Minute Item 8.(ii)



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HM Treasury 1 Horse Guards Road London SW1A 2HQ

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14 November 2024

Dear Mr Eaton,

Thank you for your letter of 2 October to the Chancellor of the Exchequer on behalf of Mr Damian Eaton of Stopford House, Town Hall, Stockport regarding the decision to restrict Winter Fuel Payment eligibility. I am replying as the Minister for Pensions.

In face of the substantial pressures faced by the public finances this year and next, the Government has had to make hard choices, including targeting the Winter Fuel Payment, to bring the public finances back under control. This decision means that the Winter Fuel Payment will be targeted to low-income pensioners who need it.

Despite this very difficult decision, we are determined to protect the poorest pensioners and target support to those in greatest need. Winter Fuel Payments will continue to be paid to pensioner households with someone receiving Pension Credit or certain other income-related benefits. They will continue to be worth £200 for eligible households, or £300 for eligible households with someone aged over 80.

The Government wants those eligible for Pension Credit but not currently claiming it to receive the benefits they are entitled to, including the Winter Fuel Payment. As part of this, we have started a new drive to increase take-up of Pension Credit, which is currently far too low - with a third of eligible pensioners not claiming. We know there are low-income pensioners who are not claiming Pension Credit, and we really urge those people to apply.

Claims for Pension Credit can be made online at: <u>www.gov.uk/pension-</u> <u>credit/how-to-claim</u>. The service is available to use 24/7, and provides those who may struggle to make their claim alone, the flexibility to have a friend or family to support them when making their claim, at a time that is most convenient to them. Pension Credit claims can also be made through the Freephone telephone number 0800 99 1234, and there is an option to complete a paper application form.

I would like to stress that this Government is absolutely committed to pensioners - everyone in our society, no matter their working history or savings deserves a comfortable and dignified retirement. That is why through our commitment to protect the Triple Lock, over 12 million pensioners will benefit, with many expected to see their State Pensions increase by over a thousand pounds over the next five years. Protecting the Triple Lock even in the current economic climate shows our steadfast commitment to pensioners.

The Warm Home Discount scheme provides eligible low-income households across Great Britain with a £150 rebate on their electricity bill. This winter, we expect over three million households, including over one million pensioners, to benefit under the scheme.

At the Autumn Budget 2024, the Chancellor announced that £1 billion, including Barnett impact, will be invested to extend the Household Support Fund in England by a full year until 31 March 2026, on top of the six months already announced, and to maintain Discretionary Housing Payments in England and Wales. This will help struggling households facing the greatest financial hardship.

We are supporting consumers, including pensioners, through the Government's ambitious Warm Homes Plan which will transform homes across the country by making them cleaner and cheaper to run from installing new insulation to rolling out solar and heat pumps. We have committed £3.4 billion over the next 3 years towards heat decarbonisation and household energy efficiency. This includes £1.8 billion to support fuel poverty schemes, helping over 225,000 households reduce their energy bills by over £200.

Our other steps include cutting waiting times in the NHS which will help many pensioners currently waiting in pain and discomfort for treatment, and delivering the economic stability which is so crucial for pensioners.

Given the substantial pressures faced by the public finances this year and next, the Government has had to make hard choices to bring the public finances back under control.

Yours sincerely,

Emma Reynolds MP

Minister for Pensions