

# JUST.

## NEWS RELEASE

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### **Struggling home-owner pensioners most likely to be missing out on State Benefits, Just Group analysis suggests**

- **Retired households with the lowest incomes receive the least benefit at £806 a year**
- **New analysis suggests ‘property rich, cash poor’ could be failing to claim State help**

Retired households with the lowest incomes also receive the least in benefits, according to new analysis by Just Group which suggests pensioner homeowners may be likely to miss out on key benefits.

ONS figures show that retired households with the lowest incomes (the 10<sup>th</sup> decile) receive the lowest benefits at just £806 a year on average excluding State pension. Nearly nine out of 10 (89%) of this group are owner occupiers, a higher proportion than among middle-income retired households and a stark contrast to non-retired households where those on lower incomes and receiving higher benefits are the least likely to own homes.

“This research is striking because it shows the received wisdom that people on the lowest incomes get the most in benefits is turned on its head in retirement,” **said Stephen Lowe, group communications director at Just Group.**

“We noticed that there is a surprisingly high rate of home ownership among retired households who have the least annual income. In fact the 20% with the lowest incomes and the 30% with the highest incomes are far more likely to be owner occupiers and are also likely to receive less in benefits than the 50% with middle incomes.

“It is likely that some chose to buy homes rather than save into a pension and now find themselves ‘property rich, cash poor’ and struggling in retirement. The worry is that these people, despite having the lowest incomes, don’t appear to be getting help in the form of extra benefits on top of the basic State pension which almost every pensioner gets.”

#### **Missed benefits**

Stephen Lowe said that the analysis reinforces research from Just Group that found that more than half of retired homeowners miss out on some or all the State support they are entitled to, with an average £1,013 going unclaimed.

“Every pound of income counts, yet many pensioner homeowners are missing out on hundreds and in some cases thousands of pounds that would make a significant difference to their lives”, he said.

“It is crucial anyone struggling for income doesn’t think owning a home somehow exempts them from receiving State help and that they seek guidance to find out what they could be entitled to.”

***Full data can be found on the page below***

**Table 1: Property Ownership and Income of Retired Households by Decile Group**

Decile	Property Ownership (%)	Average Gross Annual Income (£)	Average Annual State Cash Benefits Received* (£)	As a Proportion of Gross Income (%)
1	94	66,212	1,022	2%
2	87	38,973	1,074	3%
3	93	31,887	2,856	9%
4	73	26,197	3,436	13%
5	82	22,096	2,281	10%
6	66	19,228	2,871	15%
7	66	16,798	2,570	15%
8	68	15,475	2,062	13%
9	80	12,291	1,340	11%
10	89	8,725	806	9%

*\*Excluding the State Pension*

**Table 2: Property Ownership and Income of Non-Retired Households by Decile Group**

Decile	Property Ownership (%)	Average Gross Annual Income (£)	Average Annual State Cash Benefits Received* (£)	As a Proportion of Gross Income (%)
1	83	126,742	602	0%
2	82	76,854	946	1%
3	81	63,547	1,414	2%
4	70	54,421	1,731	3%
5	73	45,338	2,408	5%
6	61	39,139	3,428	9%
7	51	33,360	5,001	15%
8	46	27,134	6,719	25%
9	36	23,066	8,498	37%
10	36	13,935	5,834	42%

*\*Excluding the State Pension*

## Enquiries

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**Notes to Editors:****Sources****1:**

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2017>

**2:** <http://www.justgroupplc.co.uk/~media/Files/J/JRMS-IR/news-doc/six-in-10-pensioner-homeowners-failing-to-claim-full-benefits-entitlement-pr-08-01-2018.pdf>

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A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £15 billion of customers' retirement savings and has helped customers release over £3.5 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 and flexible pension plans offering customers the options to blend secured and unsecured income;
- 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
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