



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

David Luxton
Public Service Pensioners' Council
Grosvenor House
125 High Street
Croydon
CR0 9XP

2 March 2022

Dear David,

Thank you for your letter of 17 December to the Chancellor of the Exchequer about pensioners' Winter Fuel Allowance and the Christmas Bonus. I am replying as the Minister for public spending and would like to sincerely apologise for the delayed response.

The Government has committed to keeping the Winter Fuel Payment ensuring that older people have the security and dignity they deserve. The payment gives reassurance, particularly to poorer pensioners that they can keep warm during the winter months.

The Government will continue to pay £200 for households with somebody who has reached State Pension age and is under age 80 or £300 for households with somebody aged 80 and over. This is a significant contribution towards a household's winter fuel bill.

It is forecast the Government will pay around 11 million pensioners a Winter Fuel Payment this coming winter at a cost to the taxpayer of £2 billion. This is a considerable amount in the current fiscal climate and at the present time there are no plans to increase the annual payment.

In addition to the Winter Fuel Payment, other support is available.

The Warm Home Discount provides short-term support with energy bills through rebates, helping households stay warm in winter. The Warm Home Discount scheme currently provides over 2 million low-income and vulnerable households with a £140 rebate off their winter energy bill. Warm Home Discount funding for the 2021/22 year is worth £354 million. The Chancellor has also confirmed plans to increase the Warm Homes Discount to £150 and extending its eligibility by a third so that three million vulnerable households will now benefit from the scheme in 2022/23.

Cold Weather Payments help people to meet additional heating costs during periods of unseasonably cold weather. Households on eligible benefits will continue to automatically receive £25 for when the average temperature in the postcode district where the recipient lives has been recorded as, or is forecast to be, zero degrees

centigrade (0°C) or below over seven consecutive days during the Cold Weather Payments season to help pay for the costs of additional heating.

Further information is available via the Government website at: www.gov.uk/the-warm-home-discount-scheme and: www.gov.uk/cold-weather-payment.

The Government recognises that many households will need support to help deal with the rising cost of energy and on 3 February announced a package of support worth £9.1 billion in 2022-23. The package of support includes:

- A £150 non-repayable cash rebate for 80 per cent of households to help with rising costs now, delivered as a payment to all households in Council Tax Bands A-D from April this year.
- A £200 reduction in households' energy bills delivered this autumn, spreading the cost equally over the next 5 years, giving households more time to adjust to higher energy prices.
- £144 million of discretionary funding for Local Authorities to support households who need support, but are not eligible for the Council Tax reduction.

The Christmas Bonus is an annual, tax-free, lump sum payment to pensioners and to working age people who are in receipt of certain qualifying benefits during the relevant week which is usually the first full week in December.

The bonus was initially introduced as a one-off payment of £10 in 1972 and has not been updated or increased on a yearly basis like some benefits. Whilst I understand your comment that £10 today does not have the same worth as it did in 1972, it is now established as a permanent feature of the social security system. In most cases the bonus is paid automatically with whichever qualifying benefit an individual receives, which ensures administration costs are kept to a minimum. The Government remains committed to helping both pensioners and others who receive the payments and has no current plans to revise the arrangements.

Thank you for taking the trouble to make me aware of these concerns.

Yours sincerely,

A handwritten signature in black ink that reads "Simon Clarke". The signature is written in a cursive style and is positioned above a horizontal line.

RT HON SIMON CLARKE MP