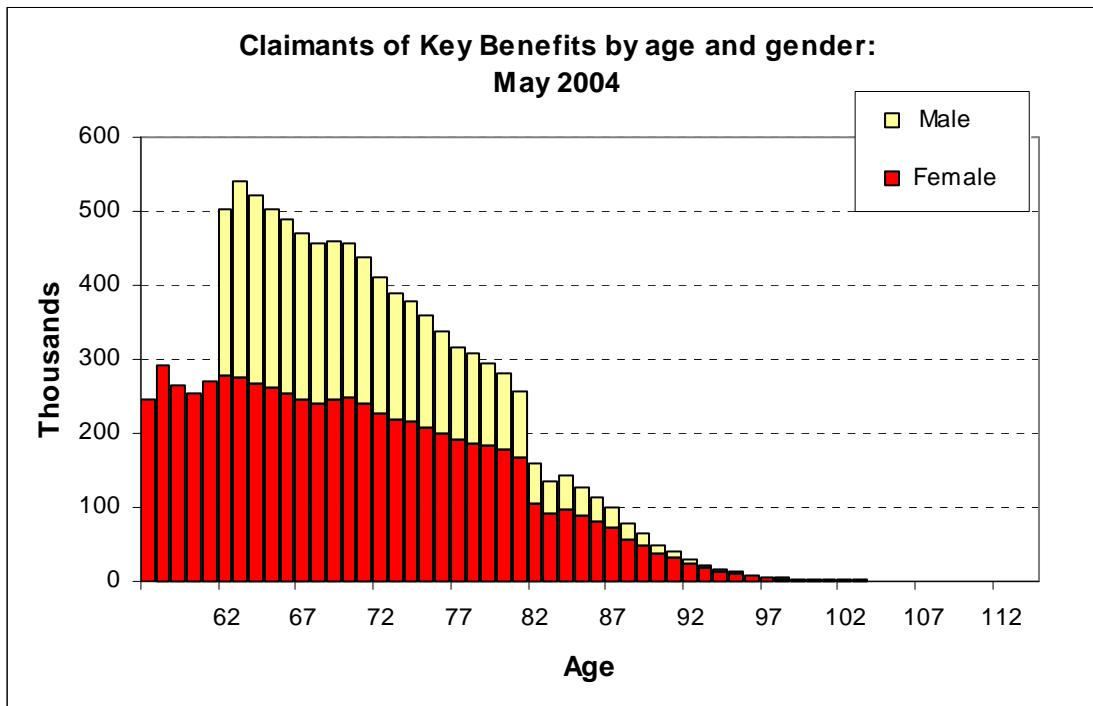
	<i>Thousands and percentages</i>					
	All	% of pop ¹	Male	% of pop ¹	Female	% of pop ¹
All ages	10,625	100	3,947	100	6,677	99
60-64	1,327		.		1,327	
65-69	2,555		1,218		1,337	
70-74	2,281		1,059		1,222	
75-79	1,876		807		1,068	
80-84	1,456		547		909	
85-89	681		215		466	
90+	449		101		348	

1. Population of GB residents above state pension age. Population data sources Office for National Statistics (ONS) and General Register Office, Scotland (GROS). May 2004 percentages derived from mid 2002 population estimates, based on 2001 Census. Percentages shown as 100 may actually have been calculated as slightly higher than 100 i.e. the benefit caseload is apparently at least as high, if not higher, than the corresponding population figure. This can occur because the latest population estimates available are at least a year behind the benefit data and/or because of slight inaccuracies associated with the data sources themselves.

Population over state pension age claiming key benefits: Great Britain

- The mismatch between the benefits data and the population estimates is particularly marked for people in their early 80s in May 2004, due to the effects of the First World War. The lower than normal number of births during the war years and the period immediately after was followed by a baby boom, the first age cohorts of which are now 84 years old (see chart 1.1 on the next page). In May 2004, the benefit caseload for those aged 84 (high due to the baby boom) is divided by the 2002 population estimate for those aged 84 (low due to the low birth rate immediately after the war, just before the baby boom). This causes large anomalies and distorts the real situation, which is that virtually everyone above 70 years of age is on one or more of the key benefits.
- 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 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. The caseloads for those aged 90+ shown in table 1.2 and chart 1.1 are thought to be over-estimates of up to 10 thousand for men and at least 20 thousand for women.
- See section on Population Estimates (page 30) for a fuller discussion of other possible factors that can account for differences between the DWP data and the population estimates.

Chart 1.1



- The marked dip in the number of people aged 85 is due to the lower than normal number of babies born during and immediately after the First World War (1914 - 1918). The significantly higher numbers in the age group aged 84 and below reflects the baby boom after the end of the war (Chart 1.1).

Section 2 – Statistical Groups

The claimants of these key benefits can be divided into customer or statistical groups based mainly on the type of benefits they receive (see section on definitions and conventions). This gives an indication of their contacts with the benefit system. Please note that the statistical groups are hierarchical and a case will be allocated to the first group for which it qualifies. Thus, for example, a significant proportion of the Pension Credit caseload is included within the **sick and/or disabled** statistical group.

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 2.49m pensioners in receipt of PC at May 2004. 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 3.2m pensioner households receiving PC by 2008.

Table 2.1 Claimants by statistical group and gender: May2004

Thousands and percentages¹

	May-00	% of pop ¹	May-01	% of pop ¹	May-02	% of pop ¹	May-03	% of pop ¹	May-04	% of pop ¹
All	10,338	99	10,388	99	10,442	98	10,526	99	10,625	100
Sick and/or Disabled	2,398	23	2,456	23	2,511	24	2,577	24	2,657	25
Non Disabled PC	593	6	681	7	695	7	715	7	1,176	11
SP only	7,346	70	7,251	69	7,236	68	7,235	68	6,792	64

1. Population of GB residents above state pension age. Population data sources Office for National Statistics (ONS) and General Register Office, Scotland (GROS). May 2004 percentages derived from mid 2002 population estimates, based on 2001 Census. Percentages shown as 100 may actually have been calculated as slightly higher than 100 i.e. the benefit caseload is apparently at least as high, if not higher, than the corresponding population figure. This can occur because the latest population estimates available are at least a year behind the benefit data and/or because of slight inaccuracies associated with the data sources themselves.

- Overall, 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.
- The **sick and/or disabled** 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 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.

Population over state pension age claiming key benefits: Great Britain

Table 2.2 Claimants by statistical group and gender: May 2004

	<i>Thousands and percentages¹</i>					
	All	% of <i>pop</i>¹	Males	% of <i>pop</i>¹	Females	% of <i>pop</i>¹
All	10,625	100	3,947	100	6,677	99
Sick and/or Disabled	2,657	25	962	25	1,695	25
Pension Credit	1,176	11	369	9	808	12
RP only	6,792	64	2,617	67	4,175	62

1. Population of GB residents above state pension age. Percentages shown as 100 may actually have been calculated as slightly higher than 100 i.e. the benefit caseload is apparently at least as high, if not higher, than the corresponding population figure. This can occur because the latest population estimates available are around a year behind the benefit data and/or accuracies associated with the data sources themselves.

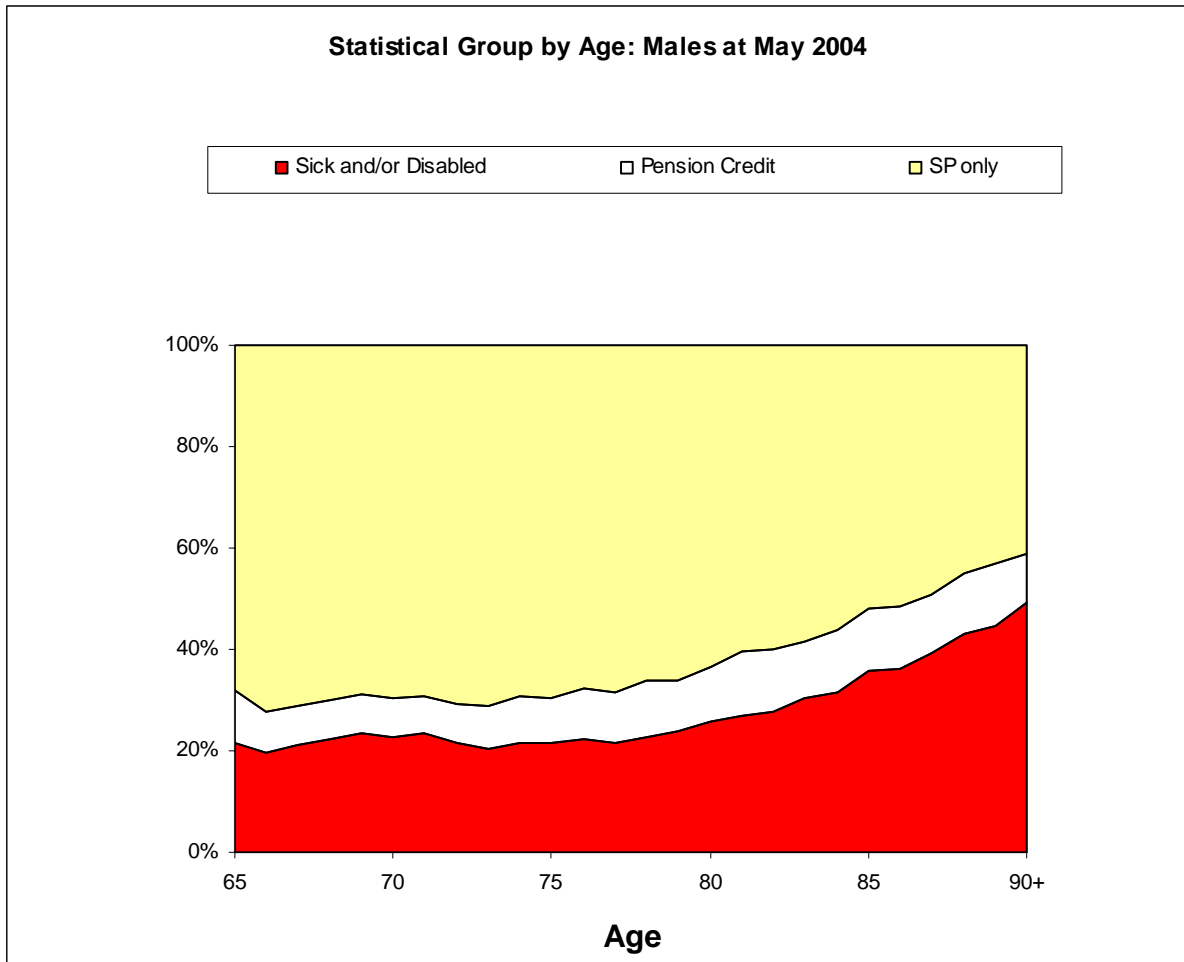
Population over state pension age claiming key benefits: Great Britain

Table 2.3 Claimants by statistical group, age and gender: May 2004

	<i>Thousands</i>			
	All	Sick and/or Disabled	Pension Credit	State Pension only
<u>All persons</u>	10,625	2,657	1,176	6,792
<u>All ages</u>				
60-64	1,327	208	91	1,028
65-69	2,555	475	234	1,846
70-74	2,281	450	242	1,589
75-79	1,876	433	253	1,190
80-84	1,456	483	221	751
85-89	681	333	94	254
90+	449	274	40	134
<u>Males</u>				
All ages	3,947	962	369	2,617
60-64
65-69	1,218	262	101	855
70-74	1,059	233	85	742
75-79	807	179	81	547
80-84	547	154	65	328
85-89	215	84	26	105
90+	101	50	10	41
<u>Females</u>				
All ages	6,677	1,695	808	4,175
60-64	1,327	208	91	1,028
65-69	1,337	213	133	991
70-74	1,222	218	157	847
75-79	1,068	253	172	644
80-84	909	330	156	423
85-89	466	249	68	149
90+	348	224	31	93

- Table 2.3 and Charts 2.1 and 2.2 show that the relative importance of statistical groups changes with age. In the younger age groups, for the majority of people the only key benefit they claim is the **State Pension**. In the higher age bands a steadily increasing proportion are classified within the **sick and/or disabled** statistical group (see charts 2.1 and 2.2).

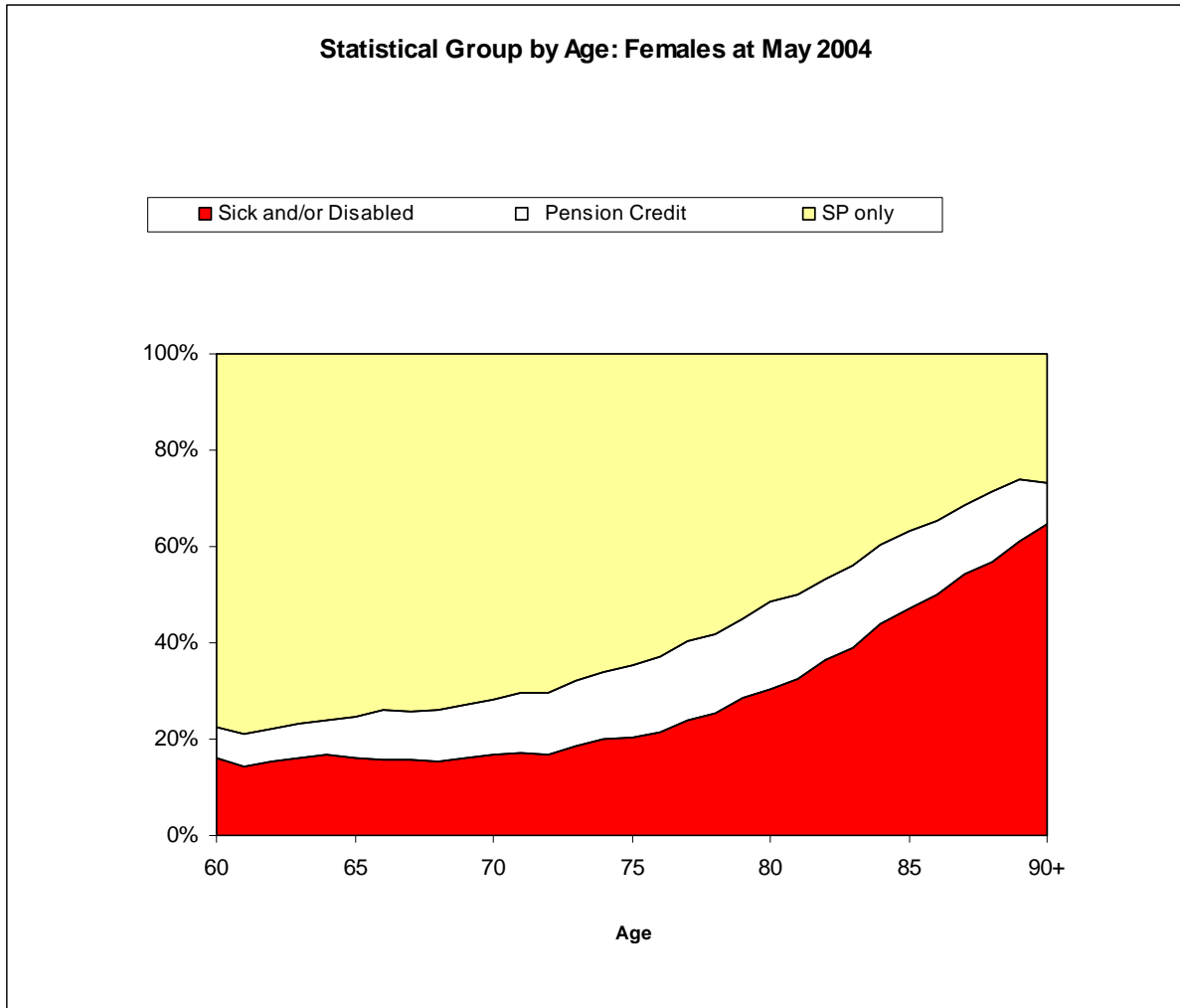
Chart 2.1



At May 2004 for men:

- The proportion in the **sick and/or disabled** group rises steadily after the 75-79 age group, peaking at almost 50% for men aged 90+.
- The proportion in the **non-disabled PC** statistical group reaches a maximum of 15% in the 80-84 age group. The fall in the relative size of this group among older age groups is due to an increasing proportion moving into the **sick and/or disabled** statistical group.
- Taken across the entire age range, 64% of men over state pension age and receiving a key benefit are in the **SP only** category.
- The proportions for the 90+ age group are based on relatively low numbers of claimants and include some dead cases, so caution should be taken in interpreting the figures (see notes below table 2.3 for more information).

Chart 2.2



At May 2004 for women:

- The proportion in the **sick and/or disabled** statistical group rises steadily from around age 75, to 64% for those aged 90+.
- The proportion in the **non-disabled PC** group steadily increases to 17% by the 80-84 age group, then falls back to 9% for women aged 90+.
- Taken across the entire age range, 63% of women over state pension age and receiving a key benefit are in the **SP only** category.
- The caveats expressed for men regarding the potential unreliability of the data for people aged 90+ apply equally to women.

Statistical group Transitions

The statistical group analyses show the stock of claimants on key benefits at a fixed point in time. By comparing records for the individual claimants who appear in these 'snapshots' over time, the analyses can give an indication of how many people move in and out of the benefit system. They can also look at how people move between benefits and/or statistical groups.

Table 2.4a Cases moving onto key benefits between May 2003 and May 2004: by gender and statistical group

	<i>Thousands</i>		
	All	Male	Female
All	612	270	341
Sick and/or Disabled	96	51	45
Pension Credit	50	27	23
SP only	465	193	273

Table 2.4b Cases receiving key benefits at May 2003 but no longer receiving key benefits in May 2004: by gender and statistical group

	<i>Thousands</i>		
	All	Male	Female
All	513	224	289
Sick and/or Disabled	286	111	175
Pension Credit	24	9	15
SP only	203	103	100

Table 2.4c Cases changing statistical group between May 2003 and May 2004

	<i>Thousands</i>			
	Statistical group in May 2004			
	All	Sick and/or disabled	Pension Credit	SP only
All	858	313	502	43
Sick and/or Disabled	43	.	12	31
Pension Credit	66	55	.	11
SP only	748	258	490	.

Population over state pension age claiming key benefits: Great Britain

- The numbers on key benefits rose between May 2003 and May 2004 by approximately 98 thousand. This continues the previous trend for a steady increase in the overall number of people within the pensioner client group.
- 76% of claimants moving onto a key benefit(s) between May 2003 and May 2004 moved into **State Pension only** group.
- The number in the **sick and/or disabled** statistical group rose by 80 thousand between May 2003 and May 2004. However, more people stopped claiming a key benefit in this statistical group (286 thousand) than moved onto benefit directly into the sick and/or disabled statistical group (96 thousand). The rise is due to a net 270 thousand moving from the other statistical groups (most importantly SP only) into the sick and/or disabled group.

Population over state pension age claiming key benefits: Great Britain

Table 2.5a Cases moving onto key benefits between May 2000 and May 2004: by gender and statistical group

	<i>Thousands</i>		
	All	Male	Female
All	2,292	1,040	1,253
Sick and/or Disabled	394	215	179
Non disabled MIG/PC	181	90	92
SP only	1,717	735	982

Table 2.5b Cases receiving key benefits at May 2000 but no longer receiving key benefits in May 2004: by gender and statistical group

	<i>Thousands</i>		
	All	Male	Female
All	2,005	861	1,144
Sick and/or Disabled	932	339	594
Non Disabled MIG/ PC	113	36	78
SP only	960	487	473

Table 2.5c Cases changing statistical group between May 2000 and May 2004

	<i>Thousands</i>			
	Statistical group in May 2004			
	All	Sick and/or disabled	Non Disabled MIG/PC	SP only
All	1,567	863	656	48
Sick and/or Disabled	67	.	36	31
Non Disabled MIG/ PC	141	124	.	17
SP only	1,359	739	620	.

Table 2.5d Cases in same client group in May 2000 and May 2004

	<i>Thousands</i>			
	All	Disabled	Non Disabled MIG/PC	Non disabled SP only
All	6,766	1,399	339	5,027

Population over state pension age claiming key benefits: Great Britain

- The overall number of claimants on key benefits has risen during the period May 2000 to May 2004 by 287 thousand, with the number moving onto key benefits (2,292 thousand) exceeding those no longer claiming a key benefit (2,005 thousand). The main reason for no longer claiming a key benefit is the death of the claimant.
- Approximately 64% of people on a key benefit in May 2000 and still claiming benefit in May 2004, were in the same statistical group in May 2004; 15% had moved statistical group; and 19% of those on a key benefit in May 2000 were no longer on a key benefit 4 years later.

Section 3 – Benefit Combinations

The analyses give an indication of the type of benefit that claimants receive from the benefit system. For the population above state pension age, the benefits received are very different in character from the working age population. To aid analysis the **sick and/or disabled** statistical group has been disaggregated into benefit combinations. These are shown below.

Statistical group	Benefit Combinations	
		Description
Sick and/or Disabled	1	AA or DLA ¹
	2	IB or SDA ¹
	3	One of AA or DLA and one of IB or SDA
	4	PC only (disability related higher pensioner premium) or PC with one or more of AA, DLA, IB or SDA
	5	SP only (receiving IVA or in hospital)
	6	SP and one of AA or DLA
	7	SP and PC
	8	SP and PC and one of AA or DLA
PC	9	PC claimants not in sick and disabled statistical group
SP Only	10	Receiving SP only and not in other statistical groups

1. It should be noted that there is almost no overlap between AA and DLA and between IB and SDA.

Table 3.1 Sick and/or Disabled claimants by benefit combination: May 2000 to May 2004.

	<i>Thousands and percentages</i>									
	May 2000		May 2001		May 2002		May 2003		May 2004	
	All	%	All	%	All	%	All	%	All	%
All	2,398	100	2,456	100	2,511	100	2,577	100	2,657	100
AA or DLA	43	2	42	2	33	1	35	1	36	1
IB or SDA	4	-	3	-	3	-	3	-	3	-
AA DLA and IB or SDA	18	1	18	1	18	1	18	1	18	1
PC only/PC with AA or DLA or IB or SDA	69	3	66	3	71	3	74	3	76	3
SP only (IVA or in hospital)	266	10	269	11	273	11	258	10	226	9
SP and one of AA or DLA	1,235	52	1,279	52	1,326	53	1,397	54	1,254	47
SP and PC	162	7	141	6	147	6	127	5	142	5
SP and PC and AA or DLA	601	25	637	26	639	26	666	26	902	34

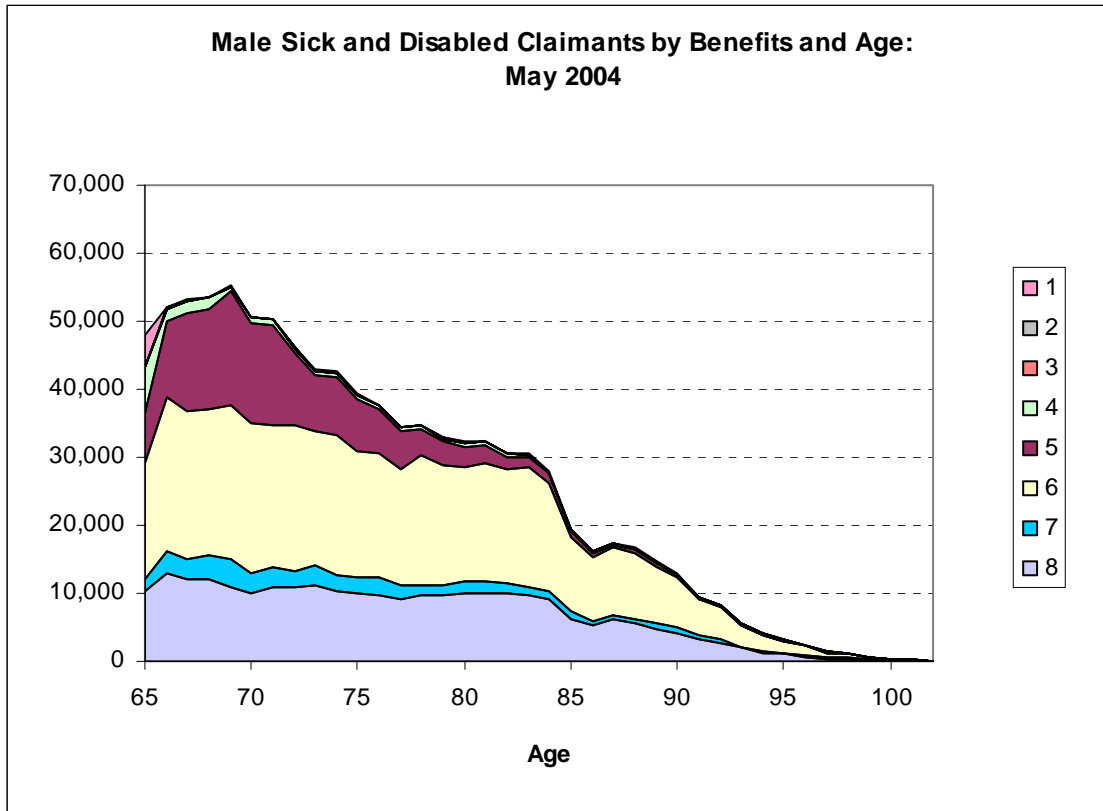
Population over state pension age claiming key benefits: Great Britain

- The **sick and/or disabled** statistical group increased by 258 thousand (+11%) between May 2000 and May 2004.
- SP plus AA or DLA in May 2004 accounts for nearly half (47%) of the total claimants within the sick and/or disabled statistical groups.
- The numbers claiming SP, plus PC and AA or DLA increased from (25%) in May 2003 to (34%) in May 2004.
- The proportion claiming SP as their only benefit but classed within the **sick and disabled** statistical group remains virtually unchanged between May 2000 (10%) and May 2004 (9%) . People in this category possess residual rights to Invalidity Addition (IVA) or a reduced hospital rate of benefit.

Table 3.2 Sick and/or disabled statistical group cases by benefit combination and gender: May 2004

	<i>Thousands and percentages</i>					
	All	%	Male	%	Female	%
All	2,657	100	962	100	1,695	100
AA or DLA	36	1	8	1	27	2
IB or SDA	3	-	0	-	2	-
AA or DLA and IB or SDA	18	1	0	-	17	3
PC only/PC with AA or DLA or IB or SDA	76	3	23	2	53	3
SP only (IVA or in hospital)	226	9	162	17	64	4
SP and one of AA or DLA	1,254	47	462	48	793	47
SP and PC	142	11	54	6	89	5
SP and PC and AA or DLA	902	72	253	26	649	38

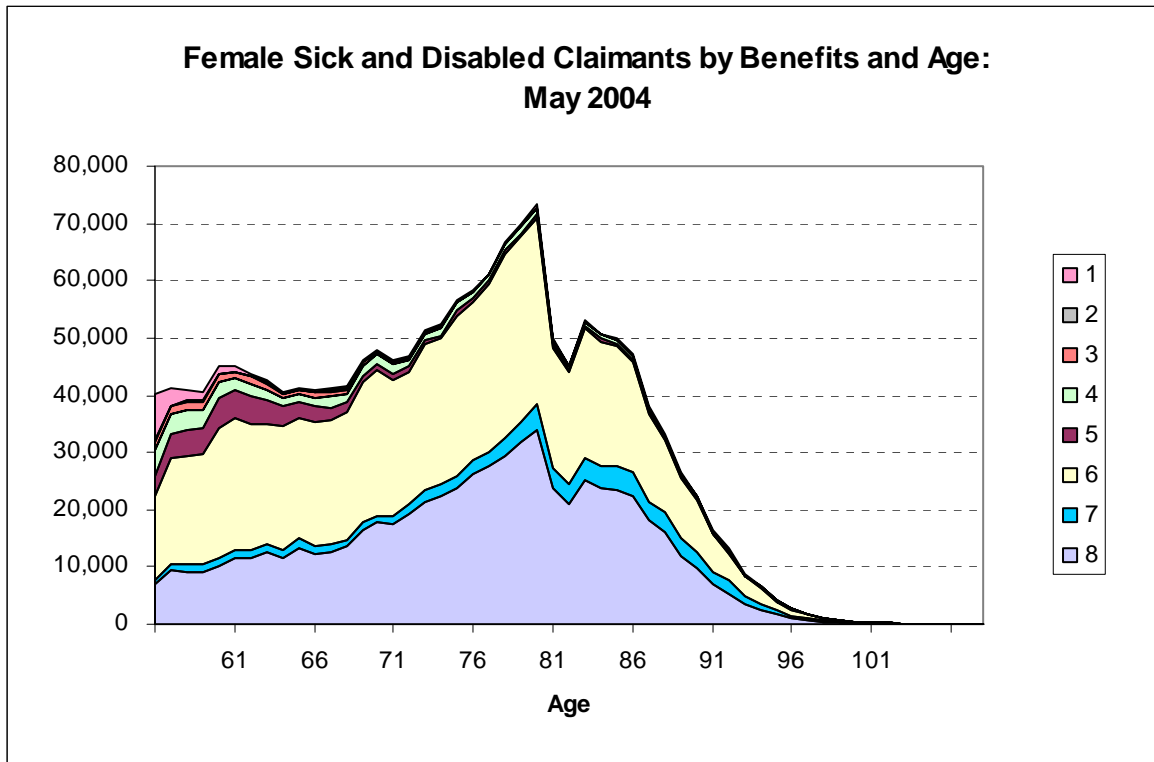
Chart 3.1



Benefit types			
1	AA or DLA	2	IB or SDA
3	One of AA or DLA and one of IB or SDA	4	PC only / PC with any of AA, DLA, IB or SDA
5	SP (hospital or IVA)	6	SP and one of AA or DLA
7	SP and PC	8	SP and PC and one of AA or DLA

- Overall, the number of men over state pension age in the **sick and/or disabled** statistical group totalled 962 thousand at May 2004.
- 78% of men over state pension age and classed within the **sick and/or disabled** statistical group received AA or DLA at May 2004, either on their own or in combination with other benefits.
- 17% of men within the **sick and/or disabled** statistical group receive SP as their only DWP benefit. They are classified to this statistical group because they are receiving a reduced rate of award due to being in hospital or, as in the majority of cases, they have residual rights to Invalidity Allowance (IVA). A much lower proportion of women claimants (4%) are in this category.
- The figures for the 90+ age group are based on relatively low numbers of claimants and include some dead cases, so caution should be taken in interpreting any trends (see notes below table 2.3 for more information).

Chart 3.2



Benefit types	
1	AA or DLA
2	IB or SDA
3	One of AA or DLA and one of IB or SDA
4	PC only / PC with any of AA, DLA, IB or SDA
5	SP (hospital or IVA)
6	SP and one of AA or DLA
7	SP and PC
8	SP and PC and one of AA or DLA

- Overall, the number of women over state pension age in the **sick and/or disabled** statistical group totalled 1,695 thousand at May 2004.
- 91% of women over state pension age and classed within **the sick and disabled** statistical group received AA or DLA, either on their own or in combination with other benefits, most notably SP only or SP and PC.
- The rise in women aged 84, compared with 85 year olds, is due to the First World War and period immediately after. A smaller effect is apparent for men in the same age group.
- The figures for the 90+ age group are based on relatively low numbers of claimants and include some dead cases, so caution should be taken in interpreting any trends (see notes below table 2.3 for more information).

Population over state pension age claiming key benefits: Great Britain

Table 3.3 Claimants by all benefit combinations and gender: May 2004

	<i>Thousands</i>		
	All	Male	Female
All	10,625	3,947	6,677
DLA only	25	6	20
AA only	11	3	8
DLA AA	-	-	0
SDA only	3	-	2
SDA DLA	17	-	16
SDA AA	1	-	1
SDA DLA AA	0	-	-
IB DLA	0	-	-
PC only	81	30	52
PC DLA	25	9	17
PC AA	19	5	14
PC DLA AA	0	0	0
PC SDA	5	2	3
PC SDA DLA	16	4	12
PC SDA AA	2	1	1
PC SDA AA DLA	-	-	-
PC IB	-	-	-
PC IB DLA	-	-	-
SP Only	7,018	2,779	4,239
SP DLA	449	180	269
SP AA	799	279	519
SP AA DLA	6	2	4
SP PC	1,246	396	851
SP PC DLA	261	102	159
SP PC AA	634	149	485
SP PC AA DLA	6	2	5

All benefit combinations present in May 2004 are presented in Table 3.3. The six most important in order of magnitude are:- SP Only (66%); SP and AA (8%); SP and PC (12%); SP,PC and AA (6%); SP and DLA (4%); SP,PC and DLA (2%).

Section 4 – Claimants with Dependants

The statistical group analyses for the population over state pension age usually only produce data in respect of the claimant. Information on the dependants and especially partners of the claimant is limited due to the way information is held on the source benefit computer systems. The information below is based on indicators that show whether the benefits in payment to a claimant include an amount in respect of a dependant. It does not include any information on partners and hence it does not show the total number of benefit units containing a single person or a couple.

Table 4.1 Claimants of key benefits by gender and dependant type: May 2004

	<i>Thousands</i>		
	All	Male	Female
All	10,625	3,947	6,677
No dependants	10,104	3,561	6,542
Adult dependant	477	371	106
Child dependant	5	3	2
Adult & Child dependants	3	3	-
Not known ¹	36	8	27

1. Cases where AA or DLA only is being claimed.
2. Information on dependants is not available from these sources.
3. Figures in this table may be affected by the introduction of new tax credits in April 2003. Please see background information document for further details

- Table 4.1 shows relatively few people over state pension age (5%) with a child/or adult dependant at May 2004.
- For men the proportion with a recorded dependant(s) is 10%, mostly in respect of an adult dependant.
- The proportion of women claiming for a dependant(s) is even lower (2%).
- Only 5 thousand claimants over state pension age have a claim that includes a child dependant, compared with 27 thousand in May 2003. This is due to the abolition of the child dependency increases for State Pension, Bereavement Benefit, Incapacity Benefit and Carer's Allowance. In addition, in October 2003 Pension Credit replaced Minimum Income Guarantee and does not include any child dependency increase as this was replaced by Child Tax Credit.
- The number of adult dependants has increased to 477 thousand in May 2004 compared with 248 thousand in May 2003. This is due to the introduction of Pension Credit in October 2003 increasing the eligibility of claimants and their partners who would not formerly have been entitled to claim MIG.

Section 5 – Regional Analysis

Table 5.1 Claimants of key benefits by gender and Government Office Region: May 2004

Thousands and percentages

	All		Men		Women	
	(000s)	% of pop ¹	(000s)	% of pop ¹	(000s)	% of pop ¹
Great Britain	10,625	100	3,947	100	6,677	99
England	9,092	100	3,392	100	5,700	99
North East	487	100	181	100	306	99
North West	1,264	100	465	100	799	99
Yorkshire & Humberside	929	100	346	100	583	98
East Midlands	791	100	300	100	491	100
West Midlands	994	100	372	100	622	100
East of England	1,046	100	398	100	648	100
London	1,005	97	369	98	636	97
South East	1,509	99	562	99	946	98
South West	1,066	100	399	100	668	100
Wales	587	100	220	100	367	98
Scotland	945	100	335	100	610	99

1. Population of residents above state pension age. Population data sources Office for national Statistics (ONS) and General Register Office, Scotland (GROS). May 2004 percentages derived from mid 2002 population estimates based on 2001 Census. Percentages shown as 100 may actually have been calculated as slightly higher than 100 i.e. the benefit caseload is apparently at least as high, if not higher, than the corresponding population figure. This can occur because the latest population estimates available are around a year behind the benefit data and/or because of slight inaccuracies associated with the data sources themselves.

- The proportion of the population over state pension age **claiming a key DWP benefit** in May 2004 ranges from 97% to 100%. The only two regions under 100% are London (97%) and South East (99%).
- The government office region with the highest proportion claiming a key **sickness and/or disability benefit** is Wales (37%), followed by the North East (33%), the North West (32%) and Scotland (30%). The South East (16%) has the lowest proportion followed by East of England (20%).
- The proportion of the population over state pension age in the **non-disabled PC group** ranges from 14% in the North East and London down to 9% in Wales and the South East.
- South East has the highest proportion of the pensioner population receiving **SP only** (73%), followed by East of England (71%). The lowest proportions are found in Wales and the North East both 54%.

Population over state pension age claiming key benefits: Great Britain

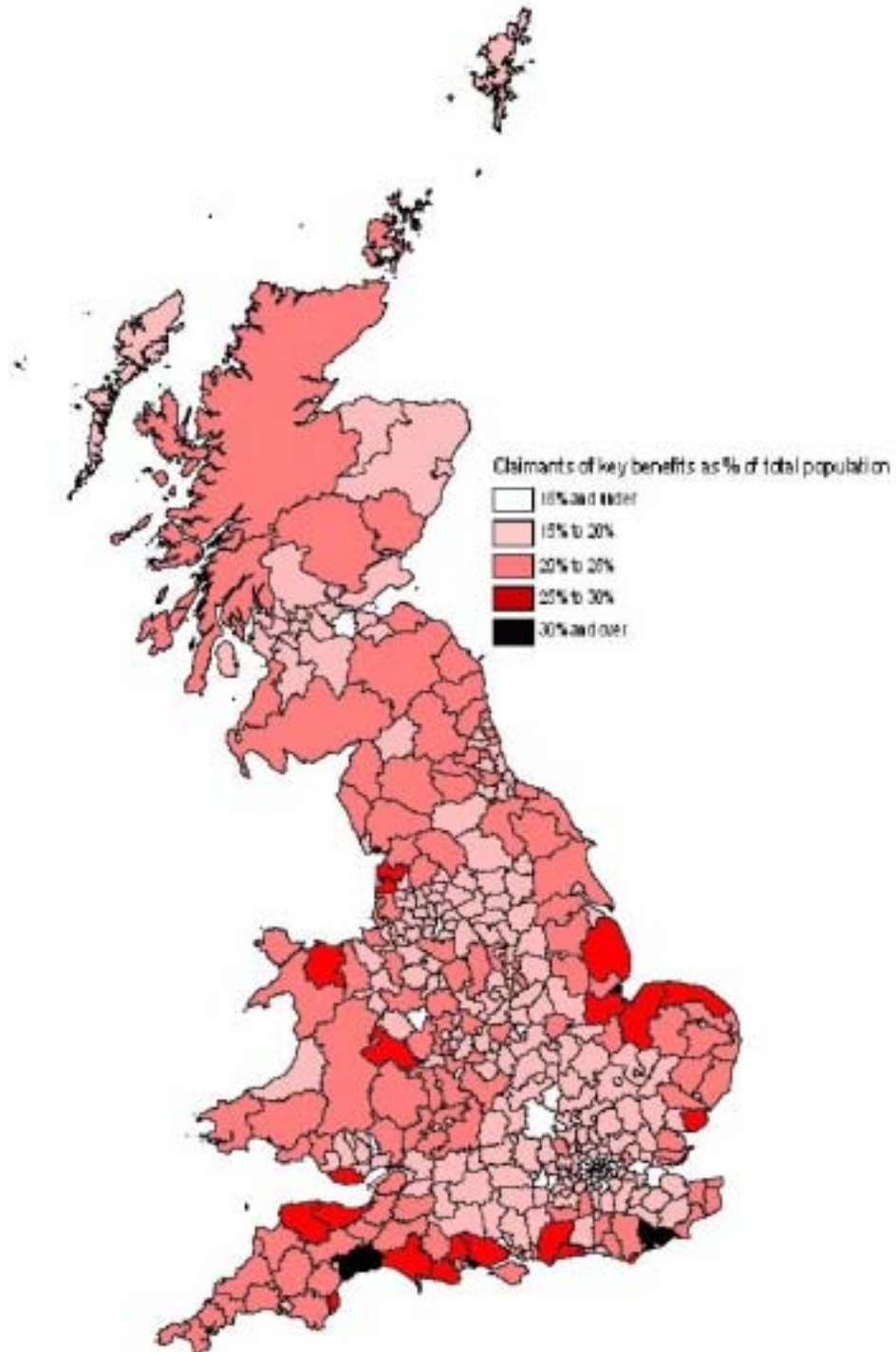
Table 5.2 Claimants of key benefits by statistical group and Government Office Region: May 2004

		<i>Thousands and percentages</i>			
		Client Group			
		All	Disabled	Non Disabled PC	RP only
Great Britain	(000s)	10,625	2,657	1,176	6,792
	<i>% of pop1</i>	100	25	11	64
England		9,092	2,155	1,019	5,919
		100	24	11	65
North East		487	158	66	263
		100	33	14	54
North West		1,264	398	135	732
		100	32	11	58
Yorkshire & Humberside		929	242	118	568
		100	26	13	61
East Midlands		791	193	86	512
		100	25	11	65
West Midlands		994	264	120	610
		100	27	12	62
East of England		1,046	207	103	736
		100	20	10	71
London		1,005	221	140	644
		94	21	14	62
South East		1,509	250	144	1,115
		99	16	9	73
South West		1,066	221	107	739
		100	21	10	69
Wales		587	219	51	317
		100	37	9	54
Scotland		945	283	106	556
		100	30	11	59

1. *population of residents above state pension age. Population data sources Office for national Statistics (ONS) and General Register Office, Scotland (GROS). May 2004 percentages derived from mid 2002 population estimates based on 2001 Census. Percentages shown as 100 may actually have been calculated as slightly higher than 100 i.e. the benefit caseload is apparently at least as high, if not higher, than the corresponding population figure. This can occur because the latest population estimates available are around a year behind the benefit data and/or because of slight inaccuracies associated with the data sources themselves.*

Population over state pension age claiming key benefits: Great Britain

Figure 1: Population over State Pension Age on Key Benefits as a percentage of Total Population by Local Authority: May 2004



Section 6 - Methodology

A full description of the methodology used to produce the initial client group analyses for the working age is given in the report "Client group Analysis: the Population of Working Age on Key Benefits". This is available from the contact point listed in the Notes to Editors.

These analyses are based on data collected through the administration of the individual benefits. They are designed to give a good indication of the size of the population on these benefits and how this changes over time. However, they are affected by changes to the conditions of entitlement and to the existence of the benefits themselves, as well as by changes to the format of the administrative data received by the IAD Information Centre.

This includes events such as the change of regulations for Incapacity Benefit in 1995 or the introduction of the new SP scan from September 1999.

Summary of methodology

These analyses have been constructed by matching samples for the individual benefits that they cover. Claimants for these individual samples are selected on the basis of national insurance numbers (NINOs) using a sampling scheme that ensures that the same set of claimants will be selected for each individual benefit and time period that they have a live claim.

To produce the client group analyses, a common 'snapshot' date is chosen and the NINOs for each claimant with a live claim on this date are selected. The NINOs are then matched to produce an overall data set for those who have at least one live claim on the snapshot date. The individual data items used for the various analyses (eg age, sex, dependant details) are then taken from the source datasets and additional variables are then derived (e.g. statistical group, dependant type).

This methodology gives a "best estimate" of the overall number of claimants of these benefits. However, there are some limitations, for example, the sample of SP claimants is taken two months before the client group 'snapshot' date. The best estimates of claimants of each individual benefit are still given by the individual samples from which the data are drawn. Details of individual benefits are published by DWP, IAD Information Centre via regular bulletins.

Statistical groups

Claimants have been allocated to statistical groups to give an indication of the broad groups and reasons why they are receiving a benefit(s) (see Definitions and Conventions, page 4). This is only one of the possible ways in which claimants could be classified and alternative classifications are possible.

Transitions Analyses

The transitions analyses (section 2) are produced by comparing the 'snapshot' datasets each year. By so doing we can get an indication of how many people move on, move off and between the key benefits. These analyses do not cover all claimants who come on and go off these benefits over the period covered by the analyses. For example, the analyses will not cover claims of short duration that start and end between the 'snapshot' dates.

Additionally, as they are based on matching NINOs of claimants on key benefits, they do not cover all possible movements into and out of the benefits system.

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-May 2004 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 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 2.49m pensioners in receipt of PC at May 2004. 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 3.2m pensioner households receiving PC by 2008.

Introduction of New Tax Credits

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:

Population over state pension age claiming key benefits: Great Britain

- 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.

A small number of IS/ JSA(IB) recipients are no longer eligible since CTC has been in payment. This is because CTC payments raises 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.

Section 7 – Sampling Error

The data contained in this publication are based on 5% of the total 'live', GB cases held on the Benefit Computer Systems. Therefore, if the number of cases in a sample with characteristic A is 500, we can say that the number of cases with characteristic A on the computer system is equal to 500 multiplied by 20, i.e. 10,000 cases. The sample taken is just one of many different samples which could be taken, therefore the total calculated number of cases with characteristic A is only an estimate of the actual number of cases. If another sample had been taken then the estimate for the same characteristic may have been slightly different. The table on the next page shows the amount of variation that can be expected from the estimated number of cases with a certain characteristic. For example, if from a 5% sample there are 500 cases with characteristic A then the estimated number of cases in GB with the same characteristic is 10,000, and we could reasonably expect the actual figure to lie between 9,150 and 10,850.

Formula

Two formulae are used to calculate the standard error and the associated confidence intervals. For samples with less than 30 cases the binomial distribution is used to calculate the standard error. For samples with greater than 30 cases the normal approximation to the binomial is used. The normal approximation formula used to calculate the standard error is:

$\sqrt{(1-F)S} \frac{1}{F}$, where F is the sampling fraction (e.g. 0.05 for a 5% sample) and S is the number of sample cases with the characteristic.

In an example where there were 50 sample cases with characteristic A taken from a sample representing 5% of the population, the standard error is:

$$\sqrt{(1 - 0.05)50} \cdot (1/0.05) = 137.8... \approx 138$$

There is a 95% probability that the actual population value falls within 1.96 standard errors of the grossed up sample value. For the above example this would be:

$$(50/0.05) \pm 1.96 * 138 = (730, 1270)$$

This range is known as the 95% confidence interval.

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Table A1: Confidence Intervals for a 5% sample

Estimated value	95% confidence interval	Confidence interval as a % of the estimate
0	0 to 60	.
100	34 to 230	.
300	171 to 490	.
500	328 to 732	.
1,000	± 270	± 27.0%
2,500	± 427	± 17.1%
5,000	± 604	± 12.1%
10,000	± 850	± 8.5%
25,000	± 1350	± 5.4%
50,000	± 1910	± 3.8%
100,000	±2702	± 2.7%
1,000,000	±9000	± 0.9%
10,000,000	±27016	± 0.3%

Section 8 – Population Estimates

The underlying data for this bulletin shows that the numbers of people in the 80 and over age groups on the CGA data set differ from the population estimates published by the Office for National Statistics (ONS). There are a number of reasons why we expect these two data sources to differ as, for reasons that are set out in this section, the comparison of these two data sets is not of like with like. The latest CGA data set relates to May 2004 whereas the ONS data are mid-year estimates for 2002, the latest published. On one hand we expect population estimates to exceed the numbers claiming benefits because not all residents of GB above state pension age are eligible to claim benefits.

The following reasons for differences between the two datasets have been identified:

- The latest CGA data relates to May 2004 but the latest population estimates are based on mid-2002.
- The CGA data are based on a 5% sample, the population estimates data are based on the 2001 Census rolled forward with adjustments made each year for births, deaths and migration and incorporating an allowance for under-enumeration in the Census.
- The CGA data relate to end-May and end-May whereas population estimates relate to end-June. This will affect both the total numbers and the age distribution of each data set.
- The ONS population estimate figure may be lower than the CGA data in any age group because the CGA data may include a small number of those now living abroad but having their State Pension paid directly into a bank account in Britain.
- People resident in Britain can be omitted from the CGA data if they are married and will be claiming a pension via their spouse's contribution record. This mostly affects women who are not eligible for a pension until their husband commences claiming their state pension, usually upon reaching the male pension age of 65. The majority of women affected are in the 60-64 age group.
- ONS population estimates may also be higher than the CGA data because they would include non-British nationals resident in Britain not eligible to claim benefits or a state pension.
- The accuracy of the age distribution of the population estimates for the very elderly would be affected by the accuracy of age reporting on death certificates. There are reasons why the age may be wrong on a death certificate, e.g. if a neighbour records the death of an old person who lived alone; they may not know the precise age.
- Incorrect dates of birth registered on the DWP operational computer systems. The dates of birth were very consistent between the different benefits. However, a large-scale exercise to give National Insurance numbers to pensioners whom did not already have them was carried out in the mid to late 1980s. It is possible

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that incorrect dates of birth may have been entered onto the administrative computer systems at this point.

- Inclusion of people no longer on benefit. Delays in recording this information on the different benefit computer systems could occur, leading to the CGA estimates being too high.
- Fraud. For example, continuing to claim for someone who has died.
- 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 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.

It is not possible to quantify all of these effects but they do indicate the inherent difficulties of comparing data that are compiled on different bases and for different purposes.

Appendix 1 – Winter Fuel Payments

Winter Fuel Payments (WFP) are paid to people over the age of 60 and normally resident in Great Britain or Northern Ireland during the “Q-Week” ahead of each winter (currently the third full week in September). People are not eligible for WFP if:

- They have been in hospital for more than 52 weeks;
- They live with their partner who qualifies for a payment because they receive PC/JSA(IB);
- They do not normally live in Great Britain or Northern Ireland;
- They are held in custody and sentenced;
- They are under immigration control and not eligible for help from the DWP;
- They receive PC/JSA(IB) and have been living in a nursing home, residential care or local authority residential accommodation for a period of at least 13 weeks prior to “Q-Week”.

Since winter 2001-02, where there was only one eligible person living in the household, they received £200. Where there was more than one eligible person they received £100 each. Since winter 2003-2004 an extra £100 payment was made to each household where there was at least one person was aged 80 or over. WFP recipients on any benefit were paid through that benefit. If they received more than one benefit a hierarchy was used to ensure no duplicate payments were made (for hierarchy see notes to Table 2).

People aged 60+ not in receipt of benefit – principally men aged 60-64 - were eligible for WFP for the first time in winter 2000-01 (subject to the exclusion criteria set out above). These people were approached by a private sector provider (PSP) with appropriate claim details. Details of 2000/01 WFP recipients via the PSP route were then held on the Winter Fuel Payments System (WFPS) for use in subsequent years.

For subsequent winters, these people were paid via the appropriate benefit system if they had subsequently moved onto benefit and via WFPS otherwise. In addition, people not on benefit and claiming WFP for the first time – principally men turning 60 since winter 2000/2001 - did so via the private sector provider (PSP).

Winter Fuel Payment data is taken from a 100% sample.

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Table 1 Winter Fuel Payments by Government Office Region and gender: Winter 2003-04

	All	Male	Female
All	11,468,235	5,080,355	6,387,880
North East	519,045	231,795	287,245
North West	1,361,915	602,795	759,120
Yorkshire and the Humber	1,001,590	446,215	555,375
East Midlands	861,200	390,655	470,550
West Midlands	1,073,350	483,910	589,435
East of England	1,128,190	505,425	622,765
London	1,080,200	471,275	608,925
South East	1,639,465	717,205	922,265
South West	1,148,140	508,915	639,225
Wales	636,255	284,905	351,350
Scotland	1,018,885	437,255	581,630

Table 2 Winter Fuel Payments by feeder benefit/payment system¹ and gender: Winter 2003-4 G.B.

	All	Male	Female
ALL	11,468,235	5,080,355	6,387,880
AA	6,675	1,910	4,770
DLA	17,645	11,425	6,220
IB	211,920	210,305	1,615
MIG	1,629,360	578,005	1,051,355
PSP	181,765	165,990	15,775
RP	8,667,720	3,438,370	5,229,335
SDA	18,400	2,655	15,745
WFP	669,070	632,685	36,385
Other benefits	65,675	39,010	26,665

1. Benefit hierarchy for payments is:

- Minimum Income Guarantee (PC)
- Jobseeker's Allowance (JSA)*
- State Pension (SP)
- Widow's Benefit (WB)*
- Incapacity Benefit (IB)
- Severe Disablement Allowance (SDA)
- War pensions and allowances*
- Attendance Allowance (AA)
- Disability Living Allowance (DLA)
- Invalid Care Allowance (ICA)*
- Industrial injuries and disease benefits (Including Reduced Earnings Allowance and Retirement Allowance)*
- Winter Fuel Payments System (WFPS)
- Private Sector Provider (PSP)