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Calling on the affluent elderly to send back their benefits [1]

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Iain Duncan Smith, Secretary of State for Work and Pensions, has called upon wealthy elderly people who do not need benefits to return the money to the government. His case is that the winter fuel allowance, the Christmas bonus and travel passes are handed out to the elderly without means-testing, so that some undoubtedly go to the comparatively well-off. Iain Duncan Smith's plea calls to mind the recent paper from the Fabian Society calling for older people to pay more tax, since pensioner couples are in the top half of UK income distribution for disposable incomes, with 80% of them owning their own homes.

There is no easy mechanism for the affluent elderly to return benefits, as a few celebrities discovered last Christmas when a high-profile campaign was started to encourage people to hand them back. Even if significant numbers did return their benefits, it would amount to no more than a pinprick to the department's budget, having no more impact on real-world events than the tiny windmill David Cameron installed on the roof of his house.

Not many people think the government would make a better job of spending money than they could manage themselves. Those who feel their comparative affluence does not entitle them to the benefits have the option of giving the money to a charity instead. If they choose an appropriate charity, better use will probably be made of the money than the government could manage, given its record of profligate wastage.

This assumes that a charity will be chosen wisely, of course. It should not go to a charity that spends most of the money it receives on political campaigns for more taxpayer funds, or on advertising for yet more funds to pay for yet more advertising, all in the name of "raising awareness." And of course it should not go to charities that spend huge sums on anti-business advertising instead of on actually relieving poverty. Given these obvious caveats, the chances are very high that the money will be better spent than it would be by government.

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