

# Pensioners Update 8

Andrew Dismore MP

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## **Basic State Pension**

From next April (2006), Retirement Pension will go up by £2.20 a week for single pensioners and by £3.55 a week for couples. When I was first elected (in 1997) the pension then was just £62.45 for a single person – from April 2006 it will be £84.25 for a single person and £134.75 for couples. That is a real terms rise of 8%.

## **Pensions Credit**

From April this year (2006) the Guarantee Credit of Pensions Credit will rise in line with earnings, so that no single pensioner need live on less than £114.05 a week and no couple on less than £174.05 a week.

The threshold for the savings element of Pensions Credit will be uprated so that it remains equal to the Basic State Pension. This means that a typical single pensioner will now gain from Pension Credit with an income of up to £158.75 a week, while a typical couple will gain on income of up to £233 a week.

Nearly 3.3 million pensioners are now in receipt of Pension Credit, with an average weekly award of around £43. We are reaching more people and ensuring that they get their entitlements – over 900,000 more households receive Pension Credit than those previously in receipt of the Minimum Income Guarantee.

## **“One Stop Shop” phone line**

Following the introduction of Pension Credit, around 2 million pensioner households now qualify for more help, or qualify for help for the first time, with their council tax or rent.

Pensioners can now call one phone number to claim Pension Credit, Housing Benefit and Council Tax Benefit using one simple phone call. If someone calls to claim Pension Credit, they will be helped to claim Housing and Council Tax Benefit at the same time. Some pensioners could receive substantial arrears.

The simplified system means that Pension Credit customers will only have to provide their financial information once. They will be sent the pre-completed three-page Council Tax form to

check, sign and return to their Local Authority. This means they will no longer have to fill in a 26 page form from scratch. The income and savings information supplied for the Pension Credit application will be used for their additional benefit claims including Council Tax Benefit and Housing Benefit. Pensioners may be entitled to a rebate on what they have already paid, as their claim can be backdated for up to 12 months.

The Pension Credit Application Line is 0800 99 1234.

## **Winter Fuel Payments and Council Tax Help**

By now, pensioners aged over 60 by the qualifying date (September 2005) should have received the Winter Fuel Payment of £200. Those over 80 should have received £300, as there is a £100 supplement for the more elderly pensioners.

In addition, Council Tax paying households with an “over 65” pensioner should have received an extra £200, as special help with Council Tax Bills this year. Pensioners over 70 who do not pay Council Tax should have received the special additional living costs supplement of £50 earmarked for them.

These payments will have been made at around the same time, towards the end of 2005. If you believe you are entitled to a payment but have not received it, please call the payment helpline on 08459 15 15 15 or contact my assistant Adam Dustagheer on 020 8202 2154 or email to [admin@hendonlabourparty.com](mailto:admin@hendonlabourparty.com), and we will look into this for you.

## **Winter Fuel Payments and Council Tax: the future**

I'm sure you remember that it was the Labour Government that first introduced the Winter Fuel

Payment, for the winter of 1997-8. Then set at £50, it has since risen to £200. The Chancellor of the Exchequer has now confirmed that the Winter Fuel Payment will be £200 for every year of this Parliament. He has also announced that he will be setting aside an additional £300 million over the next three years, so that the Government's "Warm Front" programme can offer pensioner households on pension credit free installation of central heating; and all other pensioner households without central heating, a contribution of £300 towards the cost of installing it. He also announced further help with the cost of home insulation.

The Government has also set in motion a major review of the whole Council Tax system, with the aim of making it fairer. You will recall that the Council Tax was originally brought in by the then Conservative Government as an emergency measure, to replace the discredited "Community Charge" (which was generally known as the 'Poll Tax'). Since then, the inbuilt problems with the Council Tax have become increasingly apparent and the need for root and branch reform increasingly obvious. There are no "quick fixes". It would be wrong to replace one failing system with another that also has serious weaknesses. This is why the Government has set up an independent review. I send out separate updates on the progress of Council Tax reform – if you would like details please contact my assistant Adam Dustagheer on 020 8202 2154 or email to [admin@hendonlabourparty.com](mailto:admin@hendonlabourparty.com), and we will look into this for you.

### **Free TV Licences**

The Government is continuing free television licences for the over 75's, worth £126.50 in the current year. For more information, call the TV Licensing Information Helpline on 0845 602 3334. I know this is a very welcome entitlement, from when we first introduced it!

### **Free Prescriptions and Eye Tests**

If you are aged 60 or over, you can get free NHS prescriptions and eye tests. The Government reintroduced free eye tests, when we were elected in 1997, free eye tests having previously been abolished by the then outgoing Conservative Government.

If you are in receipt of Pension Credit, you may also get free NHS dental treatment and

vouchers towards the cost of spectacles or contact lenses.

To find out more, you should get the leaflet HC11 "Are you entitled to help with health costs?" from the Post Office.

### **Discount Driving Licence**

If you are aged 70 or over, the Government has arranged for the Driver and Vehicle Licensing Agency to cut the fee for a three year driving licence to £6. The DVLA will send you a renewal form when your old driving licence is about to expire. For more information call 0870 240 0009.

### **Free Passports**

The Government has now agreed that pensioners born before 2 September 1929 will be entitled to free passports. This is in recognition of the great contribution that the pensioner generation made to our country's freedom.

### **Free Bus Travel**

We have continued to maintain the free bus pass for pensioners, but you may not be aware that for some time now, pensioners have also been entitled to half price long distance coach travel around the country, through the scheme devised by the Government with National Express, a scheme which I believe to be of considerable benefit to pensioners who wish to travel to visit friends or family.

### **Hospital Stays**

When we came to office, if anyone stayed in hospital longer than six weeks, then their pension would be reduced. We abolished this rule. Only after a hospital stay of over a year (which is extremely rare), are pensions reduced.

### **Free Museum Admission**

One of the early benefits introduced by the Government was free museum admissions to pensioners.

### **Remembrance Travel Service**

The Government has made significant financial help available to the Royal British Legion's Remembrance Travel Service, which helps war widows travel to visit the graves of their lost

husbands, as part of a group sponsored by the Legion.

The “Heroes Return” scheme also makes provision for former service personnel who wish to visit the countries where they served.

Please let me know if you would like more details of these schemes.

### **Veteran’s Badge Eligibility extension**

Eligibility for the popular Veteran’s Badge is being extended to those who served up until 1954. Defence Secretary John Reid MP announced the extension on Remembrance Sunday. He said those who served in more recent campaigns, such as Malaya and Korea, would now be eligible.

The badges, which were launched in 2004, are intended to raise the profile of veterans among the public. Eligibility has been widened to include those who served in the inter-war years, and those who served between the end of World War II and 31 December 1954. Members of the Merchant Navy who took part in military operations during these periods will also be eligible, and so will the widow/ers of those who died as a result of their military service and who are in receipt of a UK war widow/ers pension.

If you have not yet applied for your badge and would like to, please contact the Veterans Agency as follows:

Free Helpline: 0800 169 2277  
Email:

[help@veteransagency.gsi.gov.uk](mailto:help@veteransagency.gsi.gov.uk)

Write to: Graham Taylor, Veterans Badge Office, Room 6108, Tomlinson House, Norcross, Blackpool, FY5 3WP

You can also download an application form by visiting [www.veteransagency.mod.uk/vets\\_badge/vets\\_badge.htm](http://www.veteransagency.mod.uk/vets_badge/vets_badge.htm)

### **Other Veteran Affairs**

I continue to take a keen interest in problems and concerns affecting former service personnel and their family. I was part of the successful campaign for a medal (or clasp) for the veterans of the Suez campaign. I continue to fight for further recognition, beyond the badge emblem

recently awarded, for those who served on the Artic Convoys.

I am also chairman of the all party House of Commons group, pressing for justice for civilian prisoners of the Japanese in World War II.

I am in regular contact with our local Royal British Legion, always taking on a “shift” selling poppies in the lead up to Remembrance Day. For me, it is of great importance that I make sure that I attend the annual Remembrance Day Ceremony and Parade, alternating between the War Memorials in Hendon and Edgware.

I also work closely with AJEX, attending their remembrance services. The AJEX museum is now located in the constituency.

### **Pensions in the long term: the Turner Report**

I am sure you will have seen the extensive news coverage at the end of last year (2005) over the recommendations of Lord Turner’s report, for the long term future of pension provision.

It is clear that we need now to introduce further reform to ensure that our occupational and state pension systems deliver for future generations of pensioners.

I warmly welcome the broad framework of the Pension Commission’s proposals and options. I believe they are the right basis to build the consensus that we need for long lasting stability. But there is still a great deal to be discussed and debated about the detail.

The pensions industry believe that they can produce an industry-led model that will meet the Turner objective of enabling all people to save for a pension at low cost – and which will also out-perform the model proposed in the report. The Government has asked the industry to work up the details of an alternative approach by early February 2006, ahead of a joint National Pensions Debate event between industry and Government, when these proposals can be closely examined.

In the same way, as the Government embark on a major new consultation exercise involving every section of our community, we will be scrutinising the Commission’s proposals and options, and debating the best ways to achieve

the objectives that the Commission set out, to deliver a lasting pensions settlement.

**Pensions and pensioner poverty: progress so far**

By targeting resources at the least well off pensioners, we have succeeded in lifting nearly two million pensioners out of absolute poverty. We are now spending £11 billion extra each year on pensioners, with almost half of the extra spending going to the poorest third. If we had instead merely increased the Basic State Pension in line with earnings, then just over a quarter of that extra spending would have gone to the poorest third – who would have been £30 a week worse off than they are as a result of the actions we have taken.

On average, pensioner households are now £1,400 a year, or £27 a week, better off in real terms than they would have been under the 1997 system – with the least well off third of households £1,900 a year, or £37 a week, better off in real terms.

We have now reached the unprecedented position where pensioners are no more likely to be poor than any other group in society – a particularly remarkable achievement after a period in which earnings have grown substantially, due to the stability and steady growth we have enjoyed in the economy since 1997.