



Department
for Work &
Pensions

Pension Credit

The content in this presentation is correct as of April 2024. Information contained within may be subject to change.

Pension Credit - Overview

- Pension Credit gives you extra money to help with your living costs if you are over State Pension age and on a low income.
- Pension Credit can also help with housing costs such as ground rent or service charges.
- You might get extra help if you're a carer, severely disabled, or responsible for a child or young person.
- Pension Credit is separate from your State Pension.
- You can get Pension Credit even if you have other income, savings or own your own home.

Pension Credit – what is it?

- A means-tested benefit designed to help tackle pensioner poverty by ensuring a minimum level of income is available for daily living needs.
- Non-contributory and non-taxable. Claimants must reside in Great Britain.
- Consists of two elements:-
 - **Guarantee Credit**, which tops up weekly income to a minimum level. Qualifying age is linked to women's State Pension age (currently 66); and
 - **Savings Credit**, which provides additional support for those who have made some provision for retirement - **only available to pensioners who reached State Pension age before 6 April 2016.**

Facts & figures

- Introduced in October 2003.
- Caseload – Just under 1.4 million (at August 2023)
 - 65% are aged 75 or over
 - 66% women, of whom 95% are single
 - Average age of a claimant is 76
- Cost – approx. £5.4 billion per year.
- Average (mean) amount per customer - £75.00 per week.
- Guarantee Credit passport to other schemes & benefits – e.g. Housing Benefit, dental treatment and other health benefits
- Guarantee and Savings Credit customers are eligible for Cold Weather Payments and Funeral payments from the Social Fund and for those aged 75+, a TV licence.

How much is Guarantee Credit?

Guarantee Credit tops up weekly income to the **Appropriate Minimum Guarantee (AMG)** level. This is made up of :-

- The **Standard Minimum Guarantee** - currently:-
 - £218.15 per week for a single person; or
 - £332.95 per week for a couple
- **PLUS additional amounts** :-
 - £81.50 for severe disability (x 2 for couples if both qualify)
 - £45.60 for caring responsibilities (x 2 if both qualify)
 - certain housing costs (e.g. some costs not covered by Housing Benefit) but no longer SMI
 - £76.79 for first child/qualifying young person born pre 6.4.17; £66.29 for other children/QYPs plus additional amounts for disabled child/QYP.

How much is Savings Credit?

- **Savings Credit** is extra money for people who
 - reached State Pension age before 6 April 2016
 - have income above the “savings credit threshold” - £189.80 for a single person and £301.22 for a couple.
- The maximum amount of Savings Credit is £17.01 for a single person, and £19.04 for a couple.
- Calculated at 60% of income between Savings Credit Threshold and Standard Minimum Guarantee – and reduces with a 40% taper if income exceeds their Appropriate Minimum Guarantee.
- PC could still be paid when income is £260.68 (single) £380.55 (couple) – or higher if their award includes additional amounts.
- Around 630,000 receive Savings Credit either on its own or with Guarantee Credit.

How is it worked out?

- The amount someone receives will depend on their weekly income and how much money they have saved or invested.
- Income is taken into account, such as:-
 - State Pension
 - private and occupational pensions
 - earnings
- Capital is taken into account as income:-
 - first £10k is ignored.
 - above £10k, £1 per week for every £500 is taken into account (known as “deemed” or “tariff” income)
 - no fixed upper threshold.
- If income is below the Appropriate Minimum Guarantee it is topped up to this level – the difference between the Appropriate Minimum Guarantee and income is the Pension Credit amount.

Pension Credit – Your Income

| What counts as income: | What does not count as income: |
|---|---------------------------------------|
| State Pension | Adult Disability Payment |
| Other pensions | Attendance Allowance |
| Earnings from employment and self-employment | Christmas bonus |
| Most social security benefits, e.g. Carer's Allowance | Child Benefit |
| | Disability Living Allowance |
| | Personal Independence Payment |
| | Social fund payments e.g. Winter Fuel |
| | Housing Benefit |
| | Council Tax Reduction |

Claims

- Most claims (well over 60%) are now made online, the rest mainly by phone – on a Freephone number. The online service was introduced in May 2020 in response to the Pandemic.
- Paper forms are still available via www.gov.uk
- When claiming State Pension, the Customer Advisor will discuss a Pension Credit application with those who may be entitled.
- Customers are often assisted by community partners working with older people, such as Age UK and Citizen's Advice Bureau.

Key developments – 2019

Child Addition

- From 1 February 2019, the Guarantee Credit includes an additional amount for children or qualifying young persons.
- Replaces the support previously available through Child Tax Credit (itself replaced by Universal Credit for working age customers)
- The two-child limit does not apply in Pension Credit.

Mixed-age couples

- From 15 May 2019, couples where only one partner has reached the qualifying age (“mixed age couples”) can no longer qualify for Pension Credit or pensioner Housing Benefit, and need to claim UC if they need means-tested benefit support.
- Ensures the younger partner has the same incentives and support to stay in contact with the labour market as others of the same age.
- Mixed-age couples who were already entitled to Pension Credit and/or pensioner HB immediately before 15 May 2019 are not affected provided they continue to be entitled to either benefit without a break.

Take-up

- Take-up of PC overall is around 63% of those who would be entitled – but higher for Guarantee Credit (70%) – 2021/22
- Most common reason why pensioners don't claim:
 - think they won't qualify because of savings or own home
- but also
 - reluctance to claim “benefits”
 - think they can manage
- How we encourage take-up:-
 - online information (Gov.uk and social media)
 - Media Days since 2021 plus other promotion since April 2022
 - online PC calculator to see if they might qualify
 - engagement with community partners as trusted messengers
 - Pension Credit toolkit – information & resources for community partners
 - collaboration with BBC following their decision in 2020 to restrict free TV licences to over 75s on Pension Credit

Take-up – How can you help

- Mentioning Pension Credit to customers approaching State Pension Age
- Promoting the PC calculator (<https://www.gov.uk/pension-credit-calculator>)
- Encouraging families to help older relatives check their entitlement
- What can be done by non-government organisations to raise awareness of Pension Credit? We have worked with the likes of Virgin Money and Centrica so that they have Pension Credit messaging to convey to customers

For Information - Legislation

- State Pension Credit Act 2002
- State Pension Credit Regulations 2002 (SI 2002/1792)
- Subject to the decision making and appeals regime under the Social Security Act 1998 and the Social Security and Child Support (Decisions and Appeals) Regulations 1999 (SI 1999/991)
- Claims and payment matters are under the Social Security Administration Act 1992 and Social Security (Claims and Payments) Regulations 1987 (SI 1987/1968)
- Appeals follow the same route as other Social Security Benefits i.e. FtT, UT, C of A, Supreme Court
- PC10S really helpful document
<https://www.gov.uk/government/publications/pension-credit-technical-guidance/a-detailed-guide-to-pension-credit-for-advisers-and-others#contents>

Pension Credit – Eligibility

- You must live in England, Scotland or Wales and have reached State Pension age to qualify for Pension Credit.
- If you have a partner, you must include your partner on your application.

You'll be eligible if either:

- you and your partner have both reached State Pension age.
- one of you is getting Housing Benefit for people over State Pension age.

A partner is either:

- your husband, wife or civil partner - if you live with them.
- someone you live with as a couple, without being married or in a civil partnership.

Pension Credit – How to Claim

- You can start your application up to 4 months before you reach State Pension age.
- You can apply any time after you reach State Pension age but your application can only be backdated by 3 months. This means you can get up to 3 months of Pension Credit in your first payment if you were eligible during that time.

You'll need the following information about you and your partner if you have one:

- National Insurance number.
- information about any income, savings and investments you have.
- information about your income, savings and investments on the date you want to backdate your application to (usually 3 months ago or the date you reached State Pension age).
- You'll also need your bank account details. Depending on how you apply, you may also be asked for your bank or building society name, sort code and account number.

Pension Credit – How to Claim

| How to claim | Details |
|--|--|
| Apply online – You can use the online service if you have already applied for State Pension. | Apply for Pension Credit |
| Apply by phone – A friend or family member can call for you if you cannot use the phone. | Pension Credit claim line Telephone: 0800 99 1234 Textphone: 0800 169 0133 |
| Apply by post - To apply by post, print out and fill in the Pension Credit claim form or call the claim line to request a form. Send the claim form to the Pension Service, or ask someone to do it for you. Contact a voluntary organisation like Citizens Advice or Age UK if you need help with the form. | The Pension Service 8 Post Handling Site B Wolverhampton WV99 1AN |

Pension Credit – Change of Circumstances

- You need to report changes to you and your partner's personal and financial circumstances.
- Your claim might be stopped or reduced if you do not report a change straight away. Some changes will increase the amount of Pension Credit you could get.

Changes to your personal circumstances

Moving to a new address

Starting or stopping living with a partner

The death of a partner who is named on your claim

Starting or stopping work

Going into hospital or a care home

People moving in or out of your house

Changing your name

Switching your bank account

Changes to your post office card account

Leaving, England, Scotland and Wales for any period

You start or stop looking after a child or young person under 20

Changes to your immigration status, if you're not a British citizen

Pension Credit – Change of Circumstances

You also need to report if your income or expenses change.

This can include changes to:

- housing costs, for example ground rent or service charges
- benefits that anyone living in your home gets - including getting a new benefit or a benefit being stopped
- occupational or personal pensions - including if you start to get a new pension or take a lump sum out of your pension pot
- other income, for example foreign pensions or Working Tax Credits
- savings, investments or property

Call the Pension Credit helpline if you're not sure if you need to report a change. You could be taken to court or have to pay a penalty if you give wrong information or do not report a change in your circumstances.

How to Report a Change:

- Pension Service Helpline: Telephone: 0800 731 0469 / Textphone: 0800 169 0133
- You can also report by post. The address is on the letters you get about your Pension Credit

Pension Credit – Challenging a Decision

If you disagree with a decision you can ask us to reconsider a decision

- Tell us if you have more information, or if you think we have overlooked something which might change the decision. Do this within one month of the date on this letter.
- We will look at what you tell us and send you a letter to tell you what we have decided, and why. We call this letter a Mandatory Reconsideration Notice.

When you have done this you can appeal

- If you disagree with the Mandatory Reconsideration Notice, you can appeal to a tribunal. You must wait for the Mandatory Reconsideration Notice before you start an appeal.

Pension Credit – Calculator

Find out how much you could get

Use the [Pension Credit calculator](#) to work out how much you might get.

Contact the Pension Service helpline if you're not sure whether you're eligible for extra amounts.

Pension Service helpline

Telephone: 0800 731 0469

Textphone: 0800 169 0133

Relay UK (if you cannot hear or speak on the phone): 18001 then 0800 731 0469

British Sign Language (BSL) video relay service if you're on a computer - find out how to use the service on mobile or tablet

Monday to Friday, 8am to 5pm

Find out about call charges



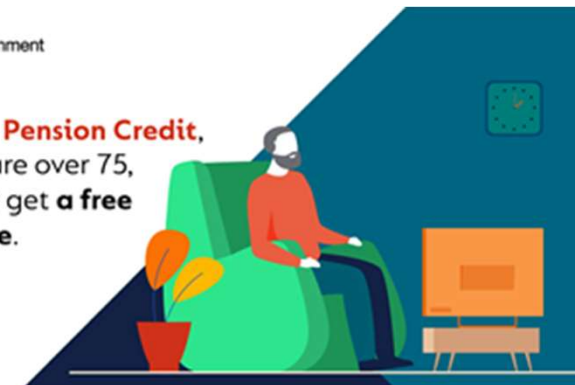
Pension Credit – Other Help

If you get Pension Credit you can also get other help, such as:

- Housing Benefit if you rent the property you live in
- a Council Tax discount
- a free TV licence if you're aged 75 or over
- help with NHS costs, such as prescriptions, dental treatment, glasses and transport costs for hospital appointments
- help with your heating costs through the Warm Home Discount Scheme
- a discount on the Royal Mail redirection service if you're moving house

 HM Government

If you get **Pension Credit**,
and you are over 75,
you could get **a free
TV licence**.



Pension Credit – Useful Links

| Websites and Videos | Links |
|-------------------------------------|---|
| Pension Credit Promotional Material | Pension Credit promotional material - GOV.UK |
| Pension Credit Calculator | Pension Credit calculator - GOV.UK |
| Pension Credit Technical Guidance | Pension Credit: technical guidance - GOV.UK |
| Pension Credit Toolkit | Pension Credit toolkit: advice and guidance for stakeholders - GOV.UK |
| Pension Credit – are you eligible? | Pension Credit - are you Eligible? - YouTube |
| Check your State Pension age | Check your State Pension age - GOV.UK |



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Questions?