LCP on point

What are the Chancellor's options for Winter Fuel Payments?

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01 Introduction

In her statement to the House of Commons on 29th July 2024, the Chancellor of the Exchequer announced that, with effect from Winter 2024, Winter Fuel Payments for pensioners would be restricted to those in receipt of Pension Credit. The Government's initial estimate[1] was that this would save around £1.4bn in 2024-25.

The announcement has proved controversial, with commentators noting that the change could leave some low-income pensioners not in receipt of Pension Credit in financial hardship, whilst opposition parties in the House of Commons have tabled motions to reverse the measure altogether.

Against this backdrop, this paper seeks to provide analysis to inform the debate about the measure itself and about the potential for alternative ways of saving money on Winter Fuel Payments.

We begin by explaining what Winter Fuel Payments are and then set out the proposed change. We then use DWP estimates of the extent of pensioner poverty and identify which groups of pensioners are most at risk. We use this information to assess the Government's policy compared with alternative ways of targeting Winter Fuel Payments such as restricting payments to those living in lower value properties, restricting them to older pensioners or subjecting them to income tax. In each case, there is a different trade-off between the amount of revenue raised/money saved by the Government and the number of low-income pensioners adversely affected.

We then offer some concluding thoughts.

[1] See: Fixing the foundations: public spending audit 2024-25

02 What are Winter Fuel Payments?

Winter Fuel Payments were first introduced in 1997. They provide an annual lump sum payment and are intended to assist older households with the higher fuel bills they are likely to face in the winter. The scheme was originally designed only for low-income pensioners but was extended to all pensioners in the Winter of 2000.

Winter Fuel Payments are available to households where one or more persons are over the state pension age. The current rate of payment is £300 per household where one member of a household is aged 80 or over, and £200 otherwise. Temporary additional payments were made in Winter 2022 and Winter 2023 to reflect cost of living pressures, but no further such payments are planned. From 2024 onwards, around 1 million pensioners in Scotland will instead receive support via the Scottish government.[2]

The DWP's latest Winter Fuel Payment statistics[3] show that in 2022-23, 11.4m individuals living in 8.4m households benefited from payments.[4] The cost of the scheme (excluding one-off cost of living payments) was around £2.0 billion in 2023-24[5].

At present, WFPs are not subject to income tax and are paid regardless of the income level of the household.

Winter Fuel Payments are to be distinguished from other systems of help to low-income households with energy bills, which include:

- The Warm Home Discount scheme, which is delivered in the form of an annual credit to electricity accounts for those on pension credit and certain other low-income households.
- Cold Weather Payments, which provide a £25 payment to low-income households for each period of 7 consecutive days when the temperature at a local weather station is below freezing.[6] In Scotland, this has been replaced by a standard annual Pension Age Winter Heating Payment of £58.75[7] to those on low incomes.
- Household Support Fund[8] - the central Government allocates local authorities in England funds to support households in particular need and are able to design discretionary local schemes for this purpose. The Government has recently announced that £421m will be made to English local authorities for this Winter, with pro-rata allocations to the devolved governments in Wales, Scotland and Northern Ireland.

[2] For simplicity in this paper, we assume that whatever solution is adopted by the Westminster government for pensioners in England and Wales will be mirrored in Scotland on the basis that the Scottish government has not yet confirmed how it plans to respond to the proposed change.
[3] See: Winter Fuel Payment statistics
[4] Around 99.7% of payments are to those living in Great Britain, but a small number of payments are made to people living in certain EEA countries or Switzerland, whose average temperature is lower than that of the UK.
[5] See: Benefit expenditure and caseload tables 2024
[6] For the system in England and Wales see: Cold Weather Payment
[7] See: Winter Heating Payment
[8] See: Get help with the cost of living from your local council

03 What is changing, and what concerns have been raised?

In her July 29th Statement to Parliament, the Chancellor said that with effect from Winter 2024, Winter Fuel Payments would be made only to those in receipt of Pension Credit.[9] Pension Credit is the main low-income benefit for households over pension age and tops up incomes to a standard figure, currently £218.15 per week for a single pensioner and £332.95 for a couple. Higher rates are payable to those with extra needs, such as certain disabled people and carers.

Since the announcement was made, concern has been expressed about the impact on two particular groups.

A. Individuals who are entitled to Pension Credit but do not take up their entitlement

It is known that there is a group of people who would be entitled to Pension Credit if they made a claim but do not do so. DWP publishes annual estimates of the scale of this problem[10], with the latest figures covering 2021-22.

The estimates are subject to a margin of uncertainty, but DWP estimates that between 720,000 and 880,000 people are entitled to Pension Credit but do not claim it. This means that only between 61% and 65% of those who are eligible take up their entitlement. This is called the caseload take-up measure. DWP figures also suggest, not surprisingly, that larger amounts are more likely to be taken up than smaller amounts, and so take-up measured as a proportion of the available money is estimated to be between 69% and 77%. This is called the expenditure take-up measure.

Critics have argued that this group of up to 880,000 are of particular concern because they are (by definition) living below the level which the Government itself regards as the minimum needed, and yet will lose up to £300 per year. It is, of course, possible that some people in this group will respond to the changes regarding WFPs by putting in an application for Pension Credit, and the government is itself planning a publicity campaign to encourage take-up.

B. Individuals just above Pension Credit levels

If people have an income of just a pound or two above pension credit levels, they will no longer be entitled to Winter Fuel Payments in the future. Critics have pointed out that linking WFPs (and other forms of welfare support) to receipt of Pension Credit creates a ‘cliff edge’ where those just above the Pension Credit line could actually find themselves worse off than if their income was a few pounds lower.

[9] The necessary legislation has now been published, and it indicates that other benefits pensioners may be receiving will also act as qualifying benefits for WFPs. These include Universal Credit, income- based JSA, income-based ESA and Income Support: The Social Fund Winter Fuel Payment Regulations 2024.
[10] See: Income-related benefits: estimates of take-up: financial year ending 2022

This is because receipt of even a very small amount of Pension Credit[11] acts as an automatic passport to various additional benefits, including:

- Cold Weather Payments of £25 per week of winter weather below freezing
- Warm Home Discount on electricity bills, worth £150 in winter 2023-24
- Free TV licence worth £169.50 for those aged 75+
- Full rebate of Council Tax
- Full rent rebate
- Free NHS dental treatment and help with other health-related costs

By adding Winter Fuel Payments to this list, people with incomes just above Pension Credit levels are more likely to find that they would have been better off if their income was a few pounds lower and may feel penalised for having some private pension income or other savings.

[11] To be more precise, the Pension Credit for those who reached pension age before 6th April 2016 contains two elements – a Guarantee Credit and a Savings Credit. The latter was abolished for new claims after this date. Some 'passported' benefits apply only to those on the Guarantee Credit, whilst others apply to people receiving any form of Pension Credit.

04 Who are the poorest pensioners?

As noted above, the biggest concern which has been expressed with the WFP policy is around its potential impact on low-income pensioners.

In order to explore which pensioners are most at risk of adverse outcomes, in this section, we look at official DWP data on low-income pensioners to understand their characteristics better before considering how different reform options would affect them.

There is no official poverty line in the UK. However, a benchmark for low income, which is widely used in the UK and internationally, is having a household income below 60% of the national average (median). For example, a recent Eurostat report giving cross-national comparisons of pensioner poverty rates said:

> *"A person at risk of poverty is someone who (despite social transfers) has a level of income less than 60 % of the median income for the whole population."*[12]

Helpfully, DWP published detailed annual statistics on this basis, which gives us a good idea of the number of people in this position and what they look like.

The latest official figures for Households Below Average Income (which include figures for various percentages of average income) relate to the financial year 2022-23[13]. The DWP online Stat-Xplore tool[14] allows users to dig deeper into the characteristics of different groups based on those statistics.

Based on the measure of household income, which looks at living standards after housing costs have been met, the DWP estimates that in 2022-23, there were around 1.9m pensioners living in households below 60% of the national average income. This is made up of just under 1 million single pensioners and just under half a million pensioner couples and represents around 1 in 6 of all pensioners.

In the next sections, we look at how different ways of targeting WFPs would affect this group.

[12] See: Ageing Europe - statistics on pensions, income and expenditure
[13] See: Households below average income (HBAI) statistics
[14] See: Stat-Xplore

05 Options for reform

Having identified a group of 1.9m pensioners of most concern, in this section, we look at different options for reducing the cost of Winter Fuel Payments and consider how this group would be affected in each case. We also look at how much money would be raised by each policy. We start with the Government's policy of restricting WFPs to those on Pension Credit before considering other ways of targeting benefits that have been used in other parts of the tax and benefit system.

These are:

- Restricting payments to those in lower-value properties
- Restricting payments to the most elderly pensioners
- Subjecting payment to income tax

A. Targeting by receipt of pension credit

Given that the Government is planning to limit entitlement to Winter Fuel Payments to those on Pension Credit, an obvious place to start would be to see how many of the 1.9m low-income pensioners will continue to receive WFPs and how many will not. The results are shown in Table 1 and relate to pensioners in all parts of the UK.[15] Note that the results are a count of individual pensioners (based on their household income), so a pensioner couple would count as two people for purposes of this and similar tables.

Table 1. Pensioners on low income (less than 60% median), by pension credit receipt

	Not on low income	On low income	Total
Not on Pension Credit	9.1m	1.6m	10.7m
On Pension Credit	0.8m	0.3m	1.1m
Total	9.9m	1.9m	11.8m

Source: Author's calculations using the DWP's Stat-Xplore tool

The results in Table 1 are, in many ways, surprising.

[15] Although policy on WFPs is devolved in Northern Ireland, the NI Executive has recently indicated that it is likely to follow the policy of the Westminster Government – see: Winter fuel payments in NI to be means tested

The positive news is that:

- The vast majority of pensioners are not on a low income on this measure; roughly 5 in 6 pensioners (9.9m out of 11.8m) are above the 60% of average income threshold.
- Pension Credit is clearly contributing to poverty reduction; nearly three-quarters of those on Pension Credit (0.8m out of 1.1m) are helped through receipt of Pension Credit to a standard of living above the low-income threshold.

However, the table shows two worrying facts which may come as a surprise:

- A round 300, 000 of those receiving Pension Credit still find themselves below the low-income threshold. One reason for this is that we are looking at incomes after housing costs have been met. Although Pension Credit is designed to cover day-to-day living costs such as food and fuel bills, it does not cover all housing costs. For example, someone on Pension Credit could still be paying an outstanding mortgage (for which very little help is available) or could be renting from a private landlord and find that their rent is not fully covered by housing benefit and the need to meet these residual housing costs could leave these pensioners below the low-income threshold.
- The large majority of low-income pensioners (1. 6m out of a total of 1. 9m) are not on Pension Credit, and this is a very important finding. It means that a large number of pensioners living below what many regard as the poverty line are set to lose their Winter Fuel Payments.

There are two main reasons why people may be in this group:

- As noted earlier, significant numbers of people whose income is below pension credit levels fail to claim their entitlement, based on a central estimate of around 800,000 people in this position. It seems likely that very roughly half of all low-income pensioners are short of pension credit levels but will still end up losing their Winter Fuel Payments.
- A further 800,000 pensioners who would not be entitled to Pension Credit are still on a low income and are set to lose their WFP. This could include, for example, those who would be entitled to help with rent or council tax but fail to take up those benefits and those who have to fund a mortgage or part of their rent out of their modest income; it could also include those just a few pounds above pension credit levels but below the 60% income cut-off.

In short, a key result is that the large majority of Britain's low-income pensioners are not on pension credit and, therefore, will be adversely affected by the decision to withdraw WFPs.

However, the main aim of the policy is to contribute to the Government's overall public spending targets, and this policy will raise £1.4bn this year. The savings are expected to grow, both because of the rise in the pensioner population (who otherwise would all get WFPs) and because of the projected decline in numbers eligible for pension credit over coming years.

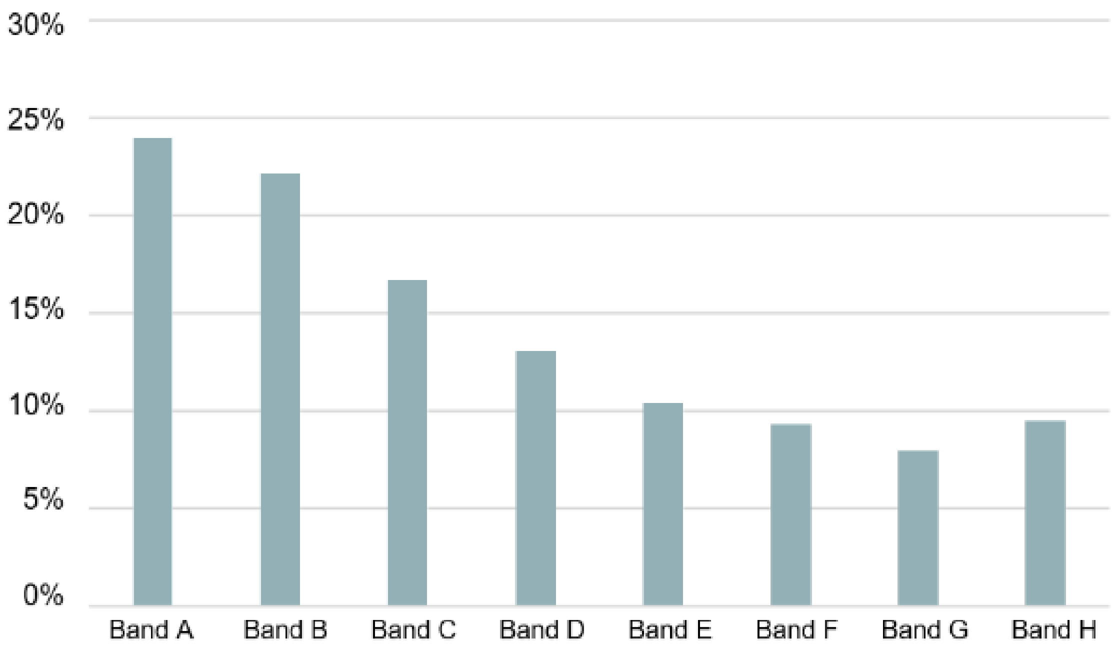
All of the other options which we consider below affect fewer low-income pensioners but also raise less money – in some cases much less. It is obviously a decision for policy makers as to the best balance between revenue raising and protecting the most vulnerable, and the rest of this paper explores different potential trade-offs in order to inform that decision.

B. Targeting by council tax band

In recent years, the Government has sought to assist households with the rapidly rising cost of living and, in some cases, has chosen to target those payments on those likely to be most in need. One example was the £150 council tax rebate paid in 2022-23, which was paid only to those in Council Tax bands A-D. So, in this section, we look at whether having a low Council Tax band is correlated with being a low-income pensioner.

Figure 1 shows the percentage of pensioners living in each Council Tax band who are on a low income based on the DWP's online 'Households Below Average Income' dataset.

Figure 1. Percentage of pensioners who are living on a low income (under 60% of average) in 2022-23 by Council Tax Band



Source: Author's calculations using the DWP's Stat-Xplore tool

The generally downward-sloping bars in Figure 1 indicate that low-income rates tend to be highest amongst pensioners living in properties with the lowest Council Tax bands. So, although paying benefits on the basis of having a lower value property is likely to involve paying to significant numbers of people who are not on a low income, it would certainly be a more targeted approach than a universal payment.

Table 2 provides more detail about the relationship between property banding and numbers on a low income.[16]

[16] Note that Northern Ireland households do not pay Council Tax and are listed separately in the table. Band I is a band levied only on high-value properties in Wales.

Table 2. Pensioners on low-income (less than 60% median), by Council Tax Band

Council Tax Band of the Household of the Individual	Not on low income	On low income	Total
Band A	1.5m	0.5m	2.0m
Band B	1.5m	0.4m	2.0m
Band C	1.9m	0.4m	2.3m
Band D	1.8m	0.3m	2.1m
Band E	1.4m	0.2m	1.5m
Band F	0.8m	0.1m	0.9m
Band G	0.6m	0.1m	0.7m
Band H	0.1m	0.0m	0.1m
Band I	0.0m	..	0.0m
Household not valued separately	0.0m	0.0m	0.0m
Not applicable (Northern Ireland household)	0.3m	0.0m	0.3m
Total	9.9m	1.9 m	11.8m

Source: Author's calculations using the DWP's Stat-Xplore tool. Please note that the row and column totals may not sum up exactly because of rounding.

Table 2 shows that out of 1.9m pensioners living on a low income, around 1.6m or roughly four in five are living in a property in Band A – D. This means that using the approach to targeting help previously used for certain cost of living payments would protect the large majority of poorer pensioners. The only losers would be those in Band E or above, which is just over 300,000 individuals (based on unrounded data).

However, it is worth remembering that even in higher Council Tax bands, there can still be low-income pensioners. A classic case might be an elderly parent still living in a family home after children have grown up and left. Their income (and ability to pay fuel bills on a big house) may be relatively low even if the value of the property in which they live is not.

Fundamentally, however, one reason such a policy would protect so many people is that payments would continue to be made to large numbers of pensioners who are not regarded as having low incomes—namely those in Bands A—D but above 60% of the national average.

To be more precise, WFPs would continue to be made to around 8.3m pensioners in total or around 7 in 10 of all pensioners. As a result, we estimate that the savings this winter would fall from around £1.4bn with the Government's policy to around £500m.[17]

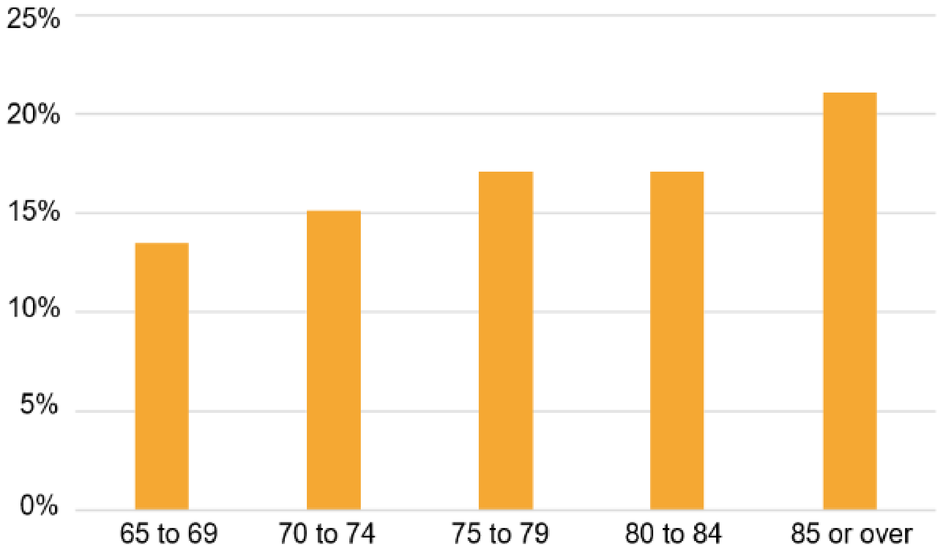
C. Targeting by age

Another potential way of targeting Winter Fuel Payments would be according to age. We already have a system where higher payments are made to older pensioners, and there are some other aspects of the system (such as Free TV licences to the over 75s on pension credit) where age is used as a proxy for greater need.

Indeed, it could be argued that winter fuel payments are most important for those who will be at home more and potentially also those who feel the cold more. In each case, it might be expected that older, frailer pensioners would be at greater risk. So, next, we consider whether targeting help by age would be a good fit with the wider measure of low-income pensioners that we have used so far.

If we look first at the incidence of low income by age, we can see that there is a positive correlation between greater age and greater risk of being on a low income, as shown in Figure 2.

Figure 2. Percentage of pensioners living on a low income by age



Source: Author's calculations using the DWP's Stat-Xplore tool

As Figure 2 shows, just under 1 in 7 people close to pension age live on a low income, but this rises to more than 1 in 5 for the oldest age groups.

However, if we turn it around and look at the 1.9m low-income pensioners, most of these are not old. Table 3 shows the age breakdown of the low-income pensioner group.

[17] Because WFPs are paid per household rather than per individual, we need to look at the couple/single mix in lower band properties to work out the fiscal impact of this revised policy. We find that around 5.9m pensioner households are in properties Banded A-D, out of around 8.1m pensioner households in all. This suggests excluding larger value properties would save around 26% of total expenditure. Based on spending of around £2bn on WFPs currently, this gives a figure of roughly £500m under this policy.

Table 3. Low-income pensioners by age

Age band	Not on low income	On low income	Total
65 to 69	2.3m	0.4m	2.7m
70 to 74	2.8m	0.5m	3.3m
75 to 79	2.2m	0.5m	2.7m
80 to 84	1.5m	0.3m	1.8m
85 or over	1.1m	0.3m	1.4m
Total	9.9m	1.9m	11.9m

Source: Author's calculations using the DWP's Stat-Xplore tool. Please note that the row and column totals may not sum up exactly because of rounding.

We see that out of the 1.9m pensioners on a low-income, there is a wide spread of ages.

Although around 600,000 are aged 80 or over and perhaps might better fit the stereotype of spending more time at home with the heating on, the majority of poorer pensioners are not elderly. This means that any policy to restrict payments only to the oldest pensioners could risk excluding the majority of poor pensioners.

In terms of the fiscal effect, the Government's Winter Fuel Payment statistics suggest that out of 8.36m households receiving payments, 2.66m receive the £300 rate for cases where someone in the household is aged 80 or over. Removing £200 payments from the remaining 5.7m households where no one is over 80 would, therefore, save around £1.4bn. But this would still mean well over a million low-income pensioners losing out.

D. Targeting by income tax status

One way in which payments are sometimes tailored more towards those on lower incomes is by use of the income tax system. For example, the retirement pension is subject to income tax which means that higher income pensioners can end up paying back 20% or more of their state pension in income tax compared with those below the tax threshold who receive the full benefit.

Unfortunately, the DWP 'households below average income' (HBAI) database does not separately identify which pensioners are taxpayers and which are not. However, we can use other data sources to make a rough estimate of the extent to which low-income pensioners could lose out if WFPs were taxable.

The published HBAI report indicates that in 2022-23 the national median household income after housing costs for a couple was £545 per week, and for a single person was £316 per week[18]. If we use the 60% cut-off point, the definition of low-income will include couples on less than £327 per week and single pensioners on less than £190 per week.[19]

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[18] Incomes are presented on an equivalent basis with a couple weighted at 1.0 and a single person (for income after housing costs) at 0.58. This means the published average figure of £545 is for a couple but has to be scaled to £316 for a single person (£545 * 0.58).
[19] Note that in 2022-23, the basic level of Pension Credit was £278.70 for a couple and £182.60 for a single person,

In the same year, the weekly equivalent of the tax-free allowance was around £242 per person.

If we consider first single pensioners on a low-income, relatively few are likely to be taxpayers. With a cut-off income of £190 and a tax threshold of £242, most low-income pensioners will be comfortably below the tax threshold.

For couples, things are slightly less clear-cut. Income tax is levied on individuals rather than households, so with a low-income threshold of £327 for couples and a tax threshold for individuals of £242; it would be possible for a couple to consist of one slightly higher-income individual on more than £242 per week, living with a much lower income individual. In this case, we would treat them as being a low-income household but one containing a taxpayer who would lose out if WFPs became taxable.

However, this combination of circumstances is likely to be relatively rare because even a low-income pensioner (eg an older married woman) is likely to be getting at least the 'married woman's rate' of state pension, which in 2022-23 was £85 per week. By coincidence, if the better-off partner was just over the tax threshold with an income of £243 per week, and (we assume) his wife was on at least £85 per week. Then this would give them a combined income of £328, which would just take them beyond the low-income threshold before taking into account housing costs.

In practice therefore the only scenario where taxing the WFP would affect low-income couples would be where they had housing costs (eg mortgage interest or rent not covered by the benefit system) which took them into low-income despite having one taxpayer in the household.

In summary, whilst there will undoubtedly be some pensioners in low-income pensioner households who are paying income tax, this will be the exception, and so we can assume that the vast majority of low-income pensioners would be unaffected.

In terms of the fiscal impact, the Government would need to decide what to do about the fact that Winter Fuel Payments are paid per household, but tax is levied at the individual level. In principle, in cases where there are two pensioners in a household, they could each be taxed on half of the total figure.

But this would raise practical complications. For example, in a couple where one is aged over 80 and the other is aged under 80, the household receives a £300 payment. However, because HMRC does not hold data on who lives with whom, it would not know that the person under 80 was, in effect, benefiting from half of a £300 payment rather than half of a £200 payment. Although it could, in theory, ask people to report this information, this could create a whole new bureaucracy simply to collect relatively small amounts of tax per head. Any additional cost of administration would need to be set against the potential additional revenue from such a measure.

If, for now, we assume that these practical issues can be resolved, how much could be raised by taxing WFPs?

We know the following:

- There are currently around 8.5 million individuals over pension age who pay income tax[20], and this number is rising steadily as tax thresholds are frozen.

which is below the low-income threshold in each case.

[20] See: Table 2.1 Number of individual Income Tax payers

- That very roughly 500,000 of these pay tax at the 40% rate, roughly 50,000 at the 45% rate and the rest at the basic rate[21]
- That in 2023-24, DWP spent £2.037bn in WFPs to 11.69m pensioners in Great Britain, giving an average payment per individual of around £175.

If we simply calculate:

- 7.95m basic rate taxpayers paying 20% on £175
- 0.5m higher rate taxpayers paying 40% on £175
- 0.05m additional rate taxpayers paying 45% on £175

This gives us a ballpark revenue of roughly £300m[22], which raises far less money than the Government's preferred policy option but largely avoids any adverse effect on the poorest pensioners.

Options compared

Table 4 summarises our analysis of the four main options for reducing the cost of Winter Fuel Payments.

	Approx saving to government/additional revenue (£)	**Low-income pensioners adversely affected**
Pension Credit only	1.4bn	1.6m
Council Tax Band A-D only	0.5bn	0.3m
Age 80+ only	1.4bn	1.3m
Tax WFPs	0.3bn	Negligible

Perhaps not surprisingly, all of the alternatives to the government's proposal protect more low-income pensioners, but those that have the greatest effect do so by significantly reducing the likely revenue from the policy.

[21] FOI submitted by Madeleine Ross of the Daily Telegraph, June 2024

[22] A more refined estimate would take account of the fact that the highest rates of tax are probably more likely to be paid by younger pensioners who get £200 per household rather than £300 (which would reduce our revenue estimate). It would also add in people who do not currently pay tax but would start to pay tax if WFPs were taxable (which would increase our estimate). Overall, we think that this figure gives the right order of magnitude.

It is possible to raise around £300m by simply taxing WFPs, leaving most low-income pensioners unscathed. Limiting payments to those in lower council tax bands would protect all but 300,000 low-income pensioners but would wipe out nearly a billion pounds of the planned savings. Paying to the oldest pensioners only would yield similar savings to the government's proposal, but still at the expense of well over a million poorer pensioners aged under 80.

One possible refinement which could help to protect poorer pensioners with limited additional cost would be to apply a hybrid approach. For example, looking at the policy based on Council Tax bands, if there was concern about low-income households in higher value properties, an exemption could also be given for anyone in Band E or above who was in receipt of Pension Credit.

However, as we have noted earlier, the overlap between being on a low income and being on pension credit is surprisingly weak. Looking in more detail at the 300,000 low-income households in Bands E or above, we find that just 20,000 are on pension credit. While exempting this group would help a small number of households, it would add complexity to the system and would still leave over a quarter of a million low-income households adversely affected by the policy.

06 Conclusion

As we have made clear throughout this document, a decision about the trade-off between cutting government spending and protecting vulnerable pensioners is ultimately a matter of political judgment.

As this paper has shown, there are various different ways in which the impact of the proposed policy on low-income pensioners could be mitigated, but making a big dent in the numbers adversely affected also dramatically reduces the revenue raised from the policy.

We do, however, believe that some key points have emerged from our analysis:

- Being on a Pension Credit and being on a low income is not the same thing; the large majority of pensioners who are below the poverty line (using the 60% of the national average threshold) are not getting pension credit, and so will lose out if the proposed policy goes ahead.
- There are, as the Government accepts, significant gaps in the Pension Credit 'safety net', meaning some of those who will lose out from the new arrangements are on a very low income; efforts to drive up the take-up of Pension Credit and to do so systematically (for example through data sharing with local authorities) rather than just through one-off publicity campaigns, should be expedited.
- Whilst no method of targeting is perfect, we have found a strong link between the risk of a pensioner living in poverty and the Council Tax band of their property; retaining WFPs for those in Bands A-D would protect all but 300,000 of the poorest pensioners and would still yield of the order of £500m for the Government.
- Taxing WFPs would raise a relatively modest amount – around £300m compared with the Government's planned saving of £1.4bn – and would add considerably to the complexity of the system; this is particularly true because income tax is levied on individuals whilst WFPs are payable at the household level.
- We hope that by placing this analysis in the public domain we have contributed to an informed discussion of what is proposed and potential alternative ways of reducing the cost of Winter Fuel Payments.

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