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Benefits Update.

August 2025

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Pensions, tax & benefits

- The work and pensions secretary has announced a review of the State pension age (SPA). The review will consider whether the current SPA is still appropriate, based on factors such as life expectancy. News of the review was announced alongside the relaunch of the Pensions Commission, which the government has revived following new data from the Department for Work and Pensions (DWP). The DWP recently reported that people drawing their pension 25 years from now are set to be 8% worse off per year than their counterparts today, with four in 10 people currently not saving enough for their retirement.

- The government is pushing ahead with plans to bring pensions into the scope of inheritance tax (IHT), although it has made changes in response to industry feedback. Rachel Reeves announced in last year's budget that unspent pensions and death benefits would be added to estates from April 2027. However, while it was previously thought that pension providers would be responsible for calculating and paying any death duties, HMRC has confirmed this will instead be the responsibility of the 'personal representative', or executor, of the estate. Death-in-service payments will remain exempt from IHT.

- The government announced in June that everyone over State pension age (66), with an income of £35,000 or below, will receive the tax-free Winter Fuel Payment, which is worth up to £300 per household. Last winter, the payment was restricted to State pensioners claiming Pension Credit. In Scotland, the Winter Fuel Payment is being replaced by the Pension Age Winter Heating Payment, worth up to £300 for the winter of 2025/26. It has not yet been confirmed if the eligibility will be in line with England and Wales.

- Almost 200,000 people could be missing out on their full State pension entitlement as a result of errors in their National Insurance records, as the DWP admits it's struggling to reunite most with their money. The error relates to Home Responsibilities Protection (HRP), which was available between 1978 and 2010 for people in receipt of Child Benefit or with caring responsibilities. Anyone affected can retrospectively apply for HRP online or by post. Visit **www.gov.uk/home-responsibilities-protection-hrp** for more information.

- The DWP has urged people to be wary of scams from fraudsters pretending to offer financial support from the government. The most recent scam text invites the recipient to apply for an 'Energy Support Scheme' to help with the high cost of gas and electricity. There is no scheme currently offered by the DWP under this name, although some support with energy bills is available for eligible households: **www.gov.uk/get-help-energy-bills**

General

- Royal Mail will now deliver second-class letters every other weekday and not on Saturdays, to help cut costs. The changes mean second-class letters will be delivered either on Monday, Wednesday and Friday, or on Tuesday and Thursday, in a two-week cycle.

- The government has announced plans to lower the voting age to 16 in time for the next general election. It has also pledged other changes to the electoral system, such as expanding forms of voter ID to include UK-issued bank cards, moving towards automatic voter registration and tightening rules on political donations to protect against foreign interference.

- Hundreds of thousands of people diagnosed with long-term health conditions will receive extra help and support from expert charities, under a new service announced by the Prime Minister on 17 July. 'Diagnosis Connect' will ensure patients are referred directly to trusted charities and support organisations as soon as they are diagnosed, providing personalised advice, information and guidance to help them manage their condition and feel more in control. This support is designed to complement, not replace, their usual NHS care.

- A new scheme in Wales will see people with coeliac disease or gluten intolerance being given a pre-loaded cash card to help pay for their food. The cards will be topped up every three months and can be used in most places that sell gluten-free food, including supermarkets, shops, community pharmacies and online stores.

- The government will be running a national test of the Emergency Alerts system on Sunday 7 September 2025. The Emergency Alerts system provides warnings and advice in life-threatening emergencies, such as wildfires, flooding or extreme storms.