Independent Age

Research summary

The only way is up: The impact of improved entitlement take-up on pensioner poverty and healthcare spending

July 2026

Too many older people in financial hardship miss out on the money they are entitled to through the social security system. This has a significant impact on the 1.7 million older people in the UK who are living in poverty.

In 2023/24 only 62% of those eligible were receiving the income top-up Pension Credit, meaning that 1.2 million older people were missing out on a combined £2.5 billion of available Pension Credit. Take-up levels of Housing Benefit and Council Tax Reduction are also unacceptably low. A strategic approach to increasing the take-up of all entitlements could make a huge difference to the lives of millions of older people living in financial hardship.

Alongside the positive impact of making people more financially secure, increased take-up rates could help to improve people's health, leading to a reduction in public spending on health and social care by up to £790 million a year in England.

Independent Age commissioned Public First to undertake new quantitative research, looking at the impact of improved take-up on poverty rates among older people, and the potential impact that reducing the number of older people in poverty could have on health and social care public spending.

Key findings

- Increasing take-up of three key pensioner entitlements could lift 280,000 older people out of poverty, as well as provide another 770,000 with more money in their pocket while they are still living in poverty.
- Increasing entitlement take-up would particularly help older renters, people reliant on the old State Pension system and those living alone – who are all more at risk of poverty in later life.
- Focusing on increasing take-up of multiple entitlements is more effective than focusing on increasing just one.
- Improved take-up could produce cost savings of up to £790 million per year across health and social care in England.
- Increasing pensioner income through improved take-up of entitlements could improve access to primary care, meaning health issues are addressed earlier and there is reduced demand for acute care and social care.

Increasing take-up of entitlements could lift 280,000 older people out of poverty.

What needs to change?

To deliver poverty and health improvements for older people in financial hardship, the UK Government need to commit to a strategic approach to increase take-up of all entitlements.

The UK Government should develop and publish an all-entitlements take-up strategy for the UK. It should include a strong commitment to increasing take-up, with target take-up levels for the coming years. This should be accompanied by plans for measurement, accountability and transparency, as well as tangible recommendations for reducing barriers to take-up.

While more money in the pocket is always welcome, our research proves that if everyone living on a low income in later life received what they're entitled to, for many it would still not be enough to lift them out of poverty. A review of the adequacy of pensioner entitlements is also needed to ensure the social security system effectively lifts older people out of poverty.

The UK Government must commit to ensuring everyone has an adequate income in later life, in a way that safeguards older people's income now and in future. The Pensions Commission offers an opportunity to provide an evidence base that must guide a consensus-building conversation.

The Pensions Commission should also gain broad-based agreement on what constitutes adequacy in later life, including principles such as dignity, decency and a life that promotes good health. It should define the role of the State Pension and other social security entitlements in providing an adequate income.

> "Life is so much better now. I can buy fresh vegetables, and travel to the mainland to see family.
>
> **Valerie, 68, Isle of Wight, on the impact of receiving her entitlements**

Independent Age is the national charity focused on tackling poverty in later life.

Call our freephone Helpline on **0800 319 6789** for information or to speak to one of our expert advisers, who provide free and impartial advice on the issues that matter to older people with money worries.

Email **policy@independentage.org** for more information about this research report.

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IA-PI-483-B