

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

products was completed. The general attitude of customers towards rapid review, its associated streamlining of processes and removal of unnecessary form filling was positive.

8. The Pension, Disability and Carers Service has also consulted with external organisations including members of the DWP Information Directorate Ethics Committee and pensioner representatives such as Age Concern, Citizens Advice and Help the Aged. Their reaction has been positive, particularly as some of them have long advocated the intelligent use of data to determine customer outcomes more automatically. Discussions about this change have taken place with the Partnership Against Poverty forums. No substantive issues were raised during those discussions.
9. As no adverse impact on existing customers has been identified, data on diversity characteristics of customers has not been considered.

Has a negative impact been identified on any group?

10. We do not anticipate any negative impact on customers.

Does the proposal or change have a positive impact on any group?

11. This proposal may have a positive impact on the elderly and on some disabled customers who may find the existing process, with its emphasis on completing a lengthy form, onerous. This proposal will automate the process whereby new AIPs are set on the expiry of the existing one for those customers deemed to be unlikely to have had or to have in the next 12 months any changes in their circumstances affecting their amount of Pension Credit. Instead of completing a lengthy form providing details of their circumstances, customers will be sent a simple statement telling them that a new AIP has been set, the details The Pension, Disability and Carers Service currently holds on them, and telling them to let the Department know only if any of these details are wrong, have changed or change in future.

Monitoring

12. To provide an assurance of quality and effectiveness, we have commissioned DWP Risk Assurance Division to undertake a review of the planned process and the monitoring arrangements. We have requested the outcome of their review prior to the go-live of Rapid Review. Subject to their findings, this will enable us to make appropriate adjustments to our procedures before implementation.
13. Additionally, the Department proposes to continually test its assumptions by selecting a percentage of auto-reviewed cases for a full review in order to monitor the level of accuracy and risk.
14. Any specific or generic customer complaints that can be traced back to the rapid review process will be considered and products or processes reviewed or amended as appropriate.

Conclusion

15. In view of the above, the Department believes that customers will not be unduly or adversely affected by this change, and that the proposed change would not discriminate unlawfully (either directly or indirectly) on the grounds of race, disability, gender, age, sexual orientation and/or religious belief.

Name and contact details of the officer(s) responsible for the assessment

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