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**OLD AGE PENSIONS :**  
**THEIR ACTUAL WORKING AND ASCERTAINED**  
**RESULTS IN THE UNITED KINGDOM.**

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# OLD AGE PENSIONS :

THEIR ACTUAL WORKING AND  
ASCERTAINED RESULTS IN  
THE UNITED KINGDOM.

By

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With an

INTRODUCTION

by

SIR LAURENCE GOMME, F.S.A.



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## INTRODUCTION

THE key to this book is contained in one sentence in the first paragraph, "a practical and human account of the actual working and ascertained results of the Act." It is not a legal treatise, though it is written by a lawyer. It is not an administrative account, though it is written by an administrator. It is simply "practical and human." This is what was wanted for this great and beneficent measure.

The Old Age Pension scheme is not perfect, of course, and the author of this book points out its chief demerits. It sins in one or two matters of principle according to my judgment. But it has escaped a great danger, the danger advocated by Mr. Chaplin's Committee of associating old age pensions with the poor law. That would have been a crime.

The administrative machinery is on an entirely new principle. The grant of old age pensions is a national service, but it was obviously impossible to administer it from a central department of the State. Accordingly a scheme was devised

by which Government officials throughout the country were appointed to investigate and make recommendations on all applications for pensions, and local committees were appointed to hear and determine the cases, subject to appeal to the Local Government Board. The principle here adopted is sound, and may well be applied in other services which have ceased to be local, as in the case of education, and have become national. There is one great fault, however, a fault which seems to be rapidly growing, namely, the appointment of entirely new special committees for areas, county and municipal, which have their own constitutional authorities. These new bodies are appointed, not elected. They contain representatives of the local authorities. But they are entirely independent. In some places, as at Sheffield, the difficulty is recognized and overcome by the municipality appointing the committee largely from its own members, and officering it from its own staff. Thanks mainly to the wise and statesmanlike steering of the Right Hon. Hayes Fisher, M.P., London has secured an administrative machinery of great practical efficiency.

The local committee and the sub-committees, the officials, Government and local, political thinkers generally, will welcome Mr. Hoare's book. It brings out the results so well. It marshals into order some massive and compli-

cated questions which have arisen. And it has done all this clearly and efficiently.

The book requires no introduction from any one. It rests on its merits. I have willingly complied with the request to write these few words because of my knowledge of Mr. Hoare's capacity as an officer under me at the London County Council, and above all things because of the human document he has produced.

LAURENCE GOMME.

THE MOUND,  
LONG CRENDON,  
BUCKS.

31 *May*, 1915.



## PREFACE

IT is desirable that I should explain to readers of this volume that it was written before the outbreak of the European War, and that the delay in publication is due to causes arising out of the War. This fact, however, will not, I think, affect whatever merits the volume may possess, as no material change in the administration of the law laid down in the Old Age Pension Acts appears to have taken place during the period of the War.

My best thanks are due to Sir Laurence Gomme, F.S.A., J.P., under whom it has been my privilege to serve for many years, for his kindness in contributing the introduction. I also desire to express my gratitude to all those who have assisted me in the numerous tasks involved in the publication of a book, and I would especially

refer to the services of my good friend and colleague, Mr. Arthur Wilson, who, in my absence on war service, has not only seen the volume through the press, but has also given me the benefit of his experience and most valuable assistance throughout.

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A GENERAL VIEW OF THE ACTS.



## CHAPTER I

### A GENERAL VIEW OF THE ACTS.

THERE are several legal handbooks dealing purely from the lawyer's point of view with the Old Age Pensions Acts, 1908 and 1911. This little book is not in any sense a competitor with these, nor has it any political object; it is intended to provide for the social student and investigator, for the ordinary citizen who takes an interest in the minor workings of our governmental Providence, and for persons engaged in actual administration, a practical and human account of the actual working and ascertained results of the Acts. First, I propose to deal with the provisions of the Acts; to consider how the conditions operate, how the disqualifications apply, and how the general procedure runs. In the second place, I shall examine the prophecies made

at the time of, or before, the introduction of legislation and compare them with the actual results, so far as they are ascertainable and can be stated with any approach to precision. I shall refer specially to grievances of claimants and hardships of pensioners which have been observed. It is possible in some cases to note how far these occur under systems of Old Age Pensions other than our own, and we may thus see how to amend the Acts in order to remove the difficulties that have arisen.

Briefly, the old age scheme is this: Both men and women, married or single, over seventy years of age, of British nationality, who for twelve years out of the last twenty years before the consideration of their claims have been resident in the United Kingdom, and whose yearly means do not exceed £31 10s., are eligible for pensions. They make no contributions to the cost of the scheme, the money being found by the State, and the scheme is worked jointly by local civil servants and specially created local authorities. Certain persons, such as those

in workhouses, asylums, inebriate homes and prisons, and persons who have habitually failed to work, are, as a rule, disqualified from receiving pensions, even though they satisfy the conditions named above. Generally speaking, the procedure is simple and speedy.

The Old Age Pensions Act, 1908, which created the scheme, came into force, as far as the entitlement to pensions is concerned, on January 1, 1909. Important amendments were made by the Act of 1911, which came into force on August 18, 1911.

It is convenient to deal, in this introductory section, with a few points which do not arise on the detailed survey made in following chapters of the main features of the Acts.

The pension is inalienable. Section 6 of the Act of 1908 provides that every assignment of or charge on and every agreement to assign or charge an old age pension under this Act shall be void, and, on the bankruptcy of a person entitled to an old age pension, the pension shall not pass to any trustee or other per-

son acting on behalf of the creditors. In view of this section, no remedy is available to a creditor as against the pension. It is, of course, open to a creditor to obtain a personal order against a debtor who may be a pensioner, and in such case the possession of the pension should make the latter better able to pay.

Further, Section 1 (4) secures that the receipt of an old age pension shall not deprive the pensioner of any franchise, right, or privilege, or subject him to any disability. It is otherwise, of course, in the case of the receipt of relief out of the poor rates which carries with it various disfranchisements. This Act itself excludes the recipient of poor relief from participation in its benefits.

Then, as to the source of the fund out of which payments are made, Section 1 (3) states that the sums required for the payment of old age pensions shall be paid out of moneys provided by Parliament. It is interesting to note that of all the proposals which had been put forward for schemes for old age pensions,

none had taken so definite a shape and reached so authoritative a position as that favoured by the Select Committee of 1899 on the Aged Deserving Poor (known as Mr. Chaplin's Committee), whose proposals were, with small exceptions, adopted by the Select Committee on the Aged Pensioners Bill, 1903. Mr. Chaplin's Committee proposed an Imperial grant, the amount of which was not to exceed one-half of the estimated cost of pensions, to be distributed among the several poor law unions on the basis of population; so that the burden on the rates in the case of any given union would bear no necessary relation to the cost of pensions in that case. The scheme, also, which a later Select Committee (Lord Rothschild's Committee) found least open to objection, and the scheme embodied in the Aged Pensioners Bill, 1903, contemplated that about half the cost of each pension should fall on the local rates. The working of proposals of this character is dealt with in chapter IX.

The Committee on the Aged Pensioners Bill, 1903, expressed the opinion that any

“temptation to relieve the rates by the grant of pensions instead of Poor Law relief might lead to grave abuses.” It was anticipated in 1908, therefore, that the extent of any inducement offered to the pension authority to exercise care in the grant of pensions would be a matter of importance, and might seriously affect the general cost of the scheme. There has been no evidence of any attempt to relieve the rates at the expense of the State by inducing persons in receipt of poor relief to give this up and apply for a pension, except so far as the Act itself contemplates this being done.

Some reduction in the expenditure on Poor Law relief has, however, usually been assumed, whether as an immediate or a more remote result of schemes of old age pensions. The estimates prepared by the Local Government Board in 1907 and embodied in a parliamentary paper [Cd. 3618] are very comprehensive but very indefinite. The actual results of the working of the Acts from this point of view are fully discussed in chapter IX.

The scheme is non-contributory. In



moving the second reading in the House of Commons, the Chancellor of the Exchequer said that a contributory scheme was impossible in this country, because it would practically exclude women from its benefits, and because "the majority of working men are unable to deflect from their weekly earnings a sufficient sum of money to make adequate provision for old age, in addition to that which they are now making for sickness, infirmity, and unemployment." It is curious to read this in the light of the establishment, by the National Insurance Act, 1911, of a compulsory contributory scheme of national insurance for both sickness and unemployment.

Another feature of the scheme is that the pension is based on a sliding scale. Section 2 provides that an old age pension shall be at the rate set forth in a schedule to the Act, and the schedule is as follows :

Means of Pensioner.	Rate of Pension per week.
Where the yearly means of the pensioner as calculated under this Act—	<i>s. d.</i>
Do not exceed £21 . . . . .	5 0
Exceed £21, but do not exceed £23 12s. 6d. . . . .	4 0
Exceed £23 12s. 6d., but do not exceed £26 5s. . . . .	3 0
Exceed £26 5s., but do not exceed £28 17s. 6d. . . . .	2 0
Exceed £28 17s. 6d., but do not exceed £31 10s. . . . .	1 0
Exceed £31 10s. . . . .	No pension.

The scheme as originally framed did not provide for a sliding scale, but in moving the second reading of the Bill, the Chancellor of the Exchequer stated that the Government would not resist an amendment to this effect, as they were satisfied that the additional administrative work that a sliding scale would cause, would be counterbalanced by the removal of hardships incidental to a flat rate. As a matter of fact, 94 per cent. of pensions are at the full rate.

Then with regard to the arrangements

for the administration of the Act, the detailed work is done by regulations made by Government departments. Actuated, no doubt, by real desire to benefit poor and ignorant claimants, but also, one fears, by a sarcastic recollection of the usual methods of these departments, Section 10 (2) provides that these regulations are to make the procedure "as simple as possible." This has been done, as will be shown in a later chapter.

The last point of a general nature to be noticed here, is that the Act is a striking example of legislation without subsequent litigation. It cannot come under the interpretation of the Law Courts, except as regards questions of jurisdiction, for Section 7 (2) enacts that the decision of the local pension committee on any claim or question which is not referred to the central pension authority, and the decision of the central pension authority on any claim or question which is so referred to them, is to be final and conclusive.



THE CONDITIONS : AGE.



## CHAPTER II

### THE CONDITIONS : AGE.

SECTION 2 (1) of the Act of 1908 provides that the first statutory condition for the receipt of an old age pension is that the person must have attained the age of seventy. The second schedule to the Old Age Pension Regulations, 1911, states, for the instruction of pension officers in investigating claims, that for the purpose of determining the age of any person, regard may be had to any of the following documents, viz :—

Certificate of birth, of baptism, of marriage ; certificate of service in any of the forces of the Crown ; certificate of membership of any friendly or provident society or trade union.

It is of interest to note in connection with baptismal certificates that the Local Govern-

ment Board has made it a practice, failing any other information to the contrary, to presume the date of birth to be one month before the date of baptism. Failing any of these documents, the pension officer may have regard to any other evidence which appears sufficient for the purpose.

The civil registration of births in England commenced in 1837 and became compulsory in 1875 ; in Scotland it commenced and was compulsory in 1855, and in Ireland in 1864. It is therefore evident that in process of time the difficulties in the way of producing documentary evidence of age will tend to disappear. Arrangements have been made by the Treasury and the Registrar-General for England and Wales of Births, Deaths and Marriages, who has charge of the General Register Office at Somerset House, with a view to saving claimants for old age pensions from the expense of obtaining birth certificates. A memorandum issued by the Local Government Board for the guidance of claimants states, that under these arrangements, in the case of any claimant whose birth was



registered in England or Wales since July 1, 1837, if the year and place of birth can be given, the pension officer may apply to the Registrar-General with the object of verifying these particulars if possible, without expense to the claimant.

If the claimant happens to possess a copy of his birth certificate or other evidence of age, he will, of course, produce it to the pension officer.

It will be observed that the arrangements refer only to evidence of births registered in England and Wales since July 1, 1837. The pension officer will not be able to procure verification of dates of baptism or marriage, or to obtain on behalf of the claimant other documentary evidence of age, save in some exceptional cases in which the birth or baptism of a claimant born before July 1, 1837, has been recorded in the register of a Nonconformist Chapel in England or Wales and the register is deposited at the General Register Office. At present there are considerable difficulties in the way of obtaining evidence of this character, and although the Regu-

lations provide for certain documents to be accepted as evidence, there are many claimants who fail to secure a pension because they are unable to furnish proof of age.

Recourse to other documents often is availing. Insurance policies are a particularly reliable source of evidence since claimants are not likely to overstate their ages when taking out a policy, as this would increase the premiums to be paid. Family Bible entries are of frequent occurrence, although the number of cases in which these are produced is not so large as one would expect from the traditional making of such records. Sometimes, however, these are not written up until a family is growing up, with the result that the earlier entries may be unreliable. Indentures of apprenticeship are occasionally useful. There have been cases, too, in which age has been proved by the certificate of birth of a person's eldest child, or the death certificate of the claimant's mother. Records of service in the Army are useful but they cannot be relied upon, as boys often

run away to join the Army before they reach the minimum age limit for entrance. A good number of persons of the class claiming old age pensions have been at various times in receipt of poor relief, and in these cases the records of the Guardians of the age given at the time of the application for relief can be utilized. It is, however, essential that the records should have been obtained at a time before the possibility of obtaining old age pensions could have been foreseen.

It will be realized from this that there are very many channels to be exhausted before it can be definitely stated that there is no evidence of age. Although there are no complete figures available, an examination of the decisions of one of the London local sub-committees shows that of the claims disallowed on account of age, only 17·5 per cent. were disallowed because there was no evidence of age; in the 82·5 per cent. of cases, definite evidence was forthcoming that the person was not seventy. The cases thus disallowed for want of proof represent less than 1·5 per cent. of the whole

of the claims determined. Local pension committees, however, have sometimes decided in favour of a claimant who could produce no proof, on the ground that after interviewing him, they were satisfied from his appearance and bearing and answers to questions that he had attained the age of seventy years. These are very difficult cases to deal with, and experience has shown that when the age claimed is only seventy or thereabouts, the appearance test is a very unsatisfactory one. The Local Government Board, in dealing with cases on appeal of pension officers, has expressed the view that a judgment of age, based on appearance and entirely unsupported by other evidence, should not, as a rule, be accepted.

A good deal of discussion has taken place as to the possibility of using the census records to verify ages. In the cases of claimants born in Ireland, it was the practice of the pension officers, with or without special instructions from local pension committees, to arrange for a search to be made in the Irish census records, and the

pension officers in Ireland made extensive use of those records.

The story of the subsequent opening up of other records is an interesting example of the slowness of official machinery.

In a case of a claimant born in Scotland, the Registrar-General for Scotland, who is the custodian of the Scottish census records, was able to furnish, upon application from a committee, information which corroborated the claimant's allegations as to the date and place of her birth, but he intimated that the search had been undertaken as an experiment, and that in future the records would be available only upon application by the Local Government Board, the central pension authority, whose principal duty is to determine appeals in connection with old age pensions.

Representations were made to the Local Government Board that cases would arise in which claimants born in England or Wales would find it absolutely impossible to provide definite evidence of age, except by stating their residence and putative age in 1841, or a subsequent census year,

and that unless the records were made available a claimant might never succeed in obtaining a pension although he might be an age greatly in excess of seventy years. The reasons of equity between the various claimants and between each claimant and the public at large, which doubtless induced the pension authorities in Ireland to secure the availability of the Irish census records, applied, it was urged, with equal force in the case of England and Wales. The number of cases in which necessity for reference to the English records would arise, is comparatively small, and the expense involved would, therefore, be trifling in proportion to that incurred in the case of Irish claimants. The Registrar-General for England and Wales declined to offer any facilities for reference to the census records in his custody on the ground that the staff of his department was inadequate and that the proposal appeared to be open to the serious objection that it would lead to the falsification of the returns of age in the census to be taken during the current year (1911).

This consideration—even if it accurately represented the probabilities of the case—was discounted by the fact that it would be impossible to falsify or tamper with the records of 1841 or 1851, which are of prime importance; whereas by the time those of 1911 will be of use, age will be proved in nearly all cases by reference to the birth registration which, as stated above, has now been compulsory for many years. Moreover, the consideration does not appear to have carried much weight in the case of the Irish or Scotch records as they have been made available. In the circumstances, it seemed equitable that the English and Welsh records should be available before any claimant was definitely refused a pension on the ground of having furnished insufficient evidence of age.

At length, after prolonged correspondence, the Treasury agreed to arrange for the census records (England and Wales) of 1841 and 1851 to be transferred from the custody of the Registrar-General to the Record Office, where they would be made available for search by the general public on payment

of the usual fees. It thus appeared that no distinction would be made as regards the amount of the fee in respect of the object for which a search was instituted. This meant that, although no charge is ordinarily made for searches in the Irish census records when the object of search is to ascertain the age of a claimant, a charge would be made in the case of the English records, whether the application were made by the claimant himself or by a pension committee or otherwise on his behalf. Eventually, the pension officers received instructions that in suitable cases they were to apply to the Public Record Office for searches to be made in the census records of 1841 or 1851, or both, in which cases no charge in respect of a search would be made upon a claimant. Considerable use is now being made by the pension officers of the records in question with most satisfactory results, and unquestionably a great improvement in Old Age Pensions administration has been effected by the opening up of these records.

Applications for the later census records



to be made available have been fruitless, the objections urged being the expense of staff, the fact that secrecy was promised when the returns were obtained, and the possibility that future returns will be falsified. It occasionally happens that a claimant appears in two census records, and in this case the earlier is assumed to be correct, as being made while information as to age was still fresh in a parent's mind. Of course, the census records only state the age in years, and the information needs to be supplemented. Thus, a claimant whose age was given at the time of the 1851 census as seven years may be able to produce birthday cards which establish that he has always celebrated his birthday on a particular day. Failing such additional facts, the usual course is to assume that the claimant would (in the case mentioned) be seventy years old on March 30, 1914—the census having been taken on March 30–31, 1851.

There is an interesting difference in the countries forming the United Kingdom as to the availability of certain other records. Many facilities for proof of age

are apparently afforded in Scotland and Ireland as compared with the few existing in the case of England and Wales. In Ireland the National School registers are available. In a Scottish case recently determined not only were the birth registers searched by the Registrar-General for Scotland at the request of the pension officer, but also the baptism registers, the census records and the marriage registers, in each case without expense to the claimant. In England, only the birth registers and census records are available in this way. The registers of baptism in England are not in the custody of the State, and although the marriage registers are, the Treasury recently refused application for them to be made available gratuitously for proof of age.

Another interesting source of information has been opened up by the kind promise of the Registrar-General of Shipping and Seamen that he will, upon being furnished with the approximate date of the commencement of any voyage in a British ship, search for the record of the ship's crew in which

the age of each person at that time would be recorded.

As regards marriage certificates, the claimants either themselves or through friends are able to obtain these. Such records, however, are not always reliable, and in the majority of cases the age is given merely as "Full" or "Minor."

Mistakes occasionally are discovered after a pension has been granted. In one case in October, 1910, a claim was provisionally granted, the pension to take effect on January 6, 1911. The pension officer reported that no record of the claimant's birth had been discovered by the Registrar-General, but that he was satisfied from other evidence submitted that the claimant had attained the statutory age. The pension officer reported later that he had received a communication from the Registrar-General stating that, as the result of an extended search, an entry had been found showing that the claimant was born on March 29, 1842, and raised the question that the pension should be revoked as from its commencement. The committee

had no option but to decide accordingly, but as the pension officer stated that he was satisfied that the claimant acted entirely in good faith, the Board of Customs and Excise was urged that no steps should be taken to recover any moneys from the ex-pensioner, and the Board agreed.

Sometimes, too, with baptismal certificates, questions as to identity arise. A claimant, who stated in her claim that her name was Mary, produced, as evidence of her age, a certificate of baptism in the name of Elizabeth. She explained that when she first entered domestic service, her employer called her "Mary," (a not unusual proceeding) and that she had used that name instead of her real name ever since. The sub-committee who saw the claimant were satisfied as to her good faith, but the Local Government Board reversed their decision granting a pension.

The amending Act of 1911 provides that in Scotland, as well as in England and Wales and Ireland, a man is to be regarded as attaining the age of seventy on the day before his seventieth birthday: that

is, in all parts of the United Kingdom a man's seventieth birthday, if it falls on a Friday, is constituted the first Friday after he attained the age of seventy, and he therefore receives his first payment of pension on his seventieth birthday.

In concluding this account of the working of the provisions relating to proof of age, it remains to be pointed out that the hardship falling upon claimants who have difficulty in this respect is, that if no evidence is available, presumably they will be debarred for ever from participation in the benefits of the scheme, unless finally their age can be estimated beyond any doubt from their appearance. The inequitable operation of this as between claimants is obvious.

In the year ended March 31, 1912, the claims of 24,511 persons were disallowed in the whole of the United Kingdom on the ground of age. The total number of claims for the same period was 186,966. This is equivalent to 13 per cent. It is a pity that these records do not distinguish between the cases of claimants who are

definitely proved not to have attained the age of seventy and those who have failed to prove their age, although they may in fact be over seventy. As stated above, however, the latter cases in a single area represented less than 1.5 per cent of the total number of claims determined.

**THE CONDITIONS: NATIONALITY  
AND RESIDENCE.**





## CHAPTER III

### THE CONDITIONS: NATIONALITY AND RESIDENCE.

THE second statutory condition laid down by Section 2 of the principal Act for the receipt of a pension, is that the person must satisfy the pension authorities that for at least twenty years up to the date of the receipt of any sum on account of a pension he has been a British subject, and has had his residence, as defined by regulations, in the United Kingdom.

Dealing first with nationality, it should be pointed out that this is determined by Common Law and the provisions of the Naturalization Acts. The Regulations contain, in Schedule II, the following instructions for the guidance of pension officers :

- (a) Where it appears that any person was born out of the British Dominions and has not resided outside them during the preceding

twenty years he may be regarded as a British subject unless there is reason to suspect the contrary ;

- (b) If it appears that he was not born in the British Dominions he may prove that he is a British subject either by producing a naturalization certificate and showing that he is the person referred to in the certificate ; or by showing that his father was a British subject ;
- (c) If he is unable to produce such a certificate, enquiry may be made at the Home Office as to whether he is on the register of naturalized aliens ;
- (d) If a person alleges that though born out of the British Dominions he was the child of a British father, he should be required, if possible, to show whether his father and his grandfather were born in the British Dominions or not.

It soon became patent that these provisions involved many anomalies and caused cases of hardship. Thus, an Englishwoman married in 1865 to a German who had died since 1870 (the date of the passing of the Naturalization Act) had lost her nationality, and was, therefore, ineligible for a pension ; on the other hand, if she were left a widow before 1870, it was held by the Local Government Board that she was not disqualified. Subsequently there occurred the case of an Englishwoman

whose alien husband deserted her ; she, although reported to be deserving and otherwise fulfilling the conditions, could not be granted a pension. Some curious difficulties resulted in cases of persons who had served in the Navy or Army. Section 25 (2) of the Army Act, 1881, confers the privileges of British Nationality upon a negro or other person of colour enlisted in the British Army, and whilst so serving ; further, an alien who served in the Royal Navy during a period exceeding two years when this country was at war, was held by the Local Government Board to be a British subject under Statutes 13 Geo. II, c. 3 and 20 Geo. III, c. 20. Yet the wife of a man born in Hanover before 1837 and therefore a subject of William IV, who had not been naturalized, but had served for twenty-two years in the Army, was held not to be a British subject.

It thus seems that the law acted harshly in some cases, inasmuch as it disqualified for a pension women of British birth married to aliens who, from one cause or another, had not been naturalized, whilst

allowing a pension to be granted to a woman of foreign birth who had married a British subject. As the law stood until 1911, if women, being widows, who were disqualified for a pension on account of their marriage to foreigners, were to take up a certificate of re-admission to British nationality, they would still be disqualified for twenty years.

These anomalies having been discovered in the actual working of the Act, representations were made to the Government, with the result that the Act of 1911 provides in Section 3 (1) that the condition as to satisfying the pension authorities that for at least twenty years previously the person has been a British subject will not be required to be fulfilled in the case of a woman who satisfies the pension authorities :

- (a) That she would, but for her marriage with an alien, have fulfilled the condition ; and
- (b) That the alien is dead, or the marriage with the alien has been dissolved or annulled ; or that she has for a period of not less than two years immediately preceding the date of consideration of the claim, been legally separated from, or deserted by, the alien.

It may now safely be stated that claims which are disallowed on the ground that persons have not satisfied committees as to their nationality, are very rare.

It appears, however, that a person does not become a British subject for the purposes of Section 2 (2) of the Old Age Pensions Act, 1908, by naturalization in a British Dominion or colony.

With regard to residence, the statutory condition is that "the person must satisfy the pension authorities that for at least twenty years up to the date of the receipt of any sum on account of a pension he has . . . had his residence, as defined by regulations under this Act, in the United Kingdom." "Residence" was defined by Article 29 of the Regulations under the 1908 Act as follows:—

29. For the purpose of the statutory condition relating to residence, the expression 'residence' shall mean actual presence in the United Kingdom, uninterrupted otherwise than by temporary absences, and

(a) A person, (being a claimant) shall be deemed to have been temporarily absent:

(i) If before the absence he was living in the United Kingdom, and throughout the absence he was employed in the service of the

Crown as a soldier, sailor, or otherwise, or was in the service of any one so employed : Provided that for the purposes of this provision a person shall not be deemed to be in the service of the Crown unless his remuneration is paid out of moneys provided by the Parliament of the United Kingdom ; or

(ii) If before the absence he was living in the United Kingdom, and throughout the absence he was serving on board a vessel registered in the United Kingdom ; or

(iii) If throughout the absence his home was in the United Kingdom : Provided that a person shall not be deemed for the purposes of this provision to have had his home in the United Kingdom during any absences (other than absences to which paragraphs (i) and (ii) of this Regulation apply) which occurred wholly or partly within the period of twenty years prescribed by sub-section (2) of Section 2 of the Act, if the aggregate of those absences since the beginning of the earliest of them exceeds eight years ;

(b) A person (being a pensioner) shall be deemed to have been temporarily absent, if he is absent for any period not exceeding three months at any one time.

It will be noticed that the term "residence" as used in the statutory condition relating thereto is defined by the above Regulation as "actual presence in the United Kingdom, uninterrupted otherwise than by temporary absences," and

that the most important definition of temporary absence so far as the majority of claimants are concerned is contained in Paragraph (a) (iii.) of the Regulation, which provides that a claimant shall be deemed to have been temporarily absent if throughout the absence (subject to the absence not exceeding the limit laid down) his *home* was in the United Kingdom. A case occurred—that of a married couple—in which it was extremely difficult to come to a conclusion whether or not the claimants had a home in the United Kingdom during a visit of five years paid to a relative in the United States of America. In this period, their furniture was left with their children, and was restored to them upon their return, so that the necessity for a definition of the term “home” was apparent. The Local Government Board was therefore asked to furnish a definition.

The Board stated that, generally speaking,

“the considerations which should be looked at in cases of the kind seem to be :

(i) Whether during the absence from the United

Kingdom there was an intention to return to this country ; and

- (ii) Whether there was a specific place in this country to which he (the claimant) intended to return, and to which, while absent, he looked as a residence on coming back to the United Kingdom."

In extension of this definition, it is to be noted that the Board of Inland Revenue in its annual report for the year ended March 31, 1909, stated that the Law Officers of the Crown advised that it was not necessary that a claimant whilst absent from the United Kingdom should have had any rights of property or occupation in respect of the place to which he looked as a residence upon his return.

Other cases of hardship occurred in which claims had had to be disallowed owing to the claimants having had no home of any kind in the United Kingdom during comparatively short absences in British Colonies and Dependencies, and there was one case in which a home in the United Kingdom appeared to have been available, but the period of the claimant's absence on a visit to his son in Cape Town slightly exceeded the limit of eight years pre-



scribed by the proviso to Paragraph (a) (iii) of the Regulation. It was suggested that the Regulation should be amended so as to remove the hardship with which it operates in such cases.

An alternative suggestion was that a claimant should not be disqualified by a temporary absence from the United Kingdom of not more than five years during the prescribed period of residence, although during such temporary absence he had no home in this country.

In connection with this matter, the particulars of the following case of unusual hardship in which a pension was granted by a committee but refused by the Local Government Board upon appeal, may be of interest. According to the report of the pension officer, the claimant—a coachman—went to California with his employer in 1892 and returned in 1895. Shortly after the claimant reached California, his wife and family joined him, leaving no furniture behind them, and in the opinion of the pension officer he thereupon ceased to have his “home” in the United Kingdom.

The claimant contended that he had no intention of being absent otherwise than temporarily, and mentioned that during his absence he did not transfer to an American lodge of his Friendly Society, but forwarded contributions to his lodge in this country. He also mentioned that a job-master, who had previously employed him, promised him an engagement upon his return, that this promise was kept, and that his employer, as previously, again provided him with lodgings in a mews upon payment of rent. In these circumstances, the committee allowed the claim, considering that the claimant had a "home" in this country, within the meaning of the above definition, during the whole of his temporary absence; but, as stated above, the Local Government Board upon appeal by the pension officer, seems to have taken a contrary view, as it reversed the decision without explanation.

The amendment effected by the Act of 1911 is, that the claimant must now satisfy the pension authorities that for at least twelve years in the aggregate out of the

twenty years immediately preceding the date of consideration of the claim he has resided in the United Kingdom, and in computing the twelve years' residence in the United Kingdom under this provision, the following periods are to be counted as periods of residence in the United Kingdom :

- (a) Any periods spent abroad in any service under the Crown, the remuneration for which is paid out of moneys provided by Parliament, or as the wife or servant of a person in any such service so remunerated ;
- (b) Any periods spent in the Channel Islands or the Isle of Man by a person born in the United Kingdom ;
- (c) Any periods spent abroad by any person during which that person has maintained or assisted in maintaining any dependent in the United Kingdom ;
- (d) Any periods of absence spent in service on board a vessel registered in the United Kingdom by a person who, before his absence on that service, was living in the United Kingdom ; and
- (e) Any periods of temporary absence not exceeding three months in duration at any one time.

These new provisions seem to have removed practically all the cases of hardship, and to have combined the equitable treatment of the deserving poor with the protection of the tax-payer. One curious

example has come to light, however: the Local Government Board held that the remuneration of persons in the service of the Government of India cannot be regarded as paid out of moneys provided by Parliament. It seems reasonable that no disability for the receipt of an Old Age Pension should be placed upon persons as the result of their having been employed in the Government service of India, or having resided in India or elsewhere as dependents or servants of persons so employed.

**THE CONDITIONS : MEANS.**



## CHAPTER IV

### THE CONDITIONS : MEANS.

THE third of the statutory conditions in Section 2 (3) of the Act of 1908 is that the person must satisfy the pension authorities that his yearly means as calculated under the Act do not exceed £31 10s. The rules for calculating means are laid down by Section 4.

Account is first to be taken of the income which the person may reasonably expect to receive during the succeeding year in cash (excluding any sums receivable on account of an Old Age Pension under the Act); that income, in the absence of other means for ascertaining the income, being taken to be the income actually received during the preceding year.

The law officers of the Crown advised the Local Government Board that volun-

tary allowances in money regularly given to a person must be taken into consideration in calculating his means for the purpose of the Act. In experience, it was noticed that many voluntary allowances consist of gifts which cannot reasonably be expected to be repeated, or are irregular in amount, or paid at irregular intervals; and after communicating with the Board upon the matter, the London Local Pension Committee formulated the following general instruction to sub-committees:—(i.) A gift or gifts made in the preceding year, which cannot be reasonably expected to be repeated in the succeeding year, shall not be included by the sub-committee in their estimate of a claimant's yearly means; (ii.) In the case of any voluntary allowance made to a claimant which is irregular in amount, or is made at irregular intervals, the sub-committee shall, if possible, make an estimate of the amount which the claimant may reasonably expect to receive during the succeeding year, and shall include such estimate in their calculation of the claimant's yearly means. The sub-



committee shall not take as their estimate the amount actually received during the preceding year unless it is impossible to make a reasonable estimate of the amount which will be received during the succeeding year.

The pension officers, in calculating means, took into account any voluntary allowances in money or otherwise received from children and other sources; and doubt having been expressed whether it was right that these allowances should be taken into account, the Local Government Board stated in a circular letter, dated December 11, 1908, that the practice adopted by the pension officers was correct. It would seem that this decision must diminish the willingness of children to contribute to the support of aged parents of the Old Age Pension class; although, if the parent were chargeable to the Guardians as a pauper, the Guardians would compulsorily recover some part of the cost from the children.

A further question which arose upon a large number of claims was, whether the current contributions made by a claimant

to a Friendly or similar Society should be deducted from the gross benefit (sick pay, pension, etc.) received from the Society. The pension officers did not appear to have received instructions upon the point, as their practice was not uniform. The opinion was urged that only the net benefit received by claimants from such sources should be held to be income. The Local Government Board decided that payments to friendly societies could only be deducted from income received from the societies, so that a claimant who is not actually in receipt of benefit may not deduct from his means his payment to his Society. The Board was also asked whether, in determining the means of claimants, regard should be had to life insurance premiums upon (i.) whole-life policies; and (ii.) endowment policies. The Board held that such premiums could not be deducted from income.

An instance of inconsistency occurred in a difficult case in which a claimant, having mortgaged a life interest and two insurance policies as security for loans,

the Board decided that the premiums on the policies of assurance and the interest on the loans might be deducted from the cash receivable out of the life interest in calculating the means of the claimant.

The Board has shown a reasonable spirit in interpreting the Acts in other ways. For instance, a claimant who receives income through the post in instalments over £2, is allowed to deduct from the amounts received the expenses of postage and receipt stamps. It is also permissible to deduct travelling expenses necessarily incurred in the course of employment such as that of an insurance agent or pedlar, although it is not the Board's practice to allow the cost in travelling to and from a place of regular employment.

It not infrequently happens that an income is likely to alter at some future date in a way which can be definitely foreseen. The income is calculated for the succeeding year on the information available and the rate of pension fixed accordingly ; but that does not prevent a pensioner or pension officer from raising a question

for the increase or decrease of pension immediately the foreseen change comes about. Thus, if a claimant in December shows that his means will be £1 a week for three months, and 5s. a week for the rest of the year and thereafter, his income is estimated at £22 15s. for the year, and he would be granted a pension at the rate of 4s. a week; but in April he could raise a question that his means would, in the ensuing year, be only £13, and he would then be entitled to a pension at the maximum rate of 5s. a week.

This rule with regard to means was not materially altered by the Act of 1911.

The second rule contained in Section 4 (1) is that account is to be taken of the yearly value of any advantage accruing from the use or enjoyment of any property belonging to the claimant which is personally used or enjoyed by him.

This point principally arose in connection with houses owned and occupied by claimants and with houses leased by claimants, part being sub-let. The Local Government Board has expressed the opinion that,

in ordinary circumstances, the rateable value of a house (less mortgage interest and ground rent, if any) may properly be taken as representing to a person the annual value of a house owned and occupied by him. Property tax and general rates and taxes may not be deducted from the income. A very large number of pensioners and claimants for Old Age Pensions earn their living by sub-letting furnished, or more frequently unfurnished, rooms. The estimation of the profits in such cases is often a matter of considerable difficulty, particularly as most of the persons concerned keep no accounts. Claimants and pensioners who earn their living in the manner referred to, form, on the whole, one of the most deserving classes with which pension authorities are concerned.

In estimating the profit to a claimant in the succeeding year from sub-letting rooms in a house rented and partly occupied by him, the following items can be deducted from the gross estimated receipts from the letting:—

- (i) The proportion of the total cost of the house in rent, rates and inhabited house-duty which the actual sub-letting value of the rooms sub-let bears to the estimated sub-letting value of the whole house ;
- (ii) A due proportion of the cost of the rooms occupied by the claimant, having regard to the use of any such room or part of a room in connection with the work of sub-letting or by any of the sub-tenants ;
- (iii) A due proportion of the gross receipts on account of empties and bad debts ;
- (iv) An appropriate sum in respect of wages or other expenses incurred in respect of the rooms sub-let ; and in the case of furnished lodgings, appropriate sums for
- (v) Wear and tear of furniture, and
- (vi) Fire insurance of such furniture.

One or two of these points need explanation. Losses from empties form a considerable burden on the income of such persons, but the practice of the Local Government Board was only to allow for such losses in the estimated incomes for the ensuing year, when the applicant claimed them as an item. The same remark applied to fire insurance. This obviously puts the ignorant and unlearned at a serious disadvantage. Allowance, too, is made for deducting from the re-

ceipts what may be called the "management expenses" of the business of sub-letting, including wages, etc., and cost of the part of the premises retained by the occupier. These seem reasonable, although the Local Government Board has stated that it is not prepared as a general rule to admit such deductions, but only in special cases. The advice in these matters which has thus been obtained from the Local Government Board has at length made clear a point which had been obscured by differences between authorities. Pension officers, acting on instructions of the Board of Customs and Excise, had made calculations on one basis, and in cases which had gone to appeal the Local Government Board had adopted another basis. The Local Government Board takes the view that the value of rooms sub-let is the proportionate cost of them and not their letting value. An example will show this more clearly than much explanation.

## BOARD OF CUSTOMS AND EXCISE METHOD :

	£	s.	d.
Net rateable value . . . . .	32	0	0
Less Ground rent . . . . .	7	0	0
Interest on Mortgage . . . . .	6	12	0
	<hr/>		
(A) Advantage from House . . . . .	18	8	0
Receipts from sub-letting $\frac{7}{8}$ of house . . . . .	49	8	0
	<hr/>		
Forward . . . . .	49	8	0
Less Empties not more than 15 per cent. . . . . Nil			
Insurance . . . . . Nil			
$\frac{7}{8}$ Proportion of rates . . . . .	11	7	6
Proportion of gross esti- mated rental . . . . .	28	0	0
	<hr/>		
(B) Advantage from sub-letting . . . . .	10	0	6
Total means (A and B)=£28 8 6			

## LOCAL GOVERNMENT BOARD METHOD.

	£	s.	d.
Receipts from sub-letting . . . . .	49	8	0
Add Value of rooms occupied by Claimant . . . . .	4	17	6
	<hr/>		
	£54	5	6
Deduct Interest on mortgage . . . . .	6	12	0
Ground rent . . . . .	7	0	0
Repairs= $\frac{1}{8}$ of gross estimated rental . . . . .	6	10	0
Empties : not more than 15 per cent. of receipts from sub-letting . . . . . Nil			
Insurance of house . . . . . Nil			
Proportion of rates on part of house sub-let . . . . .	11	7	6
	<hr/>		
Total Income . . . . .	22	16	0



On the first basis, the claimant is entitled to a pension of 2s.; but on the second basis to a pension of 4s. It seems extraordinary that different authorities should take views which cause such diverse results. The hardship arises from the fact that if the pension officer adopts the first basis and the committee do not vary his estimate, and the claimant through ignorance does not appeal, he may suffer considerably.

One small alteration made on this point, namely, property personally used and enjoyed, relates to furniture. Under Section 2 (1) (c) of the 1911 Act, account is to be taken of the value of furniture and effects in a case in which their total value exceeds £50, and this account, in the opinion of the Board, must extend to the total value and not only to the amount by which such total value exceeds £50. It may be mentioned that, before the passing of the 1911 Act, in the absence of any statutory requirement as to the value of furniture, it was the practice not to take account of any furniture the total value of which did not exceed £30, and when the

total value did exceed £30, to take account *only* of the excess over that amount.

These questions relating to house property owned and occupied by claimants are closely allied to questions as to houses owned but not occupied. These are dealt with differently, as will now be seen.

Section 4 (1) (c) requires account to be taken of the yearly income which might be expected to be derived from any property belonging to the claimant which, though capable of investment or profitable use, is not so invested or used by him.

Immediately the Act of 1908 came into operation, attention was drawn to a number of cases in which the claimants possessed considerable capital, i.e. sums ranging from £600 to over £1,000, invested at such a low rate of interest as to entitle the claimant to a pension of from 3s. to 5s. a week, and it was soon suggested that an amendment of the law was desirable in such cases. One such suggestion was that the case would be met if the restrictions of the Act upon income were supplemented by a provision that, in any case in which

a claimant or pensioner owned capital of £300 or upwards, the annual income therefrom should in no case be reckoned for the purposes of the Act at less than 3 per cent. This rate of interest can be obtained from a number of Trustee stocks with what must be regarded as practically absolute security. Moreover, under the then existing regulations, it was the practice for the potential income from any uninvested capital, including the value of any furniture exceeding £30, to be taken at 4 per cent. for the purpose of determining the amount of a claimant's income. In this way, pensions of from 5*s.* to 1*s.* could still be paid to persons possessing capital of from £700 to £1,050 respectively, invested at 3 per cent. or less, who had no other means—which, in view of the definition of means contained in the Act, would not be very commonly the case; whereas, at that time, a pension of 5*s.* a week would have to be granted to a person having £2,100 on deposit at a bank at 1 per cent. or £4,200 at  $\frac{1}{2}$  per cent., but no other means, and so on in proportion, provided only that the investment was

genuine. One case was actually reported in which pensions of 5s. each had to be granted to a married couple, one of whom owned £980 on deposit at a bank at 1 per cent. and furniture valued at £80. These cases of small capitalists are not numerous in proportion to the total number of claims received, and the matter seemed of importance on grounds of equity rather than of finance, particularly in view of the fact that for one reason or another many deserving and necessitous persons were excluded from the benefits of the Act.

Another case was reported in which a woman of ninety-three years of age owned £1,032, and had a daughter who also was in receipt of a pension.

The 1911 Act repealed certain of the provisions of the 1908 Act relating to the methods of calculating the yearly means of claimants and pensioners, and substituted other provisions. Amongst the new provisions was one—Section 2 (1) (a)—that the yearly value of any property belonging to the claimant or pensioner concerned (not being property per-

sonally used or enjoyed by him) which is invested, or is otherwise put to profitable use by him, or which, though capable of investment or profitable use, is not so invested or put to profitable use by him, should be taken to be one-twentieth of the capital value thereof. It will be noticed, therefore, that ordinarily the yearly value of capital for the purpose of the Acts considerably exceeds the actual income therefrom. The effect of this calculation of the value of capital at 5 per cent. is particularly noticeable in the cases of many old age pensioners who have deposited their life's savings in the Post Office Savings Bank, where the interest allowed is  $2\frac{1}{2}$  per cent. ; certainly 5 per cent. seems a high allowance, but in view of the age of the pensioners is not too high, as the average expectation of life on attaining the age of seventy is only between eight and nine years, and the value of an annuity purchased with the capital would be about 12 per cent. Section 8 of the 1911 Act contains a saving for existing pensioners at the date of the passing of the Act (August 18, 1911) which

provides that the provisions of this Act modifying the statutory conditions for the receipt of an Old Age Pension shall not operate (a) so as to disentitle any person who is in receipt of such a pension at the time of the commencement of this Act to continue to receive his pension ; or (b) so as to reduce the rate of pension to which such a person is entitled.

In cases in which house property is owned and occupied by the claimant, the estimate of means is based on the rateable value ; but if the house is not occupied, but is sub-let, it is treated as capital and the income taken at one-twentieth. The capital value is estimated by Government valuers appointed under the Finance Act, 1909, and the reference to them on these points amid their already heavy duties, caused, at first, serious delay in dealing with claims of this character. This leads to a curious anomaly—a person claiming a pension who lives in his own house, freehold and free of mortgage, may have his means estimated at, say £34, the net rateable value of the house, which deprives him of a pen-

sion ; but as soon as he moves to another house of the same character, his means are one-twentieth of the capital value of the house, say £300, which is £15, and he is entitled to a 5s. pension.

If there is a mortgage on the property, of course the mortgage interest may be deducted. The Local Government Board has advised that the claimant may get the advantage of this provision as to one-twentieth, for even if it brings in more, only one-twentieth is to be recovered. A life interest is calculated under Section 2 (1) (b) of the 1911 Act, *i.e.* at the amount which it brings in each year and not at one-twentieth of its capital value.

The Board stated in January, 1911, that it was advised that money withdrawn from capital and applied to ordinary living expenses must be included in the calculation of a person's means for the purpose of the Old Age Pensions Act. It will be appreciated that many old persons, who have been able to save during the working period of their lives, but whose earning capacity has been reduced by age, will,

from choice or necessity, live to some extent upon their savings. The effect of the advice received from the Board was to render it necessary for pension committees to ascertain, as far as possible, the extent to which a claimant had been living upon capital, and to determine from this information and any other information available the extent to which he would probably draw upon such capital during the succeeding year. This was frequently a matter of considerable difficulty, as the rate of future withdrawals from capital would in many cases depend largely upon the question whether or not a pension was granted. The situation was simplified by the amendment of the Act.

There is a proviso to Section 2 (1) (a) of the Act of 1911 to the effect that where the yearly value of property is taken at one-twentieth, no account shall be taken of any appropriation of that property for the purpose of current expenditure.

The fourth rule contained in Section 4 (1) of the Act of 1908 was, that account was to be taken of the yearly value of



any benefit or privilege enjoyed by that person.

The law officers of the Crown advised that the value of free board and lodging regularly given to a person must be taken into consideration in calculating his means for the purpose of the Act. It was, therefore, very important that a proper value should be placed upon these benefits, as otherwise many claimants would be granted smaller pensions than they were really entitled to; whilst others might receive full pensions who were either not entitled to any, or only to pensions at the lower rates; and such differences actually occurred.

The data supplied in their reports by the pension officers as to the cost to the persons or charities concerned of providing the benefit of free board or lodging were, generally speaking, insufficient to enable the committees effectively to check the fairness of the officer's valuation of the benefit received, and the Board of Customs and Excise were asked to instruct the pension officers to include in their reports, in all cases in which the means of the

claimant included any such benefit, their data as to the cost of boarding or lodging the claimant and the amount, if any, contributed by him towards such cost. In reply, the Board stated that, for reasons which it advanced, it did not consider it advisable to issue general directions to the pension officers as suggested, but that, in any case in which the committee were unable to arrive at a decision without detailed information, the pension officer would, if requested, endeavour to secure the desired information. General rules for estimating the benefit of free or partly free board and lodgings have been evolved, the value of board being taken to be the average cost *to the person providing the same*. With regard to lodging, where the benefactor pays rent on inclusive tenancy, the value of lodging is taken to be either the whole rent, or a due proportion, having regard to the accommodation provided for the claimant or pensioner; and where the benefactor is owner or provides otherwise than under inclusive tenancy, the value of the lodging is taken to be either

the gross value of the hereditament plus the general and water rates and inhabited house-duty (if any), or a due proportion of these items, having regard to the accommodation provided for the claimant or pensioner.

Any contribution made by a claimant or pensioner from pension or other income towards the cost of board and lodging is deducted from the valuation arrived at as directed above.

The Local Government Board has expressed the opinion that when estimating the yearly value of the benefit or privilege enjoyed by a claimant by reason of the provision of a residence free of charge, a pension committee are not bound to adopt the value of the house entered in the valuation list in force for the time being, if they are satisfied that the valuation appearing in the list is too high.

Interesting problems have arisen in connection with the deduction from the gross benefit received from such sources of any sums contributed by the pensioner. In 1910, the Local Government Board,

upon appeal, estimated the yearly value of the benefit of free maintenance received by a claimant in an institution at £25 9s. 6d., and accordingly, as the claimant had no other means, granted a pension at the appropriate rate, viz.: 3s. a week. A pensioner at the rate of 5s. a week entered the institution, and the pension officer raised the question that his pension should be reduced to 3s. He ascertained, however, that the pensioner in common with all other pensioners in the institution was contributing his pension towards the cost of his keep. The yearly value of the benefit, within the meaning of the Acts, which the pensioner was receiving, was thus only £12 9s. 6d., *i.e.* £25 9s. 6d. less the £13 contributed by him. The local pension committee, therefore, decided that he was entitled to continue to receive the full pension, and the Local Government Board, upon appeal, confirmed this decision. Steps were accordingly taken which resulted in the pensions of the person, who was granted a 3s. pension by the Board in 1910, and of thirteen other pensioners in the institution,

being increased to the full rate. Considerable interest attaches to this point, having regard to the fact that there are probably many persons who are either inmates of institutions or being maintained by relatives or friends, and who would be similarly entitled to increased pensions if they would raise questions with that object.

In the case of a claimant who was in receipt of an income of £20 a year, and also of free board and lodging, valued at 5s. a week, provided by a son, the claimant's means during the succeeding year were estimated by a committee at £20, the claimant having stated his intention of paying over the pension, when received, to his son in respect of the cost of his keep. This decision was in accordance with the general practice. The Local Government Board, on appeal by the pension officer, disagreed with this view, stating that it was advised that in calculating the yearly means of a claimant, the value of free assistance or any advantage enjoyed should be estimated on the then

existing circumstances, without regard to the consequences which would follow the award of a pension. In the case in question, the Board apparently calculated the claimant's income at £33 a year, and it will therefore be impossible for the claimant to receive a pension unless either his son ceases to provide board and lodging, or reduces their standard, or the claimant pays the whole or part of the cost out of his income, thereby presumably decreasing his standard of living in some other respect. There seems no reason why the claimant should be forced to forego a pension or to submit to one of the alternatives mentioned, or why the son should not receive the benefit contemplated by the claimant handing over the pension towards the cost of his keep. Such benefits are, of course, extremely common under the Acts.

In connection with the "benefit" derived from maintenance in homes and other non-poor law institutions, attention may be drawn to an interesting case which raised questions both as to the method of cal-

culating the yearly means of a pensioner and as to the desirability of amending the Act so as to provide for a larger cooperation between the State and private charity in cases in which it becomes necessary to remove an old age pensioner from his home to an institution other than one provided by Guardians of the poor. The particulars of the case were as follows:—

The pension officer reported that a pensioner (whose pension has now been revoked in the circumstances mentioned below) had been removed to a home for the aged, and that the charge of 15s. a week made by the authorities of the home was being met out of the pension, and a further 10s. a week contributed by relatives of the pensioner, and he recommended that the pension should be reduced to 3s. a week on the ground that the pensioner's means, exclusive of the pension, had been increased to 10s. a week (the amount of the relatives' contributions) or £26 a year. The sub-committee who reported upon the case pointed out that if the pension were reduced by 2s. a week, as recommended by the

pension officer, it would be necessary, if the pensioner was to continue to be maintained at the institution, that the relatives' allowance should be increased by a corresponding amount; that, in that event, it appeared to the sub-committee at once to become the duty of the pension officer to raise a further question, which also would be decided in the affirmative, that the pensioner was entitled only to a pension of 1s. a week, on the ground that her means were 12s. a week, *i.e.* £31 4s. a year; that to provide for the cost of the pensioner's maintenance at the institution after the second reduction in the rate of her pension had taken place, it would be necessary for the relatives to increase their contributions to 14s. a week, thus disqualifying the pensioner for any pension at all; but that if the relatives made other arrangements, as, for instance, by securing the pensioner's maintenance at a cheaper institution, if one could be found, at a cost of, say, 13s. a week, there would be no necessity under the Act for the pension of 5s. a week to be reduced.



The pension officer attended the meeting at which the sub-committee considered the matter, and stated that if the pension were reduced to 3s. as recommended by him, it would become his duty to raise two further questions as indicated by the sub-committee, with a view to the ultimate revocation of the pension. He stated, further, that so far as he was able to judge, it was probable that the pensioner would be kept at the home if the pension were ultimately revoked, but he had no definite information upon this point.

This is an indication of the cumbrous nature of certain parts of the machinery of the Acts, and affords an opportunity, as I have suggested, of providing for larger co-operation between the State and private charity.

Only passing reference need be made here to the question of benefits received by reason of maintenance in a poor law institution exceeding £31 10s. in yearly value by reason of medical or surgical treatment of a non-disqualifying character received in such an institution. In this

case, the "means" may be such as to justify the revocation of a pension, but this point can be dealt with most appropriately when treating of the Poor Law disqualification.

Section 4 (2) of the Act of 1908 provided that in calculating the means of a person being one of a married couple living together in the same house, the means should not in any case be taken to be a less amount than half the total means of the couple (although it might be *more* than half the total). This meant that if one of the couple were dependent on the other (as is usually the case) the provider, if he earned enough to keep them from starvation, received more than 12s. 1d. a week, and was, therefore, ineligible himself for a pension. But this method of calculation is altered by Section 2 (2) of the 1911 Act, which requires that in such a case the means shall be taken to be half the total means of the couple. For example, suppose the total means to be £40, of which the husband owns £28 and the wife £12: under the earlier Act, the

husband's means would be taken at £28 and the wife's at £20, so that if otherwise qualified, he would receive 3s. a week and she 5s. a week. Under the new Act, the means of each are taken as £20 and each is entitled to a full pension. The effect of this alteration in the law was a large increase in the number of pensions at the full rate.

One point of interest in this connection is that unmarried couples living together do not benefit in this way. A man over seventy earning £26 a year and living with a woman not his wife, is entitled to a pension of only 3s. a week; but if they are married his means are halved for the purposes of the Act, and he is entitled to a full pension. This is a feature in social legislation which finds a counterpart in the National Insurance Act provisions with regard to unmarried mothers. It will be noted that husband and wife must be living together to secure the benefit of this provision. One may refer here to the counterbalancing fact, that in dealing with the poor relief disqualification under the Act of 1908, relief given to a wife, even

though separated, would disqualify her husband; but relief given to another woman would not disqualify a man, not her husband, with whom she was living.

The last factor in the calculation of means is derived from Section 4 (3) of the Act of 1908, which states that if it appears that any person has directly or indirectly deprived himself of any income or property in order to qualify himself for the receipt of an Old Age pension or of a pension higher than that to which he would otherwise be entitled, that income or the yearly value of that property is to be taken as part of his means.

The Local Government Board has stated that it does not contemplate that this should generally be applied to the case of a person of old age who gives up an income derived from work and responsibility. Cases of involuntary deprivation are, of course, not infrequent. For instance, railway companies and others grant small pensions to old employees and withdraw or reduce these pensions as soon as the pensioner arrives at the age of seventy. The

Act does not affect such cases. The Local Government Board has held, too, that the voluntary deprivation by a husband of his income will not operate to disqualify his wife. Such fraudulent deprivations are very difficult to detect.

One interesting case bearing on the question of deprivation of means may be quoted, in which a pensioner had voluntarily surrendered an allowance in kind made by a charity, and had previously applied to the pension officer, as provided by the Regulations, with a view to a consequential increase of her pension. She did not appear to consider that the increase of pension would be of actual financial advantage to her but to be actuated by the desire that some one possibly worse off than herself should be enabled to receive the allowance. The pension officer, in reporting on her application, stated that the pensioner by surrendering the allowance had, within the meaning of Section 4 (3) of the 1908 Act, deprived herself of income in order to qualify for the receipt of an increased pension, and that, accordingly,

the allowance in question, although surrendered, had to be considered as still received and taken to be part of her yearly means. The pension officer did not appear to have warned the pensioner as to the possible consequence of her proposal, and before the matter could come before the committee the proposal had already taken effect. The committee decided against the pension officer and granted the increased pension applied for, but the Local Government Board, upon appeal, took the contrary view. The Board of Customs and Excise was asked whether the pension officer had informed the pensioner at the time of her communicating with him and before the allowance was actually surrendered, as to the view he took of the consequence of her proposal; but the Board declined to answer, and refused to issue a general instruction to pension officers in all similar cases to inform the pensioners concerned as to the law upon the point in question.

As the case was one of undoubted hardship, the trustees of the charity in question

were asked to restore the allowance, and it was pointed out that, in order to remove any hardship which might have been inflicted on the pensioner, such restoration need be only temporary. The trustees replied that they regretted that they had no power to restore the allowance, but that, if occasion should arise for any additional assistance to the pensioner, her case would receive sympathetic consideration. The hardship of the case will be the more clearly appreciated when it is stated that if the allowance had been surrendered at the suggestion or on the instructions of the trustees, as happens in many similar cases, there would have been no obstacle to the pension being increased, and that owing to an error of procedure on her part and to her ignorance of the law, she will henceforth be deemed to be in receipt of the allowance and consequently ineligible for an increase of pension (unless there be some further decrease in her yearly means in the future), although, as a matter of fact, the allowance ceased shortly after her original communication with the pension officer.





**THE DISQUALIFICATIONS: POOR  
RELIEF.**



## CHAPTER V

### THE DISQUALIFICATIONS : POOR RELIEF.

SECTION 3 (1) of the Act of 1908 provides that a person shall be disqualified for receiving or continuing to receive an old age pension under this Act, notwithstanding the fulfilment of the statutory conditions: while he is in receipt of any poor relief (other than relief excepted under this provision) and until the thirty-first day of December, nineteen hundred and ten, unless Parliament otherwise determines, if he has at any time since the first day of January, nineteen hundred and eight received, or hereafter receives, any such relief.

The relief excepted under this provision comprises :

- (1) Any medical or surgical assistance (including food or comforts) supplied by or on the recommendation of a medical officer; or

- (2) Any relief given to any person by means of the maintenance of any dependent of that person in any lunatic asylum, infirmary or hospital, or the payment of any expenses of the burial of a dependent ; or
- (3) Any relief (other than medical or surgical assistance, or relief hereinbefore specifically exempted) which by law is expressly declared not to be a disqualification for registration as a parliamentary elector, or a reason for depriving any person of any franchise, right or privilege.

Cases of undoubted hardship were soon reported under this Section. A claimant was an inmate of an infirmary for three weeks towards the end of 1908, and, to make room for urgent cases, was removed upon the doctor's orders to the workhouse, where she remained for seven or eight weeks and left when cured in December, 1908. In these circumstances it appeared that the relief afforded in the workhouse should be considered as medical or surgical assistance (including food and comforts) given by or on the recommendation of a medical officer, and so come within the exceptions to the general poor relief disqualification imposed by Section 3 of the Act. The Local Government Board, how-

ever, communicated with the Guardians, who took the contrary view, and on this information the Board disallowed the claim.

A claimant was in a hospital during December, 1908, owing to illness, and whilst there his wife was obliged to obtain outdoor poor relief, and this relief disqualified the claimant for a pension, although he would otherwise have been entitled to one.

In a number of cases, claimants, in order to qualify for admission to the Queen Elizabeth College Almshouses at Greenwich, have applied for and obtained poor relief of trifling amount. In one instance, the relief consisted of one loaf of bread given to the claimant in March, 1908. This case was a particularly hard one, as the claimant did not succeed in gaining admission to the institution. In all these cases the relief had not been applied for on account of absolute destitution, but in order to comply with the somewhat arbitrary condition that a candidate for admission to the almshouses must have received poor relief.

In another case the husband was an invalid, and had no means, except as mentioned below, apart from the poor relief of 7*s.* a week. The wife's earnings during the period when relief was given were about 2*s.* 6*d.* a week, whilst a friend provided bread regularly to the value of about 1*s.* a week. In addition, children and grandchildren allowed the claimant and her husband about 1*s.* 8*d.* a week and a certain, but unascertained, amount of food and coal.

In a further case the weekly amount of the relief was 4*s.* and food of the value of 8*d.* The claimant contended that the relief was for her husband alone, and pointed out that upon his admittance to the infirmary shortly before his death, the relief was discontinued. She stated that she maintained herself by needlework. The pension officer appealed against the decision allowing her claim, and correspondence took place between the Local Government Board, the relieving officer and the Guardians. The relieving officer stated that the claimant was relieved jointly with

her husband. The Guardians, however, did not agree with this view, and pointed out that, after the death of the husband and the discontinuance of the relief, the fact that the claimant did not herself apply for relief suggested that she had other income at her command and that the only reason for the relief granted to the husband was his poverty due to his physical condition. The Board, however, decided that the claimant was not entitled to a pension, but gave no reason for dissenting from the opinion of the Guardians and the sub-committee that she had not participated in the relief and was accordingly not disqualified.

One may add a case in which the letter of the law operated to the advantage of a claimant. A claim was recommended by the pension officer for disallowance on the ground that the Guardians were allowing outdoor relief in respect of the claimant's daughter who was of full age, but blind and imbecile. The sub-committee concerned were, however, advised that although the claimant was liable to maintain

the daughter if his means were sufficient, it would be difficult to prove that the means of a person who was entitled to an old age pension were adequate for the purpose. The claim was accordingly allowed, and the decision was upheld by the Local Government Board upon appeal.

On some of the points involved, the Local Government Board found its advice so constantly sought that on December 11, 1908, it issued a circular to all committees pointing out that poor law relief given (1) for or on account of a wife or any child who is under the age of sixteen and is not blind or deaf and dumb, (2) or for or on account of any child under sixteen of any widow, (3) or for or on account of an illegitimate child under sixteen; is, under the Poor Law Amendment Act, 1834, considered as given to (1) the husband or father, or (2) the widow or (3) the unmarried mother, as the case may be; and the fact that the person, whether wife or child, on whose account the relief was granted, is living outside the family makes no difference in this respect.



The Board also explained that these provisions governed the consideration whether, for the purposes of Section 3 of the Old Age Pensions Act, 1908, poor relief is to be deemed to have been received. Thus, in the case of a married couple, whether living together or apart, the grant of poor relief to husband and wife for their joint support, or to the husband on account of the wife, or directly to the wife on her own account, disqualified for a pension not only the wife, but also the husband; but the grant of poor relief to a husband solely for his own support did not disqualify the wife if she was otherwise eligible for a pension.

With regard to the repayment of poor relief, the Board stated that the repayment by relatives or others, whether wholly or partially, of the amount or cost of any such poor relief as that above-mentioned, received by a claimant for an old age pension, did not remove the disqualification incurred by the actual receipt of the relief. This being the case, it seemed to the Board that, even if the whole of the

relief was recouped to the Guardians by periodical repayments from relatives or other persons, the disqualification would not be removed, nor would the matter be affected by the question whether the recoupment was made voluntarily, or under an order of justices, or under threat of such an order.

Instances of the difficulties arising on this ground could be almost indefinitely multiplied, but one more case only need be quoted, in which relief of a trifling amount given to a wife who was living separated from her husband, and the cost of which was recovered by the Guardians from her son, was held to disqualify the husband.

As Parliament did not take any action under the right reserved to it under Section 3 (i) of the 1908 Act, the principal poor relief disqualification lapsed automatically on December 31, 1910. The immediate effect was stated by the Commissioners of Customs and Excise to be that the numbers of new pensions payable on January 6, 1911, as direct result of relaxation of poor relief disqualification were as follows:—

## DISQUALIFICATIONS: POOR RELIEF 91

	<i>Men.</i>	<i>Women.</i>	<i>Total.</i>
England and Wales . . . . .	40,707	94,678	135,385
Scotland . . . . .	2,341	8,133	10,474
Ireland . . . . .	5,698	11,608	17,306
	<hr/>	<hr/>	<hr/>
	48,746	144,419	163,165
	<hr/>	<hr/>	<hr/>

Some detailed figures, together with an estimate of the sum by which the rates were relieved as a result, appear in chapter IX, in which I deal with the statistics of the working of the Acts.

The opportunity was taken in the Act of 1911 to insert a provision that any rule of law or enactment, the effect of which is to cause relief given to or in respect of a wife or relative to be treated as relief given to the person liable to maintain the wife or relative, should not take effect for the purpose of Section 3 of the principal Act. This really removes all the cases of hardship which had previously arisen, and may even be held to err on the side of generosity. The wife of an old age pensioner may be in receipt of poor relief up to the day when she herself becomes seventy, and she may then get a pension for herself.

With the relaxation of the poor relief disqualification, about 160,000 persons previously disqualified were, as shown above, admitted to the benefits of the scheme. A certain proportion reverted to poor relief, generally because they found it impossible to support themselves on 5s. a week. But it became evident that in some instances an attempt was being made to combine the advantages of a pension with poor relief by systematically returning to the workhouse after drawing the pension, and coming out again when a further payment was due. To deal with this difficulty, Section 6 (1) of the 1911 Act, provides that the pension officer may at any time raise a question—whether at any time or during any period a person has been in receipt of a pension when the statutory conditions were not fulfilled, or when the pensioner was disqualified for receiving the pension. Section 6 (4) gives the pension officer power to stop summarily a pension upon the raising of a question in this way. The Board of Customs and Excise have been approached

on the question of "overlapping," and have stated that this power of stoppage of pension had, to a very considerable extent, reduced the risk of concurrent receipt of pension and poor relief, but that the Board recognized that further precautions, which could best be ensured by co-operation with pension officers on the part of the poor law authorities, were very desirable. The Board stated later that the Local Government Board, with whom they had been in communication on the question, at present did not see their way to issue any general instructions to poor law authorities on the subject, and further that, as regards London, in practice in many instances a poor law official notified the pension officer when a pensioner was admitted to a poor law institution. No information is available as to the extent to which fraudulent overlapping occurs. Temporary overlapping due to a pensioner entering a workhouse or infirmary otherwise than primarily as a medical case, will, of course, always occur more or less, and in this class of case the problem is merely to

devise means of enabling the pension officers to become acquainted with the cases at the earliest possible moment, so that they may summarily stop the pensions in anticipation of the decision of the committee.

It is convenient to deal under this heading with medical assistance received in a poor law institution. Section 3 (1) (a) (i) of the 1908 Act excepted from the general disqualification involved by the receipt of poor relief since January 1, 1908, any medical or surgical assistance (including food or comforts) supplied by or on the recommendation of a medical officer.

The question whether medical assistance given in a poor law institution was covered by this exception had been brought before the committees by the pension officers, acting under the instructions of the Board of Inland Revenue; and the Local Government Board confirmed the decision, given as a test case, allowing the claim of a person who had received treatment in an infirmary. The latter authority stated that it seemed to it, speaking

generally, that a person receiving treatment in an infirmary would not be disqualified for a pension unless he became a chronic inmate, when the medical character of the relief would cease to preponderate and disqualification would ensue. As it appeared that pension officers were regarding as cases of disqualification those in which claimants had been treated unsuccessfully in infirmaries for chronic ailments, representations were made to the Local Government Board that claimants and pensioners who had received medical or surgical assistance in a poor law institution but were no longer inmates, should not be prejudiced by such relief as regards their right to pensions, whether the medical or surgical treatment had or had not been successful, and on December 15, 1909, an order was issued to pension officers that questions with a view to the revocation of pensions should be raised by them only where the evidence showed that the residence in poor law infirmaries was permanent; and adding that it was clear that in future pension officers would not raise questions

in cases in which the pensioners had already left the infirmary. A very important improvement in the administration of the Act was thus effected, as at that date the disqualification extended to poor relief received since January, 1908.

A new difficulty arose in cases in which pensioners admittedly became chronic inmates of infirmaries, some pension officers recommending the revocation of the pensions without proposing that the decisions of the sub-committee should be retrospective, whilst other pension officers recommended that the pensions should be revoked as from the date, sometimes some months before, when the pensioner entered the infirmary. Apart from the legality of the latter course which appeared doubtful unless the pensioner was a chronic inmate from the day he entered the infirmary, it is obvious that in many cases a pensioner so circumstanced cannot free himself entirely from pecuniary responsibilities immediately upon entering the infirmary, and whilst no time should be lost in revoking the pensions of persons



so soon as they are ascertained to be chronic inmates, it seemed equitable that no demand should be made upon such persons to refund any sum in respect of the pension moneys which have been paid to them, and may have been expended by them, before their pensions were revoked. The Board of Customs and Excise eventually agreed with this view.

The Local Government Board in 1912 gave clearly its views on the matter. It stated that it was of opinion:—

- (i) That in the case of a chronic patient in a poor law infirmary or workhouse who was a claimant or pensioner, where the medical or surgical treatment clearly preponderated and the maintenance was subsidiary, the person was obviously not disqualified (on the ground that he was in receipt of poor relief) for a pension ;
- (ii) That a disabled person might become a permanent inmate of an infirmary or sick ward not primarily for the purpose of medical and surgical treatment but in order to receive such care and attention as his infirmity might require, and that, in such a case, the medical treatment might be quite subsidiary to ordinary maintenance and the person would incur disqualification ;
- (iii) That between these two classes a number of difficult cases no doubt occurred, but that, speaking generally, the indefinite continu-

- ance of medical or surgical assistance would not in itself disqualify the recipient; and
- (iv) That as regards the yearly value of the benefit enjoyed by an inmate of a poor law institution, it was the practice of the Board to calculate the yearly value from the average weekly cost of maintenance of an inmate of the institution as supplied by the clerk to the Guardians, and that the value of medical or surgical assistance received by the pensioner should not be excluded from the estimate of the yearly means.

The importance of the point will be seen from an answer given in the House of Commons by the President of the Local Government Board on May 6, 1914, to the effect that on January 4, 1913, and January 1, 1914, respectively, there were 2,847, and 3,069 old age pensioners in workhouses and other poor law establishments in England and Wales who were receiving relief which did not disqualify for an old age pension, *i.e.* medical or surgical assistance only. Each of these would be entitled to continue to draw his old age pension from the State, although the expense of his maintenance in the institution was costing the ratepayers perhaps between 12s. and £1 a week. Moreover, the pensioner, if infirm,

may authorize an agent to receive the money, and there is no control of its disposal. It has been suggested, therefore, that the guardians should be able to appropriate this.

Further information on this point was supplied by the Kensington Guardians in connection with the following resolution passed by the Central Committee of Poor Law Conferences on February 13, 1913:—

“That in the opinion of this conference:—

- (a) Guardians should be empowered to take charge of a pensioner's book when chargeability begins.
- (b) That the pensions authority be informed when chargeability begins.
- (c) That Guardians be empowered to appropriate the pension or such portion of it as they think fit, in part payment of maintenance, and so avoid the roundabout method of procedure under section 16 of the Poor Law Amendment Act, 1848.
- (d) That the pension authorities supply guardians with information as to pensioners in each area.”

It was stated:—

- (i) That during the four years ended December 31, 1912, 291 old age pensioners were admitted to the workhouse and the infirmary, and remained chargeable for an aggregate of 29,939 days at a total cost of £2,803 6s.

(1s. per head per day in the workhouse and 2s. 6d. in the infirmary), and that the total number of pensioners chargeable on December 31, 1912, was 29 (workhouse, 11; infirmary, 18);

- (ii) That arrears of pension, accumulated while a pensioner is in the infirmary, are sometimes handed to him after he has been transferred to the workhouse, and that, in one case £3 5s. was handed to an inmate of the workhouse, who, on being seen by the collector of the Guardians, offered to pay £1 towards the cost of his maintenance, took his discharge with the balance (£2 5s.) and returned to the workhouse four days later, saturated with drink;
- (iii) That, with regard to infirmary cases, generally speaking the pension is not stopped until the pensioner has been chargeable a considerable time;
- (iv) That it is to be feared that pensioners are often exploited by their relatives, and instancing a case in which a daughter admitted, when she applied for her mother's pension book, that she had just taken her mother out of the infirmary for a few days as the arrears of pension were required "to pay for a few things at home" and that, on hearing that the pension book had been sent in and the pension probably discontinued, she declined to take her mother away and the old woman was re-admitted.

A middle course has been suggested by the London Local Pension Committee, which is of opinion that the Acts should be amended so as to secure to a pensioner,

entering a poor law institution for medical treatment, the right to continue to receive his pension on (say) the first four Fridays immediately following his admission, after which the pension, so long as the pensioner remained an inmate of a poor law institution, should be payable to the Guardians. There seems no reason why the pension should cease on a pensioner entering a poor law institution on account of illness, as the effect of such cessation would be to relieve the State of a charge which it would bear if the pensioner had continued in health, and to throw the cost upon the locality, which in ordinary cases would not be in any way responsible for the illness. A considerable number of Boards of Guardians have communicated with the Local Government Board suggesting amending legislation on lines similar to those indicated above.



**OTHER DISQUALIFICATIONS.**





## CHAPTER VI

### OTHER DISQUALIFICATIONS.

APART from poor relief, certain other disqualifications are specified by Section 3 of the Act of 1908. The first of these was habitual failure of a claimant<sup>1</sup> to work according to ability, opportunity and need, for the maintenance or benefit of himself and those legally dependent upon him. The section, however, provides that a person shall not be disqualified under this paragraph if he has continuously for ten years up to attaining the age of sixty, by means of payments to friendly, provident, or other societies, or trade unions, or other approved steps, made such provision against old age, sickness, infirmity, or want or loss of employment, as may be recognized as proper provision for the purpose by regulations under this Act, and any such

provision, when made by the husband in the case of a married couple living together, shall, as respects any right of the wife to a pension, be treated as provision made by the wife as well as by the husband. No. 30 of the Regulations made under the Act defined "proper provision" to mean having continuously for ten years up to attaining the age of sixty, by means of payments to friendly, provident, or other societies, or trade unions, or other approved steps, made provision to secure for himself, free from any deductions or incumbrances, any of the following benefits or advantages:

- (1) The right to receive during any period of sickness, not less than seven shillings and sixpence a week during the first twenty-six weeks (or alternatively not less than fifteen shillings a week for the first thirteen weeks) of the period and not less than two shillings a week for the remainder of the period.
- (2) The right to receive not less than five shillings a week during want or loss of employment.
- (3) The right to receive not less than three shillings a week for life either on becoming permanently incapacitated or upon the attainment of any specified age not exceeding seventy.
- (4) The right to receive not less than five shillings a week upon the attainment of any age not

exceeding sixty-five until the attainment of the age of seventy.

- (5) The right to receive not less than two shillings a week upon the attainment of any age not exceeding sixty until the attainment of the age of seventy.
- (6) The right to receive a capital sum of not less than fifty pounds upon the attainment of any specified age not exceeding seventy.
- (7) The possession, upon the attainment of the age of sixty, of accumulated savings, or of property purchased out of accumulated savings, to the value of not less than fifty pounds.

This provision as to idleness has been enforced in only the most flagrant cases, and the necessity for setting up the provisions of the above-mentioned regulation as a corrective to an assumed too-ready tendency on the part of committees to disqualify applicants on this ground, has not been very obvious. No doubt it was feared that in some quarters (and the fear was plainly expressed with regard to Ireland) that the allegation of idleness, a term which appeared wide, vague, and capable of illiberal interpretation, would prove difficult to rebut. It may be, too, that it was hoped that the provision in the regulation as to friendly societies would

give an impetus to the work of these most useful bodies. The regulation practically clothes them with the function of issuing certificates of character to such of their members as apply for pensions.

It may be assumed that in practically every case a person who is disqualified on this ground appeals. As far as England and Wales are concerned there have been from the institution of the Act up to March 1913, only 366 appeals against decisions of this character. The fact that poor law relief was not to constitute a permanent barrier to the receipt of a pension, no doubt tended in the minds of committees to imply that a mere stay in the workhouse for a long period was not necessarily a disqualification for failure to work. The Local Government Board pointed out, in one of its annual reports, that this provision is not really a "character" test, and that in a few cases in which it has been sought to use drunkenness as a disqualification under this Section (as apart from the inebriates disqualification which Section 3 (3) imposes), it has not been able to approve the decision.

The second disqualification arises from the claimant being detained in any asylum, within the meaning of the Lunacy Act, 1890, or from being maintained in any place as a pauper lunatic.

The third disqualification arises during the continuance of any period of disqualification imposed in pursuance of section 3 of the Act of 1908 in consequence of conviction for an offence. The details of this are set out in sub-sections (2) and (3). Sub-section (2) enacts that where a person has been, before the passing of the Act, or is, after the passing of the Act, convicted of any offence, and ordered to be imprisoned without the option of a fine or to suffer any greater punishment, he shall be disqualified for receiving or continuing to receive an old age pension while he is detained in prison in consequence of the order, and for a further period of ten years after the date on which he is released from prison. The hardship of this section arises from the fact that when most persons of over seventy are released from prison they are quite destitute, and the effect of this

section is, it was urged, to punish them over again in a new way. Ten years, too, seemed a very long period of disqualification in such a case, and an amendment was made by Section 4 (2) of the 1911 Act, providing that where the term for which the person has been imprisoned without the option of a fine does not exceed six weeks, the period of disqualification is to be two years only. The period is reckoned from the day of release from prison. It is to be noted that a prisoner's election to go to prison will not disqualify him if he had the option of paying a fine instead.

Sub-section (3) provided that where a person of sixty years of age or upwards, having been convicted before any court, is liable to have a detention order made against him under the Inebriates Act, 1898, and is not necessarily, by virtue of the provisions of the Act, disqualified for receiving or continuing to receive an old age pension under this Act, the court may, if they think fit, order that the person convicted be so disqualified for such period, not exceeding ten years, as the court direct.

It will be observed that the disqualification which may be imposed under this subsection is entirely within the discretion of the court. This provision was added to by Section 4 (3) of the Act of 1911. This section provides that any pensioner who is convicted of an offence covered by the First Schedule to the Inebriates Act, 1898, and who is not already disqualified by reason of the principal Act, is to be disqualified for a pension for six months after his conviction, unless the court otherwise direct.

While dealing with this subject, it is convenient to mention the proposal contained in the Mental Deficiency Bill of 1912, that persons detained in an institution as "defectives" under that Bill should be disqualified. This is analogous to the asylum disqualification contained in Section 3 (1) (c). The proposal did not, however, become law.

Suggestions have also been made that an additional disqualification is necessary, namely, failure to keep himself in a satisfactory condition of domestic and bodily cleanliness. It has been stated that of

151 men and women pensioners admitted to a London infirmary between May, 1909, and December, 1910, only 1 man out of 63, and 6 women out of 88, could be described as entirely clean, while 6 men and 33 women were in a deplorable condition. Of one woman it was stated that ten baths were required to cleanse her properly. It seems contrary to public policy that persons receiving State aid should live below a reasonable standard of domestic and bodily cleanliness. The question is whether the difficulty of the position could be overcome by giving the public health authorities more power, if it were needed, and whether this could be done without unduly infringing the liberties of the subject. There seems no reason why an old age pensioner should be required to maintain a standard above that required of other poor persons. The matter was discussed at length by the London Local Pension Committee, and its sub-committees, but the necessity of appointing additional staff, whether of pension officers or relieving officers, for inspection purposes, the diffi-



culty of arriving at a uniform standard of cleanliness to be regarded as satisfactory, and the fact that in many cases pensioners are not personally responsible for at any rate their domestic cleanliness, appear to be insuperable obstacles to the adoption of the proposal.



**PROCEDURE ON CLAIMS, QUESTIONS  
AND APPEALS.**



## CHAPTER VII

### PROCEDURE ON CLAIMS, QUESTIONS AND APPEALS.

THE following is a general description of the mode of dealing with claims.

Claims for pensions can be made only by filling up prescribed forms, which can be obtained at any post-office. Any person is entitled to make a claim, if he wishes to do so, at any time not more than four months before the date on which, in his opinion, he will be entitled to receive a pension. Within this limit it is desirable that claims should be made as early as possible, as any pension awarded will begin to be payable only after the claim has been considered and allowed by the local pension committee or sub-committee. Thus, a person who considers that he will be entitled to a pension upon attaining the

age of seventy years should send in his claim four months, but not more than four months, before he reaches that age.

Each pensioner's pension is payable only at one particular post-office to be selected at the time the claim is made. The claimant must, therefore, settle at which post-office he wishes his pension to be paid, assuming that it is granted. On application at the post-office, he is able to procure a form of claim without payment, and, if he wishes it, assistance is given at the post-office to enable him to fill it up properly. The form requires the claimant to state full name and postal address, occupation, sex, whether single or married, widower or widow, age, date of birth and place where born, whether the claimant is a British subject, and has lived for not less than twelve out of the last twenty years in the United Kingdom, and certain other particulars. He has to sign the form, or, if he cannot write, make his mark, and his signature or mark has to be witnessed by some other person. When the form is filled up it has to be handed in at the post-office

at which the claimant wishes the pension to be paid.

In due course, the claimant is visited by a pension officer attached to the district in which he resides. The pension officer asks various questions for the purpose of ascertaining accurately whether all the conditions for a pension are fulfilled, and whether the claimant is or is not subject to any disqualification. In particular, he has to obtain detailed information as to the yearly means of the claimant. Both in filling up the form and in supplying information to the pension officer, the claimant must be careful to give complete and true answers. Any false statement or false representation knowingly made renders the claimant liable under Section 9 (1) of the Act of 1908 to six months' imprisonment with hard labour.

If it is found at any time that a person has been in receipt of an old age pension under this Act while the statutory conditions were not fulfilled in his case or while he was disqualified for receiving the pension, he, or, in the case of his death,

his personal representative, is liable under Section 9 (2) to repay to the Treasury any sums paid to him in respect of the pension while the statutory conditions were not fulfilled or while he was disqualified for receiving the pension, and the amount of those sums may be recovered as a debt due to the Crown.

Under Schedule 2 of the Regulations made under the Act, in any case in which the pension officer thinks it desirable so to do, he may reduce to writing any question which he desires to put to any person and the answer given by that person to the question, and may require that person to sign the answer, or may require any person to fill up and sign any form. The pension officer has in every case to take all reasonable steps to obtain the best evidence and information which it is possible to obtain, and make all such inquiries as appear to him necessary having regard to the circumstances of the case.

When the pension officer has obtained all such information as he can about any claim, he makes a report upon it to the



local pension committee or sub-committee. This body, whether a committee or sub-committee, is hereafter referred to as "the Committee."

The Committee, on receiving the report from the pension officer, considers the claim and the report, and a notice is in due course sent to the claimant by the Clerk of the Committee informing him of the decision of the Committee upon the claim. Before the Committee decide adversely to any claimant, they are required to give him an opportunity of being heard.

A claimant who is too infirm or ill to attend at a post-office for the purpose of obtaining a form of claim or to attend when summoned before the Committee, may send someone else to get the form or to represent him before the Committee. The form of claim must, however, be signed by the claimant, or if he cannot write he must mark it with a cross. The contents should be explained to him in all cases in which he is unable to fill up or supply the answers himself, and, to constitute a valid claim, it is necessary that he should understand the

questions put in the form of claim and the answers which have been given to the questions.

Assuming that the Committee allow the claim, the pension is paid weekly in advance, and commences to accrue on the first Friday after the claim for the pension has been allowed, or in the case of a claim provisionally allowed, on the first Friday after the day on which the claimant becomes entitled to receive the pension. The pension officer supplies the claimant with a book of pension orders which are payable week by week at the post-office named in the claim.

A sum on account of an old age pension cannot be paid to any person while absent from the United Kingdom, or if payment of the sum is not obtained within three months after the date on which it became payable.

An appeal, which will be described later, may be made from the decision of the Committee.

When a pensioner intends to remove to a new address for a period of not less

than four weeks, or, without so removing, desires to change the post-office at which his pension is paid, he may apply personally to the pension officer, or to the post-office, for a form of application for change of office of payment. The post-office at which the application should be made may be either that at which the pensioner has hitherto been paid or that at which he desires to be paid in future. The form must be filled up and signed by the pensioner in the presence of the pension officer, or of the postmaster. The necessary authority is then granted in due course, and the pensioner notified.

If a pensioner, by reason of illness or infirmity, is unable to attend in person at the post-office at which his pension is payable, an application may be made to that post-office for information as to the mode in which payment of the pension can be continued.

A "Question" relates to a proposed alteration or revocation of a pension. If at any time, a person who is in receipt of a pension of less than five shillings a week

considers that he can satisfy the pension authorities that he is, having regard to his yearly means, entitled to a pension at a rate higher than that which he is receiving, he may raise a question by writing a letter to the pension officer in which the facts of the case are stated. If the pension officer is satisfied that there is some evidence in support of the allegations made by the pensioner, he will report to the Committee on the question raised, and the Committee will decide the question raised by the pensioner.

The pension officer may at any time raise a question :

- (a) Whether at any time or during any period a person has been in receipt of a pension when the statutory conditions were not fulfilled, or when the pensioner was disqualified for receiving the pension ; or
- (b) Whether a pensioner has been at any time or during any period in receipt of a pension at a certain rate when his means exceeded the amount which justified the payment of the pension at that rate ; or
- (c) Whether a person who is in receipt of a pension at a certain rate is, having regard to his means, entitled to a pension at a lower rate.

If such a question is raised, the pensioner will be duly informed, and an opportunity

will be given him of attending the meeting of the Committee at which the question is to be considered.

The decision of the Committee on any question is subject to appeal to the Local Government Board in the same way as a decision of the Committee on a claim to a pension.

If payment of a pension has been discontinued as a result of a decision of the Pension Committee or of the Local Government Board, and if the person formerly in receipt of the pension considers that his circumstances have changed and that he is again entitled to a pension, or that he will be entitled to a pension at a date not more than four months distant, he may make a fresh claim in the manner already described.

Appeals arise in the following manner.

When the Committee have allowed a claim for a pension, it is open to the pension officer, if he considers that the claimant is not eligible for a pension, or that the decision is otherwise wrong, to appeal to the Local Government Board. In that case,

the right to a pension will have to be finally determined by the Board. A notice is sent to the claimant if an appeal is made, and he is of course informed of the final decision on the claim.

If the Committee disallow a claim, or if they allow it at a rate lower than that which the claimant considers that he is entitled to receive, it is open to the claimant to appeal from their decision to the Local Government Board, but there would be no advantage in his doing so unless he could produce evidence to show that the decision of the Committee was wrong. It must be understood that there is no power in the Committee or in the Local Government Board to dispense with any of the requirements of the Old Age Pensions Acts, or to exempt any one from disqualification, or to remove any of the conditions which Parliament has imposed. If, therefore, a claim has been disallowed on the ground that the claimant does not fulfil one of the statutory conditions, or is disqualified, it is useless for him to make an appeal unless he is in a position to show that the

condition is fulfilled or that he is not disqualified.

An appeal must be made within seven days after the claimant or pension officer receives notice from the Committee of their decision on the claim.

If the Committee allow a claim provisionally (that is to say, the pension is payable only from some future date) and if the claimant considers, after the time allowed for appealing against the decision of the Committee has expired and before the pension has become payable, that he will be entitled to receive a pension at a date earlier than that specified by the Committee, or at a higher rate, he may make an application for the alteration of the allowance by writing a letter to the pension officer.

The decision of the Committee on any such application is subject to appeal to the Local Government Board in the same way as a decision on a claim to a pension or on a question.

The foregoing is a general statement of the procedure, from which it will be seen

that the desire of Parliament that the way to a pension should be simple has been completely followed, and a wayfaring man, though ignorant, need not err therein. It is well, however, to refer to some special points which have arisen.

In the earlier days of the administration of the Act, some cases of delay occurred in dealing with claims. Representations were made to the Board of Customs and Excise that the statutory regulations, by providing that a claim may be made not more than four months before the claimant considers that he will become entitled to a pension, implied that, in ordinary cases in which the claimants have taken reasonable advantage of that provision, their claims shall be investigated, and if in order, provisionally allowed before the dates when the claimants become entitled to pensions; and that, if this view were correct, it was even clearer that it was the intention of Parliament that claimants, who, for some reason or another, were not in a position to make claims until after they had qualified for pensions, should



have their claims determined within a period as much less than four months as is reasonably possible. Specific cases of loss of pension incurred by claimants through no apparent fault of their own were brought to notice, and the Treasury was asked to award the claimants the sums necessary to compensate them fully for the pecuniary loss which had been sustained.

The Treasury stated that in cases in which the claimant took full advantage of the statutory period of four months allowed for provisional claims, loss of pension by reason of delay in investigating his claim was of very rare occurrence, and that it was of opinion that any such cases which might arise would best be met by consideration upon their merits; that inquiry had been made into specific cases with the result that, as an act of grace, it had sanctioned special payments of the additional amounts which these pensioners would have drawn in pensions if their claims had been allowed at the end of four months from the dates of their receipt, and that it would be prepared to deal with similar

cases of undue delay exceeding four months on the same lines; but that this concession would not apply to cases in which, notwithstanding due attention from the pension officer, a period in excess of four months was, owing to difficulties in obtaining evidence or other unavoidable causes, required to complete the investigation.

As an instance of the remarkable way in which delay was avoided, reference may be made to the fact that 160,000 persons became entitled on January 1, 1911, by reason of the lapse of the poor relief disqualification. Of the total claims received up to January 6, 1911, the first Friday in that year, more than 95 per cent. were, in fact, submitted to Committees by that date. In the remaining cases, difficulties of proving age were mostly responsible for the delay. The total number of extra statutory grants made on this account is, however, trifling.

False statements made in connection with claims are, as has been indicated, punishable. The number of prosecutions reported in the public press has, how-

ever, been infinitesimal, and the Board of Customs and Excise has declined to furnish particulars to the London Pension Committee of legal proceedings relating to claims from their district.

With regard to arrears of pensions due to representatives of deceased pensioners, a Committee had a letter from the widow of a pensioner who died in an infirmary, stating that no pension had been paid to him for several weeks before his death, although the pension had been revoked, as the result of a question raised by the pension officer, only as on the date of the pensioner's death. It would appear that the Board of Customs and Excise did not regard it as its duty to discover the representative of a deceased pensioner and to pay to such representative any arrears of pension due to the pensioner up to the date of his death, but that the Board considered that it rested with the representative to make application for any such arrears. In view of the illiterate and ignorant condition of some pensioners, this may cause hardship in some cases.

The chief points of interest relating to questions may be mentioned.

There was no specific provision or directions in the Act of 1908 or the Regulations to enable the determination of the dates as from which pensions, upon necessity arising, should be increased, decreased or revoked. The Treasury and the Local Government Board were accordingly communicated with, with a view to the amendment of the Regulations, which regulate the procedure in regard to questions; and the Board of Customs and Excise, which is immediately responsible for controlling the pension officers, was asked to direct them to advise pension committees in every case as to the date upon which a pensioner became entitled to an increased pension. The Local Government Board advised that a pension Committee had power to make their decisions retrospective as regards increases and decreases of pension, and it seemed obvious that they must, naturally, have the same power as regards the revocation of pensions. In the cases which had occurred in which the pension officer had asked that, for

reasons stated, pensions should be reduced or revoked as from particular dates antecedent to the meeting, the decisions had covered this point. The Board of Customs and Excise, however, undertook to see that no hardship was inflicted upon the pensioners concerned or their representatives, by pressing on repayment in the absence of fraud.

Under the 1911 Act, the position as regards questions with a view to the increase of pensions is altered.

It will be noticed that whereas under Sub-section 6 (1) (c) of 1911 Act, a question for the increase of a pension must take the form "whether the pensioner is entitled to a pension at a higher rate," a question for the reduction of a pension may be raised under Sub-section 6 (1) (b) in the form "whether during any period the pensioner was in receipt of a pension at that rate," thus providing for a decision which would be retrospective to the date of any material increase of means. It was clear that, in view of the terms of Sub-section 6 (1) (c), a decision to increase a pension could no

longer—as was permissible before the passing of the 1911 Act—be retrospective to the date of the actual decrease of means, but the view was put forward that the increase could be made retrospective to the date when the question was actually raised. A considerable number of decisions were accordingly given in conformity with this view, and, as many of them were not appealed against by the pension officers, it seemed clear that these latter decisions were final and conclusive. It afterwards appeared, however, that the Local Government Board and the Board of Customs and Excise took the contrary view.

Section 6 (3) of the Act of 1911 provides that a question may be raised notwithstanding that the decision of the question involves a decision as to the correctness of a former decision of the Local Pension Committee, or central authority, as the case may be, but, where by a later decision a former decision is reversed, a person who has received any sums on account of an old age pension in accordance with the former decision shall, in the absence of fraud on

his part, be entitled to any sum received up to the reversal of the decision. This provision follows an interesting ruling of the Irish Courts.

In 1910, 2 L.R. 403, is reported the case of *R. (Sinnott) v. Local Pension Committee for Wexford*. In December, 1908, a pension was granted as from January 1, 1909, to Ann Sinnott by No. 1 Sub-Committee of the Wexford Pension Committee, who relied upon a certificate by the parish priest that she had been born in 1835. No appeal was made, and the pension was paid up to June, 1909. On March 24, 1909, the pension officer raised a question as to the right to receive a pension on the ground that she had not reached the statutory age, and on June, 1, 1909, the Sub-Committee decided, on evidence obtained from the census returns of 1841 and 1851, that the pensioner was not entitled to a pension, being only sixty-nine. A conditional order for a writ of certiorari to quash the order of the Sub-Committee was obtained on the ground that the Sub-Committee, having considered and determined the claim, had no power to re-

open the question of age, and discontinue the pension already awarded. Cause against the order being made absolute was shown on behalf of the Board of Customs. It was held that it is a condition precedent to the jurisdiction of a Local Pension Committee to allow a pension, that the claimant should have attained the age of seventy years, and that if this is not fulfilled, the grant of a pension, although not appealed against within the prescribed time, is not final and conclusive.

There occurs in the Annual Report for 1909-1910 of the Local Government Board (Ireland) the following reference to an important judgment affecting old age pensions administration :

“ Another case more recently decided in the Court of King’s Bench, *Rex (Quinn) v. Local Government Board*, has further restricted the power of the pension authorities in the case of questions properly raised to the exact limits of the question itself, whether the facts of the case justify such limitation or not. Quinn was in receipt of a pension of 5s. a week and the pension officer raised a question that his means exceeded £21 a year, that, in his opinion, they exceeded £26 5s. a year, and that Quinn should only receive a pension of 2s. a week. On appeal, we found on investigation that this man’s means exceeded



£31 10s. a year and therefore decided that he was not entitled to any pension. The Court, however, held that notwithstanding that we might have satisfied ourselves that the income was in excess of the statutory limit, we were restricted by the form of the question to deciding either that Quinn was entitled to 5s. a week or 2s. a week. Our decision was accordingly quashed."

The Local Government Board (England and Wales) having been asked to what extent it, as the central pension authority for this country, proposed to follow the judgment, stated that (apparently directly contrary to the view of the Irish Board as above set out) it did not consider that the judgment limited the jurisdiction of pension authorities to a decision on the precise terms of the question. The English Board pointed out that Chief Baron Palles said: "My clear opinion is that the only jurisdiction under the section in respect of this particular question was to determine whether or not the man was entitled to any greater pension than 2s. a week." It accordingly appeared to the English Board that, so far as the question of jurisdiction is concerned, a decision that Quinn was entitled to any rate of pension between

2s. and 5s. a week would have been within the competence of the Irish Board. Similarly, the English Board considered that, in an analogous case which came before it on appeal (in which the pensioner was in receipt of a 4s. pension when the question for revocation was raised) it would have been competent to the Pension Committee to decide, according to the facts of the case, either that, as from October 12, 1911 (the date stated by the pension officer in his question), or from any later (but not earlier) date, the pensioner was not entitled to any pension at all, or was entitled to a pension of 1s., 2s., 3s., or 4s. a week.

No difficulty or litigation could have arisen in the Quinn case if the pension officer had raised the question in the terms—as no doubt was his meaning—as to the rate of pension (if any) to which the pensioner was entitled, and the judgment in question, which, it is remarkable, is differently interpreted by the two Local Government Boards, has unnecessarily obscured a very simple matter, with somewhat unfortunate results to the working of the Acts.

If the view of the English Local Government Board is accepted as correct, it will be noticed that the terms in which a question as to the rate of a pension is raised, may limit a pension authority, both as to rate and the date from which an altered rate of pension should commence, to a decision that on the facts themselves would not be arrived at. So far as decisions on the point of rate are concerned, however, the matter is not now of practical importance, as the Board of Customs and Excise (the department principally concerned in regulating the procedure of pension officers) stated that it has directed those officers that, in future, as regards questions in which there is a doubt as to the correct assessment of the pensioner's yearly means, to avoid the embodiment of any precise rate in the question as distinct from the recommendation. The difficulty in regard to a question raised by a pensioner for the increase of a pension has also, it is considered, been overcome by a similar instruction to pension officers to frame the question as merely for an increase of pension, and not for an increase to a specified rate.

It will be noticed that in the view of the English Local Government Board, in any case in which a pension authority finds that a reduced pension was payable from an earlier date than that inserted by the pension officer in the question, that authority has no power to insert such earlier date in its decision. Such a case, however, is likely to be extremely rare, and, upon its occurring, it could no doubt be arranged that the pension officer should either alter the date in the question before its determination, or should raise a supplementary question to cover the period omitted from the original question.

The Local Government Board did not express any opinion as to the power of a pension authority to decide to disqualify a pensioner on a different ground from that stated in the question. It may be assumed, therefore, that the Local Government Board is in agreement with the opinion of the Board of Customs and Excise that such a decision would be contrary to the principle involved in the above-mentioned judgment.

With regard to appeals, it is to be noted that there are three different bodies, viz., the Local Government Board of each of the three Kingdoms; and these apparently do not act in concert. It may be added, too, that, in practice, the Local Committees delegate most of their powers to Sub-Committees, and themselves act as a sort of preliminary court of appeal in doubtful cases.

It is clear that a claimant may refuse information to a Committee, which thereupon may disallow his claim, and upon his appealing and producing his evidence to the Local Government Board, he may win the appeal. The appeal may thus amount to a rehearing on new facts. It is a not infrequent occurrence for new facts to be discovered by the Board (other than those which the claimant may have deliberately withheld) during the course of its investigations, and the decision based on these has the appearance of proving that the Sub-Committee were inefficient in their duties—a suggestion that must be strongly repudiated. This difficulty has been intensified by the fact that

the Board has declined to undertake to communicate the reasons for its decisions when it reverses those of Committees. In some cases, however, this is now being done. Without this, the Board's decision is often incomprehensible. Moreover, it may mean that the decision of the committee was actually correct at the time it was given, and on the facts then stated, and if altered circumstances come to light, the case should be again remitted for determination by the Committee.

When appeals were first being undertaken, it was assumed by the Board that upon a case coming before it for review or appeal, it had to satisfy itself that on all the points covered by the Act of 1908, the claimant was entitled, and in accordance with this view it held it could on appeal disallow on the ground of receipt of poor relief a claim rejected by the committee for lack of proof of age, the necessary proof of age having been meantime discovered by the Board.

On the other hand, a case was reported in the *Law Times* of December 18, 1909,

to the effect that the Court of Appeal in Dublin had quashed a decision of the Local Government Board upon appeal, revoking the pension (2s.) of a pensioner who was refused an increase by the Committee, the ground of the Court's judgment being that the Board had no jurisdiction to revoke the pension, the pensioner's means being the same as when the pension was originally granted, such jurisdiction being, therefore, limited to the question whether or not the pensioner was entitled to an increase of his pension. This decision necessitated an alteration in the Board's line of action.

Experience has shown that few really unnecessary appeals are made. In the Chapter on "Statistics of Working" are given some interesting figures as to appeals made, and their causes and results.

The decision of the Board on appeals, apart from jurisdiction, is final, and cannot be questioned in the Courts on questions of fact. This point is discussed in Chapter I.





**THE MACHINERY OF THE ACTS.**



## CHAPTER VIII

### THE MACHINERY OF THE ACTS

AFTER this review of the procedure in connection with claims, questions and appeals, it is necessary to say something about the machinery.

The Act places duties on the Post Office, the pension officer, the Local Pension Committee and its Sub-Committees, the three Local Government Boards, the Board of Customs and Excise, the Postmaster-General, the Treasury, the Registrars of Births, etc., and the Public Record Office. All of these, except the Committee, may be dealt with very briefly. It is the duty of the local postmaster to furnish a form of claim, if necessary assist in filling it up, and finally pay the pension. The pension officer is the investigating officer, working on the instructions of the Board of Customs and Excise under

the Regulations. The Local Government Board decide appeals, and assist in the framing of the Regulations. The Board of Customs and Excise direct and organize the work of pension officers, and are responsible to the Treasury, who supply the money, and assist in the framing of the Regulations. The Postmaster-General has to concur in the Regulations so far as his department is concerned, and organizes, in conjunction with the Board of Customs and Excise, the actual cashing of the pension orders. The registrars furnish the pension officers with particulars of deaths of pensioners. The Public Record office have to supply information required in connection with proof of age. Two pieces of machinery have, however, been found to be missing, namely, (i) to secure the communication to pension officers of information as to the convictions of pensioners rendering them disqualified for continuing to receive a pension; and (ii) to secure co-operation between pension officers and Boards of Guardians for the supply of information as to pensioners ob-

taining poor law relief or obtaining medical assistance from a poor law authority. The question of overlapping of pension and poor relief has already been dealt with.

A few words should be said as to the constitution and working of the Local Pension Committees. Mr. Chaplin's Committee of 1899 had considered that the authority for the award of pensions should be a body possessed of local knowledge, and at the same they considered it essential that "the authority which grants the pensions should also be the authority which has to find the means." They proposed accordingly that the pension authority should be a Committee appointed by the local Board of Guardians, from their own number in the first instance, other members being added to it representing other public bodies within the areas. At the same time the Committee, when constituted, was to be independent of the Guardians. The Select Committee on the Aged Pensioners Bill, 1903, differed from this view, observing that it did not appear to them fair or reasonable to leave to an

elected body the duty of deciding upon the merits of large numbers of its constituents. They considered that, on the analogy of the method adopted for the administration of old age pensions in New Zealand, the qualification of any person to receive a pension should be placed in the hands of special commissioners for suitable areas.

There can be little doubt that the method actually adopted has enlisted the co-operation of persons experienced in social administration and yet has served entirely to dissociate in the public mind the old age pension from the taint of the poor law. Regulation No. 21 provides for the constitution and proceedings of Committees, which have to be appointed in every borough and urban district of a population of 20,000 or more, and in every county by the Council for the borough, district or county, but are not responsible to it. These bodies are largely composed of experienced members of friendly societies, of boards of guardians, of trade unions, and ministers of religion, as well as members of the appointing Council; in many cases

women members have been appointed. These Committees bring to their work a sympathy and a local knowledge of rents and working-class conditions which is invaluable. They are in a position, which an official could not satisfactorily undertake, to accept evidence which may be termed "reasonable" as opposed to what would be acceptable in a court of law. For instance, decisions as to age judged from appearance could not satisfactorily be dealt with by officials. Their work also lends confidence to some of the timorous and ignorant claimants, so that information, which the pension officer had been unable to elicit, is obtained from their assisting in the investigation of claims. The work of Pension Committees is a most valuable part of the machinery for old age pension administration. Their official expenses, which, as explained in the chapter on Statistics of Working, are almost trifling, are defrayed by the Treasury, but members of the Committees receive neither pay nor even travelling expenses. The importance of their duties lies in the fact that, if not appealed

against within a limited time, their decisions are final.

The expenses are fixed by financial instructions issued by the Treasury, which provide that the remuneration of the Clerks of Pension Committees and Sub-Committees will be by fees at such rates (inclusive of out-of-pocket expenses) as may from time to time be fixed by the Pension Committee of each local authority within the following scale :—

(1) For general duties and incidental expenses, including office accommodation :—

*s. d.*

(a) Committees of Counties (excluding the County of London) :—

For every 1,000 or part of 1,000 of total population (according to the last published decennial census) of the area served by the Committee

Per quarter 2 6

(b) Committees of the County of London, County Boroughs, Boroughs, and Urban Districts :—

For every 1,000 or part of 1,000 of total population (according to the last published decennial census) of the area served by the Committee

Per quarter 1 0

(2) For claims and questions (inclusive of postage and incidental expenses in connection with such claims and questions) :—



- |  |     |
|--|-----|
| (a) For each claim or question dealt with in each quarter by a Committee or Sub-Committee, not exceeding 20 in all | 5 0 |
| (b) For each claim or question in excess of 20   | 2 6 |

For the purposes of this paragraph "claim" means a claim to a pension considered upon a report after investigation by the pension officer (Regulation 9 (1)). No fee will be payable in respect of claims not investigated by that officer which may be the subject of a special report under the proviso to that Regulation. "Question" means a question with regard to an existing pension raised and determined upon the report of the pension officer under Regulation 17.

The financial instructions also provide that the use of the offices of a local authority is to be obtained for meetings of Committees and Sub-Committees free of charge (except a charge not exceeding 2s. 6d. per meeting for heating, lighting, or cleaning), whenever such offices are available. Where such offices are not available a charge for hire of a room not exceeding 10s. 6d. in respect of each meeting will be passed in the ac-

counts, subject to the production of a proper voucher and upon a certificate by the Chairman of the Committee or Sub-Committee that he has satisfied himself that no offices of a local authority were available.

The greater part of the correspondence of Clerks of Committees is by means of forms which are supplied free of charge by the Stationery Office upon requisition. These, as well as all communications to the pension officer and the Local Government Board (if sent in the printed envelopes supplied for the purpose) are entitled to free transmission through the post.

There have been some differences of opinion between the Local Government Board and the Board of Customs and Excise, which have caused the work to be difficult in certain particulars. The Board of Customs took the view that under the 1908 Act, the pension was to accrue on the first Friday after the claimant had become entitled, that is to say, if a decision were given of entitlement on the same day as a man became seventy, he would

get no pension for a week. The Local Government Board, on appeal, however, held that for the purposes of the Act a person is seventy on the day preceding the seventieth anniversary of his birth, and held that the pension should commence on the actual day of decision. The view of the Local Government Board received statutory sanction by Section 1 of the 1911 Act.

Other differences of opinion related to the valuation of profits from sub-letting part of a house, and as to the question of "chronic" inmates of poor law institutions. These differences cannot but be regarded as regrettable.

In other small matters, also, Committees have had reason to complain of the attitude of the central authorities. For the purpose of ascertaining the practice of pension officers, the London Pension Committee asked to be furnished with copies of the Board's instructions to their officers, but the Board declined to give these. In another matter the Local Government Board was asked to supply a copy of

opinions on certain difficult points which had been obtained from the law officers of the Crown, but declined to do so ; and as stated elsewhere, the Board declined to furnish in every case its reasons when it overruled on appeal the decision of a Committee.

As explained above, the details of the Act are carried out by regulations made by the Treasury under Section 10 of the 1908 Act. As a consequence of the passing of the 1911 Act, the Treasury, in conjunction with the Local Government Board and the Postmaster-General, issued new provisional Regulations, dated August 17, 1911, amalgamating and superseding the Regulations of 1908 and 1910 and making certain alterations for the most part necessitated by the 1911 Act. The new Regulations, having been certified to be urgent, took effect as from August 17, 1911 ; but the Rules Publication Act, 1893, provides that they shall continue in force only until the ordinary procedure relating to the making of statutory Rules shall have been complied with. This procedure consists in the

publication in the *London Gazette*, at least forty days before the Rules are made, of notice of the proposal to make the Rules. During these forty days any representations or suggestions made in writing by a public body interested to the Rule-making authority must be taken into consideration by that authority before finally settling the Rules, and, on the expiration of those forty days, the Rules may be made either as originally drawn or as amended by the Rule-making authority, and may come into operation forthwith.

Under Section 10 of the Old Age Pensions Act, 1908, the Rules or Regulations when finally made in the manner above indicated, must be laid before each House of Parliament forthwith. If either House, within twenty-one days, petitions, the King in Council may annul any Regulation, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder. The provisional Regulations were issued on August 17, 1911, but have not yet been laid before Parliament. The action of the Government de-

partment seems to amount practically to neglect or defiance of the Act. Some criticism on points of detail may be made on the Regulations, but it is only necessary here to call attention to one point.

The proviso to Regulation No. 17 is practically a repetition of a similar one in the 1908 Regulations. It declares that if in any case the pension officer is satisfied that there is no evidence in support of the allegations made by a person who is applying for an increase (or decrease) in the rate of his pension, or the alteration of the provisional allowance of his claim, the pension officer shall not be bound to make any report to the Pension Committee on the question or the application. As, by the terms of the 1908 and 1911 Acts, all claims, questions and applications stand referred to the Pension Committee for determination, and as they only reach the committee through the pension officer, it seems that the proviso makes it possible for a pension officer, not only to prevent the reference of a particular "question" or "application" to the Committee, but even to stop all ques-

tions and applications from coming before the Committee. This proviso seems to be *ultra vires*, but in practice it is, I believe, very seldom, if ever, taken advantage of by a pension officer.

In spite, however, of the apparently cumbrous machinery and the faults to which objection has been taken in this chapter, it is gratifying to note that on all sides there is testimony to the smooth working of the Acts, and the pleasant co-operation of most of the authorities concerned. The following extract from the Annual Report for 1912 of the Board of Customs and Excise is sufficient to illustrate what could be proved in many ways:—

“Pension Committees and Pension Officers have worked together in the same spirit of cordial co-operation as in previous years; and we are still able to congratulate ourselves on the infrequency of complaints against our officers, a fact which we feel justified in regarding as a tribute to their efficiency and impartiality.”





STATISTICS OF WORKING.



## CHAPTER IX

### STATISTICS OF WORKING.

It is unfortunate that no one authority has undertaken the work of correlating the statistics which must be available in the several departments concerned, and the following tables are illustrative rather than exhaustive. A departmental committee considered the matter and was responsible for introducing some improvements which appeared in connection with the figures given by the Commissioners of Customs and Excise for 1910-1911.

The following table shows the number of claims received in the United Kingdom in the different financial years (*i.e.* ending March 31) and the manner in which they were dealt with. For convenience also are included the number of cases in which pensioners died during the year.

Year.	Claims received in year.	Questions raised.	Pensions revoked, as the result of questions included in previous column.	Claims rejected or Pensions revoked on questions during Year.				Deaths of old age pensioners during year.	
				By Committees or on Appeal.					
				Age.	Poor Relief.	Means.	Others.		
1912-13	174,970	29,393	12,941	20,491	8,708	11,995	2,105	6,006	65,509
1911-12	186,966	39,947	13,853	24,511	10,092	11,657	3,121	7,448	100,177
1910-11	385,800	Not available	9,283	22,620	11,801	10,160	4,795	Not available	73,655
1909-10	173,370	"	Not available	33,325	10,410	14,243	3,283	6,451	63,852
Oct. 1908- Mar. 1909	837,831	"	"	29,092	27,056	27,228	7,668	11,056	18,231

An analysis of the causes of disqualification as shown in the above table is interesting.

	1911-12.	1912-13.
Age . . . . .	49·6 per cent.	47·3 per cent.
Means . . . . .	23·6 „	29·7 „
Poor relief . . . .	20·4 „	20·1 „
Other causes . . .	6·3 „	4·9 „
	<u>100·0</u>	<u>100·0</u>

The following table shows the number of pensions payable at the various rates at the end of each financial year, and also distinguishes between those granted to men and to women:—

## OLD AGE PENSIONS

PENSIONS PAYABLE ON LAST FRIDAY IN YEAR.

Year.	5s.	4s.	3s.	2s.	1s.	Total.	Men.	Women.
1912-13	915,750	19,268	19,416	9,005	4,482	967,921	363,811	604,110
1911-12	889,783	19,805	19,351	8,867	4,354	942,160	351,397	590,763
1910-11	847,614	22,288	21,996	10,245	5,318	907,461	333,050	574,411
1909-10	638,147	22,870	22,239	10,536	5,560	699,352	Not available	
1908-9	582,565	23,616	23,275	11,429	6,609	647,494	"	"

The total number and value of the pensions in force on the last Friday in each of the financial years, expressed as an annual rate, is as follows:—

	Number.	Value in terms per annum.		
		£	s.	d.
1908-9	647,494	8,077,110	12	0
1909-10	699,352	8,776,466	8	0
1910-11	907,461	11,489,446	16	0
1911-12	942,160	11,981,517	12	0
1912-13	967,921	12,315,061	4	0

The very large increase in 1910-11 over the figures for 1911-12 is probably due almost entirely to the lapse on December 31, 1910, of the principal poor law relief disqualification.

Attention should be directed to the very large proportion of full pensions, which in 1912-13 represented 93·6 per cent. in number and 96·6 per cent. in value of the total.

The following table shows the distribution on March 31, 1913, (the last date for which figures are available) of pensioners, whether men or women, in the separate areas, and their proportion to the general population:

Area.	Number of Old-age Pensioners resident within the area on the last Friday in March, 1913.			Total population, 1911.	Number of old age pensioners per 1000 of total population.	Population of the age of 70 years and over, Census, 1911.	Number of old age pensioners per 1000 of population over 70 years of age.	Estimated cost of old age pensions in year ended 31st March, 1913.	Amount of £ rate on assessable value equivalent to the cost of old age pensions.
	Men.	Women.	Total.						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ENGLAND :									
Administrative Counties (except London) . . . . .	152,565	239,139	391,704	18,342,684	21.35	619,391	632.40	4,875,903	8.19
County Boroughs . . . . .	56,466	111,446	167,912	10,785,202	15.57	263,171	638.03	2,090,156	9.12
London . . . . .	20,613	46,524	67,137	4,521,685	14.85	124,832	537.82	835,711	4.45
WALES :									
Administrative Counties (including Monmouth) . . . . .	13,807	22,314	36,121	1,959,318	18.44	55,098	655.58	449,630	12.35
County Boroughs . . . . .	1,967	3,805	5,772	461,603	12.50	9,210	626.71	71,849	7.09
England & Wales.	245,418	423,228	668,646	36,070,492	18.54	1,071,702	623.91	8,323,249	7.86
SCOTLAND :									
Counties . . . . .	24,279	44,085	68,364	2,863,121	23.88	107,141	638.08	868,838	10.81
Burghs . . . . .	8,093	19,782	27,875	1,897,783	14.69	45,758	609.18	354,265	6.05
	32,372	63,867	96,239	4,760,904	20.21	152,899	629.43	1,223,103	8.80
IRELAND :									
Administrative Counties . . . . .	80,076	102,419	182,495	3,515,035	51.92	266,789	684.04	2,329,255	43.55
Boroughs . . . . .	5,945	14,596	20,541	875,184	23.47	28,238	727.42	262,170	21.26
	86,021	117,015	203,036	4,390,219	46.25	295,027	688.19	2,591,425	39.37
UNITED KINGDOM . . . . .	363,811	604,110	967,921	45,221,615	21.40	1,519,628	636.95	12,137,777	9.65



This table suggests some interesting observations. The striking disproportion between the number of men and women pensioners revealed by columns 2 and 3 is general throughout the United Kingdom. The proportions of men and women were in 1912-13, 37.5 and 62.5 per cent., respectively; but the disparity is much less marked in Ireland where the proportions are 42.3 and 57.7 per cent. respectively; and is most remarkable in London, where the proportions are 30.7 and 69.3 per cent. respectively. It appears from the table that the disproportion is most marked in urban areas. Another illustration of this disproportion is afforded by the following table, which relates, however, only to England and Wales:

	Males.	Females.	Total. <sup>1</sup>	Percent ages.	
				Males.	Females.
Total population at Census, 1911	17,445,608	18,624,884	36,072,492	48.3	51.7
Population over 70 years of age .	443,474	628,328	1,071,702	41.4	58.6
Pensioners . .	245,418	423,228	668,646	36.7	63.3

<sup>1</sup> The slightly different figure for total population given here from that on page 168, is no doubt due to adjustments of areas.

This seems to indicate that as the age increases the proportion of women surviving is greater than of men; but it also probably shows that many of these women (who are widows) are not so well off as men of advanced age.

The divergence between the proportion of pensioners in the three kingdoms is remarkable, as shown by the following table :

	Number per 1,000 of population, Census 1911.	Number per 1,000 of population, of 70 years of age, Census 1911.
England and Wales . . . . .	18·54	623·91
Scotland . . . . .	20·21	629·43
Ireland . . . . .	46·25	688·19
United Kingdom . . . . .	21·40	636·95

It should, however, be borne in mind that the number of old age pensioners depends upon the number of persons who can be proved to have attained the statutory age. The table raises a question (which, however, it is impossible to answer here) whether the much higher proportion of pensioners in Ire-

land is due to laxity of administration by Committees or to greater poverty of aged persons there; but, clearly, the figures given in the main table on page 168 show that the reason is partly the greater proportion of persons in Ireland who live to advanced years.

Another fact which is at once apparent is that the proportion of pensioners is lower in urban areas than in the counties. This may be due either to the difficulty of living to an advanced age in towns, or to the higher average income which may perhaps be deduced from the higher rateable value per head of the population in the towns.<sup>1</sup>

Another fact brought out by the table is that the proposal of the Select Committee on the Aged Deserving Poor, 1899, for meeting the cost of pensions would

<sup>1</sup> Figures as to the rateable value per head of the population were given in the Annual Report of the Commissioners of Customs and Excise for the preceding year (1911-12) as follows:—England: Counties, £5·26, Boroughs, £5·04, London £9·93; Wales: Counties, £4·40, Boroughs, £5·24; Scotland: Counties, £6·62, Burghs, £7·41; Ireland: Counties, £3·65, Boroughs, £3·34.

have operated very inequitably. The proposal of that Committee (Mr. Chaplin's Committee) was that the cost of the pensions should be borne by the poor rate, and that a contribution should be made from imperial sources in aid of the general cost of poor law administration, such contribution to be allocated, not in proportion to the amount distributed in each union in respect of pensions, but on the basis of population, not to exceed one half of the estimated cost of the pensions. Assuming that the total amount to be distributed was one half of the estimated cost of old age pensions in 1912-13, it would be allocated on the basis of population as follows :—

	Cost of Pensions.	Grant.	Percentage of Grant to cost of Pensions.
England and Wales . .	£8,323,249	£4,851,327	58·3
Scotland . .	1,233,103	631,057	51·2
Ireland . .	2,591,425	586,504	22·6
United Kingdom	£12,137,777	£6,068,888	50·0

The larger number of persons in Ireland who receive pensions has already been commented upon, and the figures just quoted are of interest in relation to the statement of Mr. Chaplin's Committee that they considered it essential that the authority which grants the pensions should also be the authority which has to find the means.

The table also shows the effect on the poor rate if the whole cost of the pensions had to be borne from that source. It will be seen that the effect of the proposal of Lord Rothschild's Committee (see page 7) would be to require an addition to the local rates of from  $2\frac{1}{4}d.$  in the £ in London to an average of  $1s. 9\frac{1}{4}d.$  in the £ in Irish Counties. This appears, on the face of it, impracticable.

The last columns of the main table set out on page 168, give an approximate indication of the amount in the £ at which a poor rate would have to be levied over each of the areas in order to produce a sum equivalent to the cost of old age pensions in the area. These figures are liable

to be misread, and might possibly be taken to be an estimate of the saving to the rates due to the operation of the Old Age Pensions Acts. They are framed on a basis adopted for a Parliamentary Paper (Cd. 7015) issued by the Local Government Board in 1913 "with a view of showing with reference to England and Wales some of the principal statistics which bear upon the decline in aged pauperism in recent years, and its relationship to the operation of the Old Age Pensions Act."

The following table of paupers over seventy years of age in England and Wales is taken from the paper referred to:—

	Indoor.	Outdoor.	Total.
March 31, 1906 . .	61,378	168,096	229,474
January 1, 1910 . .	57,701	138,223	195,924
,, 1911 . .	55,261	93,177	148,438
,, 1912 . .	49,370	9,530	58,900
January 4, 1913 . .	49,207	8,563	57,770
Percentage decrease between 1906 and 1913.	19·8	94·9	74·8

It cannot properly be said, however, that

the figures of equivalent poor rate indicate the amount of relief to the rates attributable to the Old Age Pensions Act, as the majority of the pensioners never received poor relief and would not have come on the rates. The number of old age pensioners in England and Wales on the last Friday in March, 1913 (when the Act was in full operation), was 668,646, whereas, according to the return, the reduction in the number of paupers over 70 years of age between 1906 and 1913, was only 191,704 (viz., from 229,474 to 57,770). Moreover, the majority of the pensioners who were formerly in receipt of poor relief were on out-relief, and the average cost of outdoor relief (including salaries of officers, etc.) is only about £7 6s. a year a head (or 2s. 10d. a week) whereas the estimated cost of old age pensions is equivalent to £12 7s. a year a head (or 4s. 9d. a week).

The point may be emphasized by special reference to the case of London.<sup>1</sup> The

<sup>1</sup> The following particulars are based on a report made to the London County Council on November 18, 1913 (Minutes of the Council, p. 1051).

decrease in the number of paupers over seventy years of age in London between 1906 (the only year before 1910 for which figures are available) and 1913 is given in the return as follows—Indoor paupers, 2,993; outdoor paupers, 12,041. These decreases, however, do not appear to be wholly due to the operation of the Old Age Pensions Act, as the decrease during this period is not confined to paupers over seventy years of age, but also includes paupers under that age.

The average expenditure in London in the year 1910–11 was £35 12s. 4d. a head in respect of indoor paupers, and £8 12s. 9d. a head for outdoor paupers. At these rates the decrease in the cost of pauperism in London would be £210,000 a year. This expenditure, however, includes loan charges, maintenance of buildings, salaries, etc., none of which could be immediately reduced on account of a decrease in the number of paupers. Excluding these items, the average cost of in-maintenance and out-relief is £13 15s. 2d. and £6 9s. 6d. a head, respectively, and on these bases



the decrease would amount to £119,000 a year. This latter figure may be taken as the maximum amount of saving which would accrue in respect of the above-mentioned decrease in the number of paupers, at any rate for some years, but, as already mentioned above, the whole of this decrease cannot be attributed to the operation of the Old Age Pensions Act. It would appear that the actual saving to the rates in London would be a sum equivalent to a rate of  $\frac{3}{5}d.$  on the assessable value of London; whereas the cost of old age pensions in London, as shown in the parliamentary return, is equal to a rate of  $4d.$  in the pound. The bulk of the latter expenditure, therefore, represents additional expenditure on public assistance in London and not a relief to the rates.

No official estimate of the actual entire saving to the rates as a result of the old age pension scheme as a whole has been published, but some figures were prepared in connection with the lapse of the principal poor relief disqualification.

It has already been mentioned that as

from January 1, 1911, persons were no longer disqualified from becoming old age pensioners by reason of having received poor law relief at some time since January 1, 1908. Owing to the discontinuance of this disqualification, a large number of persons, especially outdoor paupers, ceased to be chargeable during the month of January.

Special returns obtained by the Local Government Board relating only to England and Wales were contained in a Parliamentary Paper (Cd. 5612) and these may be summarized as in table on opposite page.

The cost of the out relief administered during the last week of chargeability in 1910 to the 116,566 outdoor paupers above referred to who were seventy years of age on December 31, 1910, was £20,545 18s. 10d., representing 3s. 6¼d. per head per week.

Assuming that the relief to the rates in the case of an indoor pauper becoming an old age pensioner may be put at 5s. a week, the saving to the rates resulting from the total number of 122,415 paupers (indoor and outdoor) having become pensioners in

	Men.	Women.	Total.
Persons who were indoor paupers :			
70 years of age on December 31, 1910 :	3,650	1,386	5,036
70 years of age subsequently . . .	28	13	41
	3,678	1,399	5,077
Persons who were outdoor paupers :			
70 years of age on December 31, 1910 :	31,562	85,004	116,566
70 years of age subsequently . . .	197	575	772
	31,759	85,579	117,338
Total of indoor and outdoor . . . . .	35,437	86,978	122,415

January, 1911, would represent about £21,951 a week, or £1,141,452 a year. This estimate is necessarily subject to certain qualifications.

As regards the actual cost of old age pensions it is not possible to furnish a complete estimate. The total sum actually

paid in pensions during the year 1911-12, was £11,714,107 11s. 4d. and in the year 1912-13, £12,137,777 14s. To this must be added the expenses of pension committees, amounting to £61,177 and £58,787 respectively in the two years, which are defrayed by the Treasury. In 1912-13 there were also sums irrecoverable (due to pensions having been paid before notice of revocation or reduction had reached the pension officer), and extra-statutory payments (in respect of cases in which pensions had been stopped on evidence subsequently proved to be incorrect or in which pension orders had remained uncashed owing to official action, in circumstances in which Section 5 (b) of the 1911 Act precluded statutory payment; and twenty-four cases in which there was abnormal delay in granting pensions owing to official causes), amounting in all to £330 3s. The total expenditure directly charged in 1912-13 was £12,196,895. To this must, of course, be added the cost of staff in the Treasury, the Board of Customs and Excise, the three Local Government Boards, the Public

Record Office, the Postmaster-General's office, and so on. No details of this are obtainable. The expenses of pension committees represented only .484 per cent. of the cost of pensions in 1912-13, that is, about 9s. 8d. for every £100 of pensions.

Particulars of two experimental series of observations as to the place of birth of claimants living in London are interesting. The census figures are official; experiment A. covers 609 cases in Hampstead, St. Marylebone and Paddington, and experiment B. covers 1,419 cases in Camberwell and Lewisham. Percentages only are given for purposes of comparison.

Persons born in	Census of 1901.	Experiment A.	Experiment B. (Approximate).
London . . . . .	66.8	31.4	30.0
West of England and Wales . . . . .	26.0	58.3	60.0
Scotland . . . . .	1.3	3.1	4.0
Ireland . . . . .	1.4	5.6	6.0
Abroad . . . . .	4.5	1.6	—

Attention was called to this matter because the number of persons of Irish

birth applying in London seemed to be excessive; it appears, however, that this was not really so, attention no doubt having been attracted to such cases probably because, in so many Irish cases, difficulty is experienced in proving age.

Assuming that the figures obtained in the two experiments are typical, it might reasonably be inferred either (i) that the Londoner of the old age pensioner class is not so long lived as, or (ii) that he is more prosperous than the countryman who has immigrated to London.

The next point upon which statistics are of interest is that of *appeals*.

The following information as regards England and Wales is compiled from annual reports of the Local Government Board.

Year.	No. of Appeals Received.	Withdrawn, out of time, etc.	No. Decided.
1908-9 . . . . .	10,068	702	8,273
1909-10 . . . . .	5,662	250	5,412
1910-11 . . . . .	5,455	297	4,587
1911-12 . . . . .	6,045	334	6,218
1912-13 . . . . .	4,326	252	4,773

In 1912-13, the total number of claims received in England and Wales was 123,605. The number of appeals represents, therefore, 3·5 per cent. of the total claims received in that year.

The following particulars show the subject matter of the appeals dealt with.

	1908-9	1909-10	1910-11	1911-12	1912-13
Means . . .	3,721	2,701	2,109	3,245	2,284
Poor relief . .	3,303	1,323	668	391	363
Age . . .	424	902	1,153	2,086	1,836
Residence . .	410	203	275	193	63
Nationality . .	284	141	172	132	80
Idleness . . .	95	56	71	88	56
Imprisonment .	26	22	71	62	18
Miscellaneous .	11	64	68	21	33
	8,273	5,412	4,587	6,218	4,733

It is to be regretted that the Board has not seen its way to include particulars of the manner in which these appeals were dealt with, but the following information relating to London only, for the year 1912-13, is compiled from the periodical reports of the London County Pension Committee.

Total decisions of the Board . . . . .	589
Pensions granted by the Board although previously refused by Committee . . . . .	34
Pensions increased . . . . .	17
Pensions reduced . . . . .	24
Pensions revoked . . . . .	92
Date altered . . . . .	35
Decisions of Committee confirmed (65·7 per cent. of total) . . . . .	202
	<hr/>
	387
	<hr/>
	<u>589</u>

In 372 cases the appeal was made by the pension officer, and in 217 cases by or on behalf of the claimant or pensioner.

Of the 202 cases in which the decisions were altered, there were 119 cases in which the decision of the Board was based upon new facts discovered in the course of its investigations, or altered circumstances which had not been before the Committee. In only 14 per cent. of the cases, therefore, did the Board take a different view on the same facts from the Sub-Committee.



**SOME SUGGESTIONS.**



## CHAPTER X

### SOME SUGGESTIONS.

IT remains to indicate in what direction the administration of the Acts may be usefully amended. This can be done quite briefly having regard to the explanation which has been given in the preceding chapters as to difficulties or anomalies which have been experienced under present conditions.

First, the rules prevailing in the three Kingdoms with regard to the use of public records in connection with proof of age should be assimilated. It has been shown that the Scottish census of 1861 may be referred to, but not the English one; and that in Ireland and Scotland other public records, *e.g.*, of marriage, may be gratuitously referred to in connection with claims for pensions. There seems no valid reason why similar procedure should not be

adopted for England, and this can be done by administrative action without legislation.

Next, in dealing with disqualifications, I have referred to the difficult question of pensioners in a filthy condition. It seems to me that although such persons may not actually become so grave a menace to public health as to justify the interference of the sanitary authorities, yet, as a condition of receiving State aid, they should be required to keep themselves in a cleanly state. If the person is too old and infirm to do this, and has no one to look after him, it is really better that he should become an inmate of an institution. I therefore suggest that the pension officer should be empowered to recommend the disallowance of a claim if he is satisfied that the applicant is not capable of keeping himself in a reasonable state of domestic and bodily cleanliness. An amendment of Section 3 of the Act of 1908 would be required to effect this.

Another reform which I consider necessary, is that upon a pensioner entering a poor

law institution for medical or surgical assistance, the pension should, after a short time, be automatically discontinued. It seems ridiculous that sometimes for quite long periods a person should be benefiting from local rates to the extent of perhaps £1 a week or more and at the same time be in receipt of a State grant of old age pension; the present method of waiting until a pensioner is certified to be likely to be a permanent inmate and then disqualifying on ground of "means", does not seem to me to meet the difficulty, as, for some length of time, the pension is being diverted to other persons and other purposes than the legislature intended. On the other hand, a person's outside liabilities do not cease immediately on admission to an institution, and therefore it is not unreasonable to continue the pension for, say, four weeks, until it is seen what will happen. I strongly disagree with the proposed alteration of the inalienability of the pension by allowing the pension to continue for the benefit of the Guardians. If the rates are to be subsidized by the

State, this is not the way to effect the change. The proposal I make could not be effected without legislation.

Section 2 (1) (a) of the 1911 Act provides that the yearly value, for the purpose of the Acts, of any property (not being property personally used or enjoyed by the claimant or pensioner concerned) invested or profitably used or capable of investment or profitable use, shall be taken to be  $\frac{1}{20}$  of the capital value of the property. No account is allowed to be taken of any "appropriation" of such property "for the purpose of current expenditure." The Local Government Board has advised that a freehold or leasehold interest in a house (not personally used or enjoyed) must be calculated under this section, but that the yearly value of a life interest or of an annuity must not be so calculated, but must be taken at the actual cash income. It seems to be only equitable that the yearly value of life interests and annuities should be taken at  $\frac{1}{20}$  of their capital value, calculated upon standard tables of expectation of life.

Section 2 (1) (c) of the 1911 Act provides that, for the purpose of the Acts, account shall be taken of the yearly value of any advantage accruing to a claimant or pensioner from the use or enjoyment of any property belonging to him which is personally used or enjoyed by him (except furniture and personal effects up to the value of £50). Apart from property of the character excepted, house property occupied by claimants and pensioners appears to be, so far as the administrative county of London is concerned, the only class of property in practice coming under this section. The Local Government Board advised that in the case of such property the estimate of the yearly value should generally be based on the rateable value. There appears to be no reason why the method of calculation in such cases should differ from the  $\frac{1}{20}$  system, described above, laid down by section 2 (1) (a) of the 1911 Act, merely because a house is occupied by a claimant or pensioner instead of being let. I consider, therefore, that this difference should be abolished, the  $\frac{1}{20}$  system

being applied in the case of houses occupied by claimants and pensioners as well as in the case of houses which they let to others.

In my opinion a woman who is by birth a British subject should not be disqualified for a pension by reason of having married an alien. Section 3 (1) of the 1911 Act admits some women so circumstanced to the benefits of the Acts, but limits them to such as have lost their husbands by death, divorce, or desertion.

Other proposals relate to questions of machinery, and in Chapter VIII I have shown that the multiplicity of authorities is not conducive to the efficient conduct of public business. I see no reason why the separate jurisdiction of the three Local Government Boards should not be transferred to one authority, namely, the Commissioners of Customs and Excise, who already organize most of the work. It may be urged that the Commissioners would, in the event of appeals, always support their own pension officers as against the Committees; but I do not think this would in practice result, as in many cases the



appeal turns simply on the acceptance of certain evidence, for which the pension officer, who is a comparatively subordinate official, does not care to take responsibility for accepting. The Commissioners would have no scruples on this score. This change could not be made without the authority of Parliament.

This is perhaps the appropriate place to deal with other modifications or extensions of the Act which have been suggested. On March 8, 1911, the Prime Minister was asked in the House of Commons whether "his attention had been called to the estimate of the National Conference of Friendly Societies that it would cost only £23,150 per annum to remove the disqualification of about 90 per cent. of those at present disqualified from receiving Old Age Pensions, because they are receiving benefits; and whether he will introduce a Bill at an early date to amend the Old Age Pensions Act so as to remove the present restriction from all members of Friendly Societies?" The Prime Minister replied that the Chancellor

of the Exchequer would consider the point; but no action was taken in this direction in the Amending Act of 1911.

Suggestions have been made for reducing the age limit. The Chancellor of the Exchequer was asked in the House of Commons on June 1, 1911, if he would state the "estimated cost to the Treasury of reducing the age limit from seventy to sixty-five years of age of persons entitled to receive an Old Age Pension upon the present basis." The reply was as follows:—  
"Any such estimate must necessarily be very conjectural, but subject to this qualification, it is probable that the additional cost would not be less than £7,750,000" (a year). It is likely that such an extension, if it ever comes about, will be the result of the National Insurance Act 1911, by which a fund will be built up and may prove available for this purpose. Persons over sixty-five years of age are not insurable under that Act.

It is interesting to note here a contributory scheme prepared by a Mr. W. H. Lupton. Under this it is proposed to establish

a fund to which all wage-earners would be entitled to contribute, much in the same way as they now deposit their savings in the Post-Office Savings Bank. Each contributor would receive interest at  $2\frac{1}{2}$  per cent. until he reached the age of sixty-five, when the Government would add 30 per cent. to the accumulations not in excess of £200 and with the resulting capital purchase for the contributor an annuity or Old Age Pension at Post-Office rates, so that under this proposal a contributor saving £100 would, with the Government bonus of £30, be entitled to secure an annuity of £13 8s. 10d. or roughly 5s. a week. On being questioned on the subject, the Chancellor of the Exchequer stated in the House of Commons on May 17, 1911, that he did not see his way to throw any further burden on the State in respect of old age pensions.

A Contributory Annuities Bill of a very complicated nature was introduced in 1910, but made no progress.

In conclusion, it may be said that the wise and generous nature of the scheme

contained in the Act of 1908, and the comprehensive improvements embodied in the Amending Act of 1911, make it difficult to suggest further practical amendments. The Acts have, on the whole, worked exceedingly well and smoothly, and authorities have worked together very conscientiously to make them a boon and a blessing to a very large section of the aged and deserving poor. The following paragraphs occur in the Annual Report of the Local Government Board for the year 1912-13 :—

“The provisions of the Amending Act of 1911 appear to have lightened the work of the pension officers in the examination of claims to pensions, and of the pension committees in the consideration of the claims, and to have facilitated administration generally.

“We are glad to place on record our opinion that both pension officers and committees continue to display the tact and sympathy which have been, from the first, so marked a feature of their work.”



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