



NEWS RELEASE

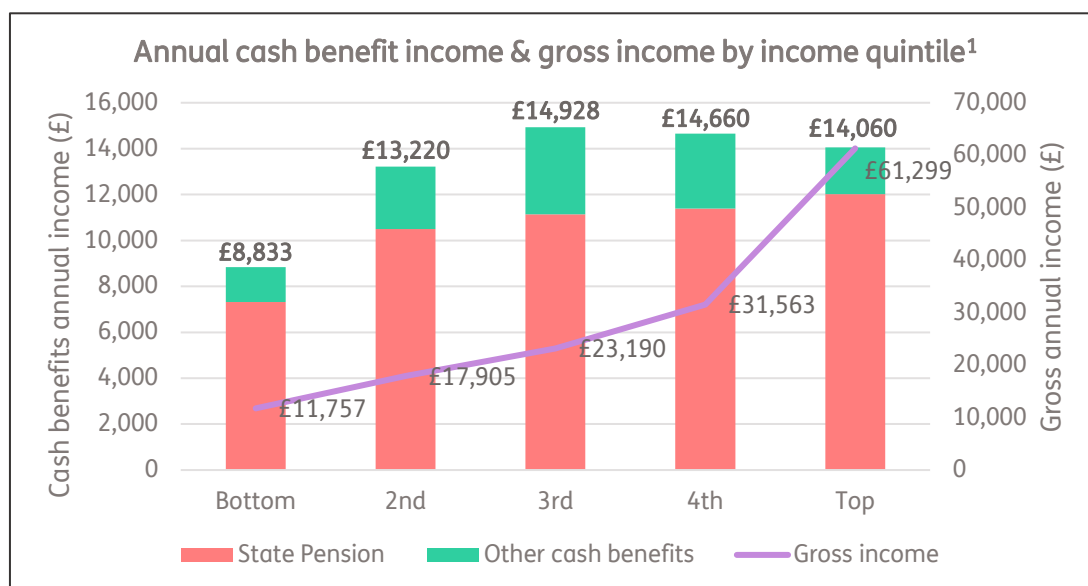
26 April 2021

Income-poor pensioners receive at least £84 a week less in benefits than those better off

- The four-fifths of retired households with the highest incomes receive at least 50% more in cash benefits than those on the lowest incomes, official figures show.
- Advisory firm HUB Financial Solutions urges income-poor pensioners to check they are claiming their full benefit entitlement

Pensioners with the smallest income in retirement are receiving the least in State Benefits, across nearly all types of cash benefits, new research from HUB Financial Solutions, the advisory firm, has found.

Analysis of ONS data splitting retired households into five groups by annual income shows the bottom quintile receives £8,833 a year on average in cash benefits including State Pension. That is £84 a week less than the £13,220 received by the second quintile and more than £100 a week less than the top quintile whose overall income is five-times higher.



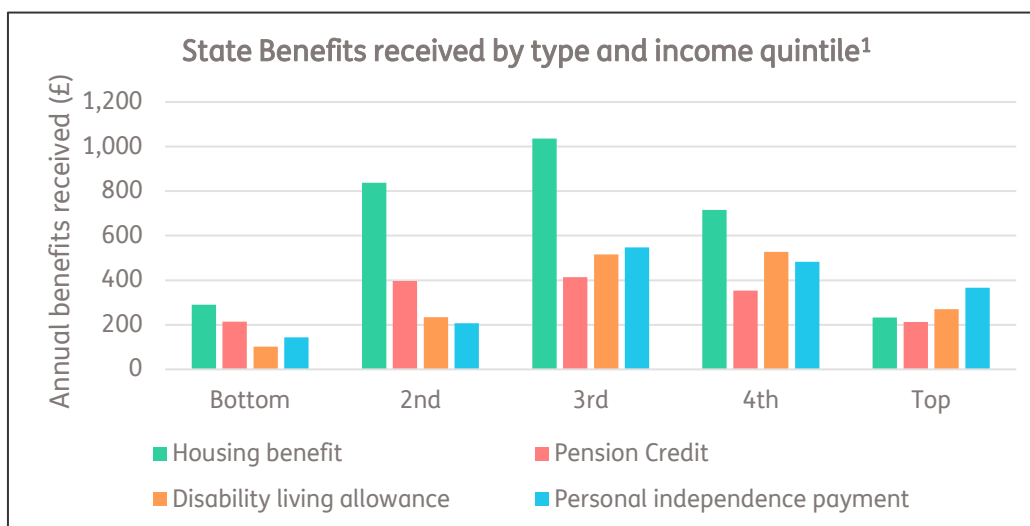
Simon Gray, Managing Director at HUB Financial Solutions, said: “The findings challenge the notion that most State cash goes to the poorest pensioners – in fact it goes to those in the middle of the income scale.

“The characteristic of those retired people on the lowest incomes is that they receive less State Pension, 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 not managed to save or invest as much, either inside or outside private pensions which has also contributed to lower retirement incomes.

“Four in five of the retired people on the lowest incomes own their homes, a significantly higher proportion than every other quintile except those on the highest incomes, which means they can’t qualify for housing benefit.¹

“Our concern is that these ‘property rich, income poor’ people may be put off checking their entitlement to benefits. Government figures show about a million families are missing out on £1.8 billion of Pension Credit each year.”²

HUB Financial Solutions’ specially trained advisers check the benefits entitlements of all customers considering equity release and frequently find people are missing out. Four in 10 of these people who were entitled to benefits last year were not claiming anything and another two in 10 were claiming less than the full amount, with the average loss of income of £830 a year³.



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>

- Local councils provide information on financial help to pay rent or Council Tax
- Organisations such as the Money Advice 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

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Notes to Editors:

References

1 – ONS, Effects of taxes and benefits on household income:

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

2 – DWP, Income-related benefits: estimates of take-up: financial year 2018 to 2019:

<https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019/income-related-benefits-estimates-of-take-up-financial-year-2018-to-2019>

3 – Six in 10 pensioner homeowners eligible for State Benefits are failing to claim their full entitlement:

<https://www.justgroupplc.co.uk/~media/Files/J/JRMS-IR/news-doc/2021/210105-release-annual-state-benefits-data.pdf>

About HUB Group

HUB Group's operating companies are modern, technology-driven businesses specialising in providing integrated financial solutions to UK businesses and to their customers and members. Collectively the Group's businesses are one of the UK's biggest providers of regulated advice and guidance to people in later life.

HUB Group has provided advice and guidance to over 100,000 customers and pension scheme members, helping them turn £1 billion of pension savings into a guaranteed income for life, release £1 billion of equity from their homes and provided specialist advice on defined benefit transfers.

HUB Group comprises:

- HUB Financial Solutions – a provider of regulated advice, retirement solutions and services to UK businesses and other organisations;
- HUB Pension Consulting – a specialist in providing client advisory services to defined benefit (DB) pension scheme trustees and scheme sponsors undertaking bulk member options exercises; and
- HUB Digital Solutions – a financial technology business that specialises in creating innovative and disruptive retirement-focused solutions.

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