

Strategy, Information and Pensions

**Equality Impact Assessment –
Pension Credit Automated review at end of
Assessed Income Period (Rapid Review)**

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Introduction

1. Pension Credit was introduced from 6th October 2003. It introduced the concept of the Assessed Income Period (AIP) for customers aged 65 and over. This effectively removed the burden upon pensioners to notify all changes in their circumstances as soon as they occur. An AIP is a specific period of up to 5 years (although on introduction of Pension Credit provision existed for AIPs to be set in certain circumstances, for periods of between 5 and 7 years), during which time the Pension Credit customer does not have to report changes to their retirement provision (income from capital, annuities and retirement pension).
2. Currently the rules provide that at the end of the AIP, in order to consider the setting of a new one, it is necessary to obtain details from the customer of their current income levels (this is because there may have been changes in the previous 5 years which need to be brought into account). The information required is similar to what is requested at the start of a claim.

Purpose and aim(s) of the proposal or change:

3. The proposed change will simplify the process for those customers with little or no income and whose circumstances are unlikely to have changed since their last declaration. This will reduce the burden on customers to answer intrusive questions and to provide information about retirement provision.
4. Information already known to the Department, including HMRC data on savings and income, will be used to anticipate that there will have been little or no changes in their retirement provision, and to set a new AIP on such cases automatically. Customers will be notified that a new AIP has been set and the basis on which we have set it.
5. The change will also simplify the operational process by removing the need to process large volumes of information before determining whether another AIP can be set.

Who will benefit mainly from this proposal or change?

6. Many customers will benefit as they will not need to complete a lengthy form at the end of their AIP. The process will also ensure that these customers are given their new AIP on time. The Pension, Disability and Carers Service will benefit as the time-consuming review process will be automated for some 650,000 customers enabling resources to be focussed more efficiently on those cases which do need to undergo a full review.

What information and/or data (evidence) has been obtained to impact assess this proposal or change?

7. The Pension, Disability and Carers Service conducted a feasibility study in the autumn of 2007 in order to test the feasibility and accuracy of the proposed process. Following this, a small survey of customer reactions to the proposed process and associated

