

NEWS RELEASE

TUESDAY 19 MAY



Poorest pensioners receive least State support, Just Group analysis reveals

- Retired households with the lowest incomes receive the least State support
- Home ownership may be discouraging low-income retirees from claiming benefits
- Just Group calls for State benefits information to be at heart of retirement guidance

Retired households with the lowest incomes receive the least State support, according to new analysis by **Just Group** that highlights the importance of cash-strapped pensioners checking their eligibility for benefits.

Analysis of ONS figures¹ reveals that the lowest income group (the bottom quintile) on average receive less State Pension income than all other higher income groups, and less income from other benefits than all but the group with the highest incomes.

“The common assumption is that those with the lowest incomes get the most State help but that’s not what the reality is,” said **Stephen Lowe, group communications director at Just Group**.

“The figures show that the 20% of pensioners with the lowest incomes receive the least money from the State.”

Quintile	Average Gross annual income (£)	Average State Pension (£)	Other cash benefits (£)	Total benefits compared to bottom quintile (£)	Home ownership (%)
Bottom	13,012	8,265	1,721	-	80.2
2	20,953	10,893	3,339	+4,246	66.0
3	25,792	11,101	2,573	+3,688	73.9
4	35,777	11,679	2,234	+3,927	79.9
Top	70,844	11,741	856	+2,611	92.9

The UK’s pensioner households are divided into five groups, or quintiles, with each one representing about 1.5 million pensioner households. Those on the lowest incomes receive an average of £8,265 State Pension and £1,721 in other cash benefits totalling £9,986 a year.

Households in the group with the next lowest incomes (the second quintile) receive £14,232 in total from the State - £4,246 a year more than the lowest income group. Even those on the highest incomes receive £12,597 a year from the State - £2,611 more income from the State than those on the lowest incomes.

“Even if you exclude State Pension income and just look at other cash benefits, people with the lowest incomes still receive less than all but those in the very top income bracket,” said **Stephen Lowe**.

“The other striking fact is the very high levels of home ownership among those on the lowest incomes. More than 80% of those in the lowest income group own their homes which is higher than every other income group except the top income group.

“Government figures show that about 1.2 million households fail to claim about £2.5 billion a year in Pension Credit, equal to more than £2,000 income for each household². This analysis shows it may be homeowners struggling on poor incomes who are most likely to be missing out, perhaps because they think the value tied up in their homes means they are not eligible for other benefits.”

He said the figures reinforced the need for State Benefits information to be given a high priority within the free, impartial and independent pension guidance available from Pension Wise to those considering accessing their pension money.

“Retirement planning is not just about making good choices with pensions, but also understanding the wider context of retirement and what other support is available,” he said.

“Homeowners in particular appear less likely to claim their eligible benefits so could benefit from a reminder at this key time of their lives.”

Enquiries

Media

Stephen Lowe, Group Communications Director

Temple Bar Advisory

Lucy Grubb, Head of Media & PR

Alex Child-Villiers

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

William Barker

Sam Livingstone

Telephone: +44 (0) 20 7975 1415

Notes to Editors:

Footnotes

1. ONS: ONS: Household Disposable Income and Inequality, UK, 2018/19 (tables 21 & 23):

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality>

2. Income related benefits - estimates of take up:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867973/income-related-benefits-estimates-of-take-up-2017-2018.pdf

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £20 billion of customers' retirement savings and has helped customers release over £5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

Marketed Products

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.