

### Entitlement Estimates

We estimate a  $\pm 250,000$  margin of error around the headline households estimates so for 2005/06 the true number of entitled households is likely to lie between 3.60 million and 4.10 million. The central estimates of entitlement may themselves change as we refine our methodology.

There are various uncertainties with the approach used, particularly regarding the splits between credit types. These are caused by the following reasons, amongst others.

- Misclassification of non-recipients of MIG/Pension Credit (eg a pensioner thinks their combined payment of state pension and MIG is all state pension).
- Imperfect data on incomes and capital, and on personal circumstances relevant to the level of entitlement.
- The sample - with around 10,000 households with pensioners, each year – may not be fully representative, so sampling error generates some uncertainty.
- Exclusion of those in Residential Care or Nursing Homes from the FRS means that we cannot provide breakdowns of entitlement estimates for this group.

The central estimates of entitlement have changed over time, due in part to methodological changes but particularly to new waves of the Family Resources Survey (FRS). The estimate for 2005/6 has decreased by 100,000 with the latest FRS. This effectively means the target is more difficult to reach, as the implied take-up rate is higher than previously thought (78% as opposed to 75%<sup>1</sup>).

---

<sup>1</sup> Take-up of 75% is based on the estimate of 4.0m entitled households in 2005/06, derived using the 2000/01 FRS.