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Ros Altmann

Labour can no longer justify its onslaught against pensioners

Impoverished retirees are bearing the brunt of our leaders' 'tough decisions'

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Rachel Reeves has suggested that pensioners can afford cuts to winter fuel payments because of state pension increases Hollie Adams/Bloomberg



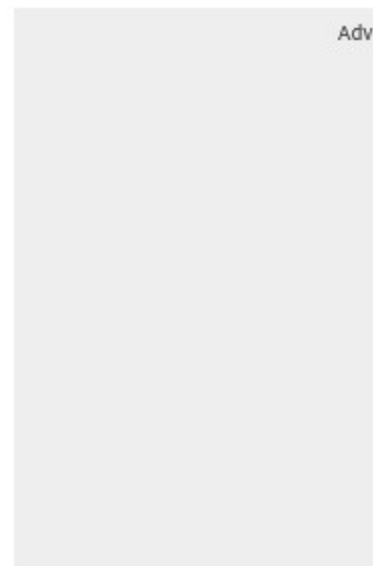
Ros Altmann

04 September 2024 12:00pm BST

Every reason the Government has given to try to rationalise its irresponsible, damaging decision to axe winter fuel payments is flawed.

We are told the poorest pensioners will be protected, as many pensioners just don't need the money. Of course, pensioners like myself don't need it, but the measure extends far wider. The payment is also being removed from the very poorest ones too.

The latest official estimates show 880,000 pensioners who were eligible for the means-tested pension credit – in other words those with the lowest



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incomes – are not claiming it. So just paying the money to those on pension credit will leave out hundreds of thousands of the poorest.

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The Government says it will work hard to increase take-up. Well, this takes a great deal of time and resources and has been tried for many years.

Do you support Labour's plan to scrap winter fuel payments for 10 million pensioners?

Yes

No

Total votes: 1,825,037

It is simply impossible to ensure all those who need the winter fuel payment will receive it this winter. The money was due in just a few weeks' time, while administering, processing and paying new claims for hundreds of thousands of elderly people, many of whom are hard to reach, takes more time.

Additionally, an estimated two million more pensioners have incomes only a little above the means-test cut-off. They are also some of the poorest and they do not receive the additional money, possibly thousands of pounds a year in council tax or housing benefits, that claiming pension credit unlocks.

These poorer pensioners have also lost the extra cost of living payments they received last year. Many were already struggling to keep warm and eat hot meals. Their health is being put at risk. Therefore, even if everyone entitled to pension credit did receive it, millions of poorer pensioners will

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be hit. The Government's explanation is simply wrong.



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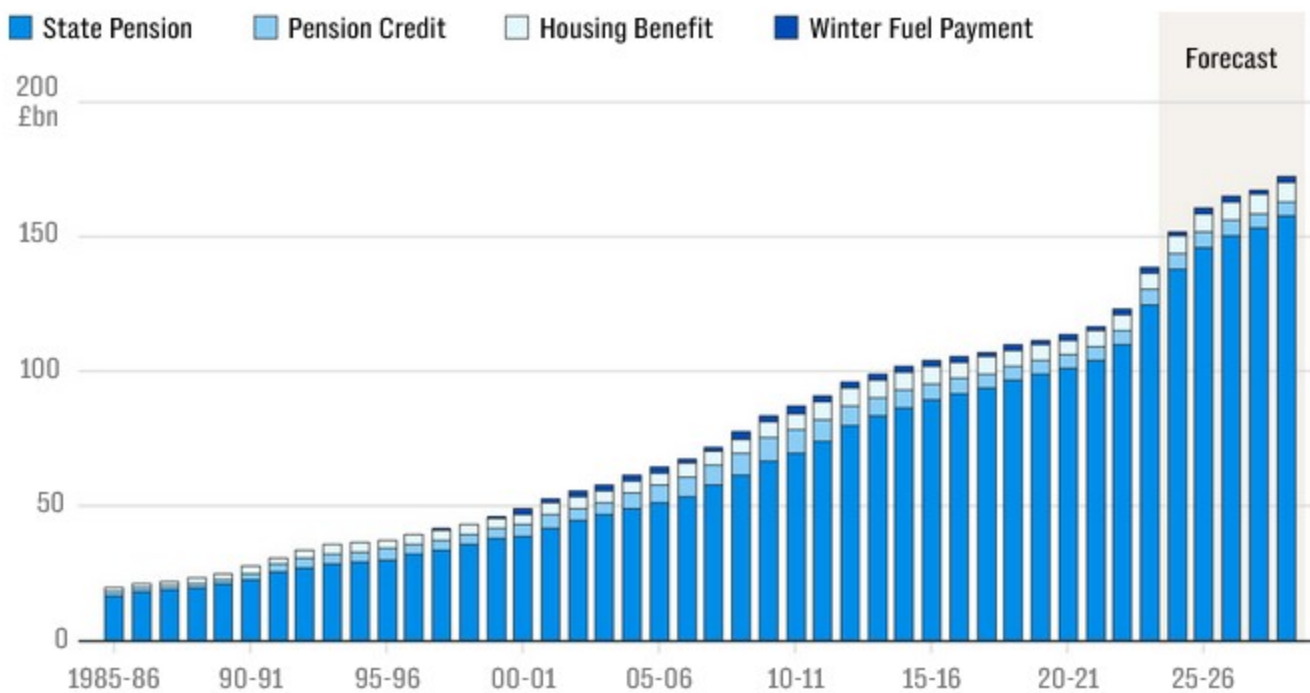
Then we are told the measure is essential to reduce the fiscal deficit and will cut Exchequer spending by £1.4bn this year. It blames a supposed "black hole" in the public finances caused by past irresponsible unfunded spending commitments.

But the winter fuel payments were funded and costed and included in all departmental forecasts, so that rationale falls down.

We were even told that if it had not axed the payments, the markets would have lost confidence in Government spending plans and crashed the pound. This is just economic nonsense. That amount of public spending would certainly not frighten investors.

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Indeed, there are many other ways to cut benefit costs, including taxing the payments, or just taking them away from higher rate taxpayers in the way child benefit has been means-tested.

But they all take time and this was an easy target to raid. It is a political choice, to force poorer pensioners to bear the brunt of the Government's wish to demonstrate willingness to take "tough decisions".

In fact, it may not cut spending at all. If around half the 880,000 non-recipients start receiving pension credit this year, the total Treasury cost could exceed the £1.4bn savings of the entire measure. And would still leave millions of pensioners without the much-needed money.

The Government has also tried to justify this move by saying its triple lock promise means they can afford to lose winter fuel payments. Well, the triple lock only applies from April next year and helps every pensioner, even the wealthiest, who may get more extra money than the £200 or £300 lost to poorer pensioners. It is no justification.

This shocking policy change was rushed through without parliamentary debate or scrutiny, without assessing its impact and on the basis of flawed reasoning.

The short notice will cause real irremediable hardship for many vulnerable pensioners. I hope Parliament might stop this travesty – at the very least to delay and allow time for proper assessment and protection for those worst affected.

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Baroness Altmann was pensions minister under David Cameron.