

DWP Central Freedom of Information Team

e-mail: freedom-of-information-request@dwpgsi.gov.uk

Our Ref: VTR 3532

DATE: 21 August 2014

Dear J Newman,

Thank you for your Freedom of Information (Fol) request received on 10 August. You asked:

Contribution-based ESA payments can be reduced using a formula based on occupational pension income. What information has been produced to:

- a) explain the rationale/logic for this reduction – i.e. why it is regarded as reasonable to adjust for pension income but NOT, say investment income?*
- b) Detail any other types of income that can likewise reduce contribution-based ESA payments.*

From April 2001, the previous Administration decided that it would be reasonable to take some account of occupational pension income in deciding Incapacity Benefit – now contributory Employment and Support Allowance – claims. This was because both the benefit and the pension income act as income replacement for people unable to work. Investment income is not taken into account in determining entitlement to the benefit.

The only other income which reduces entitlement of contributory Employment and Support Allowance is earnings, where if earnings exceed £101.00 per week entitlement to benefit ceases.

If you have any queries about this letter please contact me quoting the reference number above.

Yours sincerely,

DWP Strategy Fol Team

Your right to complain under the Freedom of Information Act

If you are not happy with this response you may request an internal review by e-mailing freedom-of-information-request@dwpgsi.gov.uk or by writing to DWP, Central Fol Team,

Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF
www.ico.org.uk/Global/contact_us or telephone 0303 123 1113 or 01625 545745