

# JUST. NEWS RELEASE

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## Income-poor pensioners receive up to £5,723 a year less in benefits than those better off

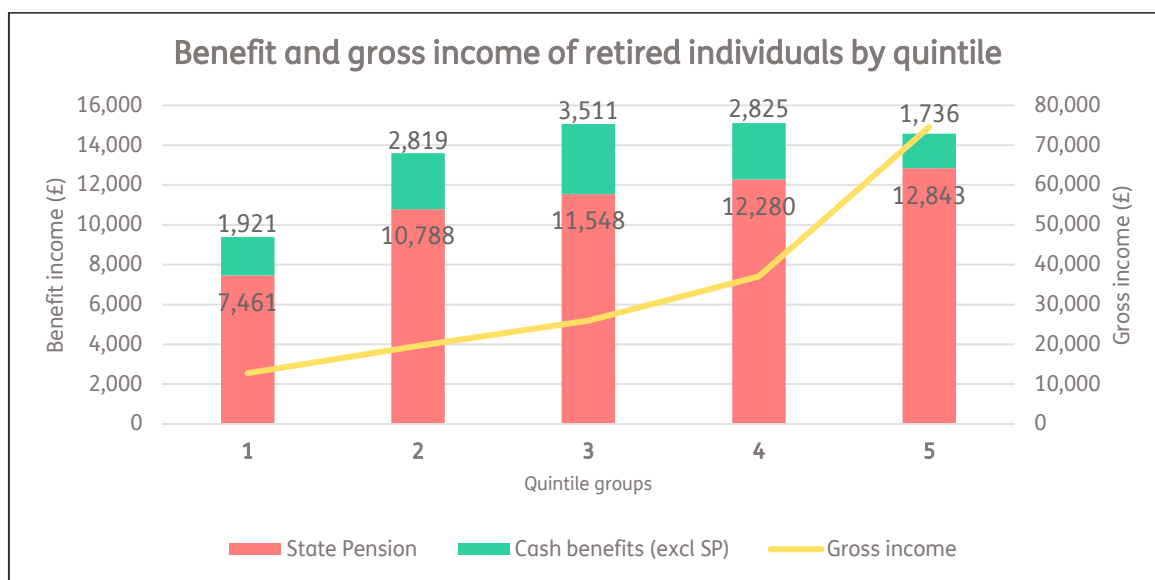
- Retired individuals with the smallest household incomes received between £82 and £110 per week *less* in cash benefits than higher income groups
- Over three in five pensioner homeowners eligible for extra benefits (62%) are not claiming

Pensioners with the lowest retirement incomes are receiving less in State Benefits, across nearly all types of benefit than those with higher incomes, new research from **Just Group** finds. The retirement specialist is urging income-poor pensioners to check whether they could be entitled to additional financial support.

The analysis of recently published ONS data<sup>1</sup> splits retirees into five groups (quintiles), covering the lowest annual income pensioners – group one – to those who have the greatest income – group 5.

This data found that the lowest income retirees received £9,382 a year on average in cash benefits including State Pension. That is £5,197 a year *less* than the top income group (group 5) whose gross annual income (£74,573) was nearly six-times higher than the lowest-income pensioners (£12,767).

The biggest disparity in the amount of cash benefits and State Pension received was between group 1 (those with the lowest gross income) and groups 3 and 4 who claimed an extra £5,677 and £5,723 respectively.



To put this in the context of weekly income, this means that those with highest annual household income receive £100 more a week in cash benefits and State Pension than those with the least income. This goes up to £110 a week for the middle income bracket – group four – which sees the greatest disparity in annual cash benefits and State Pension compared to the lowest group.

The data also showed that the bottom income quintile received considerably less in State Pension (£7,461) than those on higher incomes. This group also claimed the second lowest amount of Pension

Credit – the benefit specifically designed to support lower income pensioners – at £155 a year compared to an average of £268 annual claim from the three middle income groups receive.

**Stephen Lowe, group communications director at retirement specialist Just Group**, said: “The findings challenge the notion that most State support for retired people goes to those with the lowest income – in fact it actually goes to those in the middle and upper ends of the retirement income scale.

“The shared characteristic of retired people on the lowest incomes is that they receive less State Pension than any of the other groups, perhaps because they did not achieve the qualifying years needed or missed out on additional pension such as State Earnings Related Pension Scheme (SERPS) or State Second Pension (S2P). They also have lower levels of savings or investments which contributes to lower retirement incomes overall.”

Just Group’s annual insight report discovered that nearly two-thirds (62%) of retired homeowners were failing to claim any of the benefits they were entitled to – missing out on £1,100 a year. A fifth of eligible pensioners (24%) were claiming some benefits but not the full amount with an average annual loss from underclaiming of £660<sup>2</sup>.

“Eight in 10 retirees in the lowest income group own their homes, a higher proportion than the middling income groups – which means they can’t qualify for housing benefit. Our additional concern is that a ‘property rich, income poor’ group may unfairly miss out on benefits they are entitled to if they assume that owning their home disqualifies them.

“Many pensioners are feeling the financial squeeze following a winter of sky-high energy costs as well as a spike in inflation on everyday items like food. Retirees missing out on benefits are losing vital income that could make all the difference in the current cost of living crisis.”

There are a range of resources to help people check their entitlement to benefits:

- The government highlights free, independent third-party benefit calculators at <https://www.gov.uk/benefits-calculators>
- MoneySavingExpert also have a benefits calculator: <https://www.moneysavingexpert.com/family/benefits-check/>
- Local councils provide information on financial help to pay rent or Council Tax
- Organisations such as the Government’s Money Helper Service and charities such as Citizens Advice and Age UK can be good sources of assistance.
- Professional advisers will charge but can provide regulated advice alongside information about benefit eligibility

## Enquiries

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## **Notes to Editors:**

### **About the research**

1. **ONS**, The effects of taxes and benefits on household income, disposable income estimate:  
<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality>
2. **Just Group**, Struggling pensioner homeowners urged to check State Benefits entitlement as Just Group's annual insight report reveals thousands going unclaimed:  
<https://www.justgroupplc.co.uk/~media/Files/J/JRMS-IR/news-doc/2023/six-in-10-homeowners-eligible-for-benefits-failing-to-claim-just-group-annual-insight-report.pdf>

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