

# Pension Credit

Do I qualify  
and how much  
could I get?

April 2012

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## To apply for Pension Credit



Phone **0800 99 1234**  
Textphone **0800 169 0133**

Monday to Friday 8am to 8pm.  
Calls are free from BT landlines, but other companies and mobile rates may vary.



Find out more at  
**[www.direct.gov.uk/pensions](http://www.direct.gov.uk/pensions)**

## What is Pension Credit?

Pension Credit is a tax-free payment for people who live in Great Britain. That means England, Scotland or Wales. You may get Pension Credit whether you have paid National Insurance or not.

There are two parts to Pension Credit: Guarantee Credit and Savings Credit. You may get one part or both.

- **Guarantee Credit** tops up your weekly income to a guaranteed minimum amount if you have reached the Pension Credit qualifying age.
- **Savings Credit** is for people who have saved some money towards their retirement such as a pension. You may get it if you're 65 or over.

You could get Pension Credit even if:

- you live with your grown-up family
- you own your home, or
- you get money from friends, family or charities.

## When can I apply?

The earliest you can apply is four months before you reach the qualifying age. You can apply any time after that, but it's best to apply as soon as you can.

Pension Credit can't begin before you reach the qualifying age. But if you apply later, we can only backdate Pension Credit for up to three months.

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The age you can apply for Pension Credit is gradually going up to 66 in line with the increase in the State Pension age for women to 65 and the further increase to 66 for men and women.

To find out the date you will reach the Pension Credit qualifying age, see the table below, or go to the State Pension age calculator at **[www.direct.gov.uk/spacalculator](http://www.direct.gov.uk/spacalculator)**

| Date you were born            | Date you could get Pension Credit |
|-------------------------------|-----------------------------------|
| Before 5 April 1951           | Now                               |
| 6 April to 5 May 1951         | 6 May 2012                        |
| 6 May to 5 June 1951          | 6 July 2012                       |
| 6 June to 5 July 1951         | 6 September 2012                  |
| 6 July to 5 August 1951       | 6 November 2012                   |
| 6 August to 5 September 1951  | 6 January 2013                    |
| 6 September to 5 October 1951 | 6 March 2013                      |
| 6 October to 5 November 1951  | 6 May 2013                        |
| 6 November to 5 December 1951 | 6 July 2013                       |
| 6 December to 5 January 1952  | 6 September 2013                  |
| 6 January to 5 February 1952  | 6 November 2013                   |
| 6 February to 5 March 1952    | 6 January 2014                    |

If you were born after these dates you can find out the date you will reach the Pension Credit qualifying age at

**[www.direct.gov.uk/spacalculator](http://www.direct.gov.uk/spacalculator)**

### **I didn't get Pension Credit when I applied before. Can I apply again?**

Yes, if your personal circumstances or the benefit rates have changed, you may get Pension Credit now. If you think you may qualify, don't delay claiming.

## To apply for Pension Credit



Phone **0800 99 1234**

If you apply for Pension Credit, we may help you apply for Council Tax Benefit and Housing Benefit at the same time. If you're entitled to it, your claim can be backdated for up to three months before you applied.

You will only need to speak to one person and give your details once (to find out what information you will need to give, see page 17).

### Can I apply if I have come from abroad?

When you apply, you must be living in Great Britain. If you have settled here from abroad, that counts as living here. You must not be 'subject to immigration control'; that is, there must be no restrictions which would stop you receiving financial help from the State. You will also need to satisfy the habitual residence test. There are some exceptions to these rules.

If there's anything you're not sure about, please ask us.

### Can I go abroad and keep getting Pension Credit?

We can pay Pension Credit for up to 13 weeks while you're temporarily abroad. If you go abroad for medical treatment under the NHS, we can pay Pension Credit for as long as you are getting medical treatment.

But you should tell us if you go abroad for any reason at all. This includes if you go to Northern Ireland, the Isle of Man or the Channel Islands.

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### **Can I get Pension Credit if I live in a care home?**

You may be able to get Pension Credit if you live in a care home but you must apply for it and be entitled.

### **What if I am in hospital?**

You may still get Pension Credit if you are in hospital.

## **Pension Credit for couples**

If you have a partner, the amount you get depends on your joint income and capital (savings and investments).

If only one of you has reached the Pension Credit qualifying age (see page 4), you can still apply. The person who has reached the qualifying age must be the one who applies. If you've both reached the qualifying age, either of you can apply.

Only one of you can get Pension Credit at any one time. It's paid for both of you. We can help you decide who should apply.

We will treat you as a couple if you live with your husband, wife or civil partner, or if you live with someone as if they were your husband, wife or civil partner. We call this other person your partner.

However, if your partner is subject to immigration control they will not be included in your claim.

## How we work out the amount you could get

### Stage 1

First we add up all your weekly income after tax, such as:

- pensions (including State Pension, a work pension or a personal pension, Financial Assistance Scheme payments or Pension Protection Fund payments)
- some benefits, and
- earnings from a job.

We don't count certain types of income. These include Attendance Allowance, Disability Living Allowance, Housing Benefit, or Council Tax Benefit.

The first £5 of earnings from work is ignored in most cases. For couples, the first £10 of joint earnings is ignored.

### Stage 2

Then we add up any savings (and investments) you have, including:

- money in a bank, building society or Post Office account
- savings kept at home
- National Savings Certificates and Premium Bonds
- ISAs and PEPs, shares and unit trusts

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- income bonds, capital bonds or National Savings Pensioners Guaranteed Income Bonds (also known as ‘pensioners bonds’ and ‘granny bonds’), and
- the value of any property and land you own, apart from the place where you live.

### Stage 3

We ignore the first £10,000 of your savings (and investments). For every £500 above this (or part of £500), we add £1 to your weekly income figure.

#### Example:

|                   |   |                |
|-------------------|---|----------------|
| Amount of savings | = | <b>£10,800</b> |
|-------------------|---|----------------|

|                        |   |             |
|------------------------|---|-------------|
| Amount above the limit | = | <b>£800</b> |
|------------------------|---|-------------|

|                          |   |          |
|--------------------------|---|----------|
| Number of £500 (or part) | = | <b>2</b> |
|--------------------------|---|----------|

|   |
|---|
| We add <b>£2</b> to your weekly income. |
|---|

### Stage 4

The amount we look at is your weekly income, plus anything we add because of your savings. If this is lower than the minimum amounts listed on page 9, you may get Pension Credit to top up your weekly income to the minimum amount.



## How much could I get?

The amount of Pension Credit you get depends on how much money you have coming in each week, and how much you have saved or invested. If you have a partner, we will add your income and capital and your partner's income and capital together when working out your Pension Credit.

You may get either part, or both.

### The Guarantee Credit

The Guarantee Credit tops up your weekly income to a minimum amount. If you have reached the qualifying age for Pension Credit, you are likely to get the Guarantee Credit if the money you have is less than:

- **£142.70** a week if you're single, or
- **£217.90** if you have a partner.

### The Savings Credit

If you or your partner are 65 or over, you may get the Savings Credit. That's if you've saved some money towards your retirement, like a second pension or savings.

You may still get the Savings Credit if the money you have coming in is up to about:

- **£189** a week if you're single, or
- **£277** if you have a partner.

The amounts for both parts may be higher if you or your partner (or both):

- have a severe disability
- look after a severely disabled person, or
- have certain housing costs, like mortgage interest payments.

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### If you are a self-assessment taxpayer

If you decide to claim Pension Credit and you are a self-assessment taxpayer, please tell us how much Income Tax you will pay, or expect to pay, for the current tax year. We need to know this because Pension Credit takes account of your net income after tax, including any tax on your State Pension.

Telling us about your tax helps us make sure you are getting the right amount of Pension Credit and may mean you get more.

You can find out more about Income Tax at



[www.hmrc.gov.uk](https://www.hmrc.gov.uk)

or by phoning your local tax office. The number is in the phone book.

### Quick calculator

To work out if you're likely to get Pension Credit, first fill in the table below.

---

My weekly income (after tax) £

---

My savings and investments £

---

Pick from one of the four charts on pages 12 and 13, depending on your age and whether you're single or a couple. Each chart has income amounts left to right, and savings amounts top to bottom.

If the line on the chart for your amounts joins up in the shaded area, you may get Pension Credit. Even if the lines join outside the shaded area, it's still worth contacting us about whether to apply for Pension Credit.

Here is an example to show how the charts work.

Assume that you're a single person and under 65 with:

- a State Pension and a private pension adding up to £110 a week, and
- savings of £12,000.

You will need to look for:

- **£110** along the bottom
- **£12,000** down the side, and
- find where the two lines joining these figures meet on the chart.

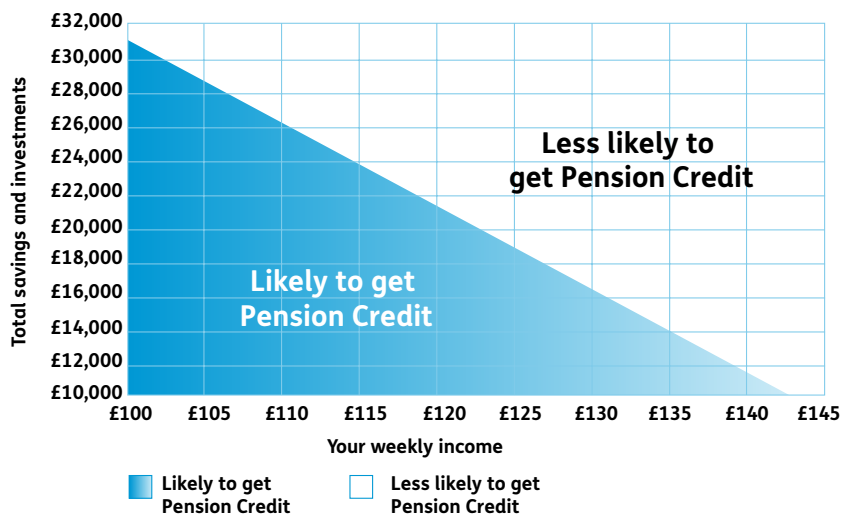
The lines meet inside the shaded area, so you are likely to get Pension Credit.

These charts are only a rough guide. If you're a carer, or if you have a severe disability or extra housing costs like a mortgage, you should contact us to find out if you could get Pension Credit.

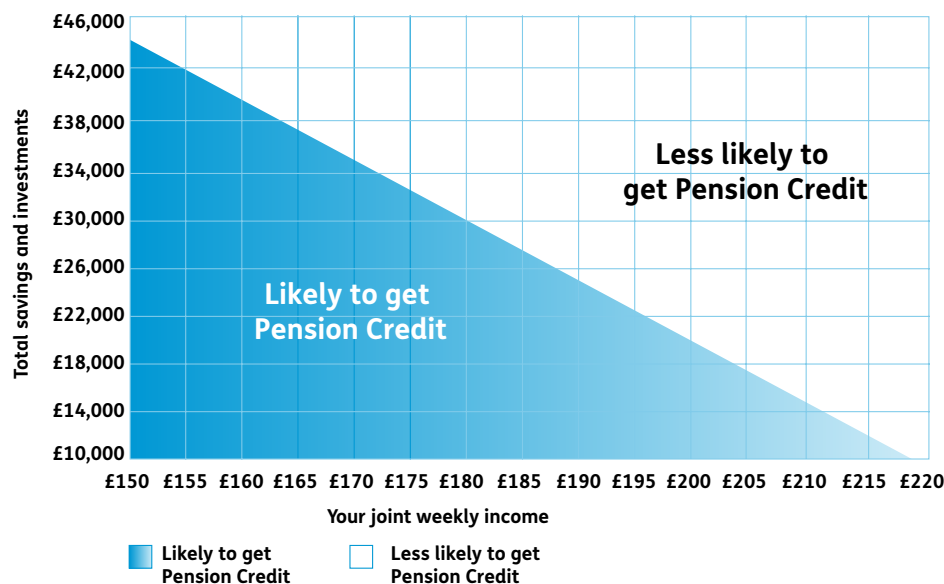
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### Charts for people aged under 65

#### Single person

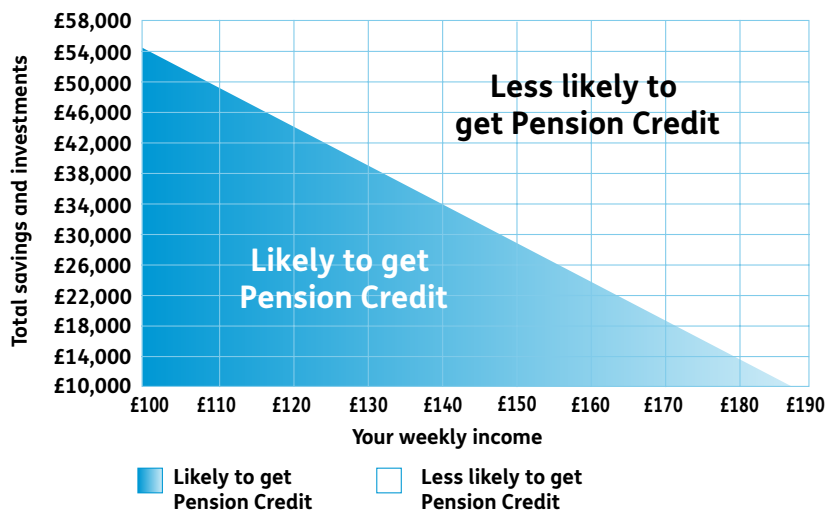


#### Couple

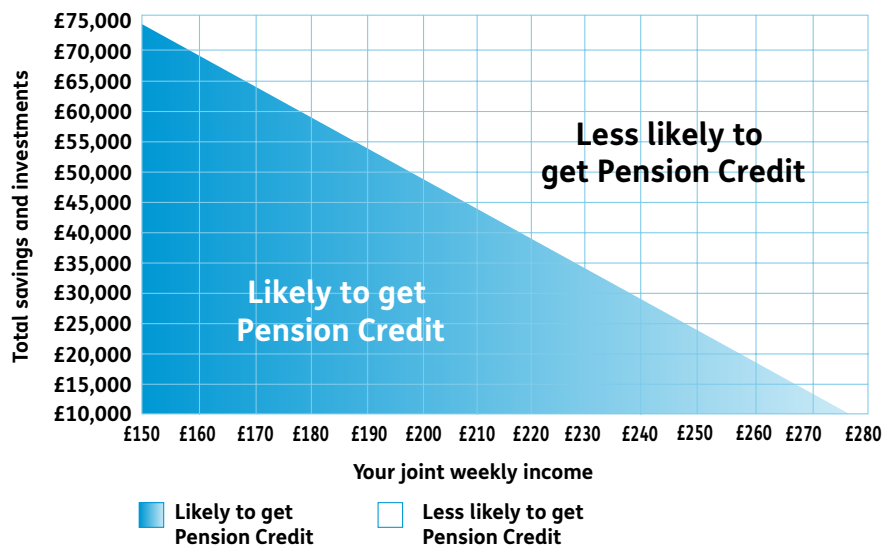


## Charts for people aged 65 and over

### Single person



### Couple



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### Examples

These examples show how much Pension Credit different people might get. The rates used in the examples are:

|                               |               |              |
|-------------------------------|---------------|--------------|
| Standard amount               | Single person | £142.70      |
|                               | Couple        | £217.90      |
| Savings Credit starting point | Single person | £111.80      |
|                               | Couple        | £178.35      |
| Savings Credit                | Single person | Up to £18.54 |
|                               | Couple        | Up to £23.73 |

### Jackie

Jackie is 62 and owns her own home. She gets a State Pension of £107.45 a week and no other income. Her savings are £5,000.

Jackie will get Guarantee Credit of £35.25 a week, bringing her total weekly income up to £142.70. We ignore her savings because they are below £10,000.

Because Jackie gets Guarantee Credit she will get full Council Tax Benefit, and help with other things like dental charges.

## Mary and Frank

Mary is 71 and Frank is 73. Their weekly income is £230.08 from:

|   |         |
|---|---------|
| Mary's basic State Pension  | £107.45 |
| Frank's basic State Pension   | £64.40  |
| Mary's personal pension   | £54.23  |
| Joint savings of £12,000 (over the £10,000 limit,<br>we count each £500 as £1 income) | £4. 00  |

As Mary and Frank's income is over £217.90, they can't get the Guarantee Credit but they are entitled to Savings Credit.

Mary and Frank will get Pension Credit of £18.86 a week, making their weekly income £248.94.

Mary and Frank may also be entitled to help with housing costs and Council Tax Benefit.

## Jack

Jack is 63 and gave up full-time work eight months ago. He lives alone in his own home and earns £85 a week from a part-time job.

We only count £80 as income for Pension Credit purposes, as we ignore £5 of Jack's earnings. Jack has no other income or savings.

Jack will get Guarantee Credit, but not Savings Credit as he is only 63.

Jack will get Pension Credit of £62.70, making his total weekly income £147.70.

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### Louise

Louise is 75, lives alone and is severely disabled. She has savings of £9,000 and gets £184.90 a week from:

- Basic State Pension £107.45
- Attendance Allowance £77.45

We ignore Louise's savings as they are less than £10,000, and we also ignore her Attendance Allowance when working out her Pension Credit.

Louise can't get Savings Credit because her qualifying income (£107.45) is lower than the Savings Credit starting point of £111.80 for a single person. Her Attendance Allowance doesn't count.

So Louise will get Pension Credit of £93.45 a week (including an extra £58.20 a week because she is severely disabled). This brings her total weekly income up to £278.35.

### Denis

Denis was 60 on 6 February 2012. He gets Income Support of £71.00 a week, and has no other income. He'll keep getting Income Support until he's old enough to get Pension Credit on 6 January 2014 when his total weekly income will increase to £142.70.

## How do I get my money?

We pay Pension Credit straight into your account. This is the best way to get it because you can choose how and when to take your money out of your account. Your account can be with a bank, building society or the Post Office.



## How do I apply?

If you get a benefit from:

- Jobcentre Plus, or
- The Disability and Carers Service

We will write to you when you are getting near your State Pension age or the age you can get Pension Credit. The letter will tell you what you need to do next.

For anyone else the easiest way to apply is by phone.



Phone: **0800 99 1234**

Textphone: **0800 169 0133**

Monday to Friday 8am to 8pm.

Calls are free from BT landlines, but other companies and mobile rates may vary. (Textphones are for people who have speech or hearing difficulties)

We can get an interpreter to help you apply. An adviser and interpreter will call you back.

## Information to have ready

We'll need the following information for you and your partner (if you have one).

- Your **National Insurance number**.
- Your **income** (such as any pension you get from a former employer, or a personal pension plan, and how often it is paid)
- Your total **savings and investments** (see the list on page 7). We'll ask you for the most recent balance in each bank account, as well as details of any investments such as shares, premium bonds and unit trust certificates.
- Your **housing costs** (such as mortgage interest, service charge or ground rent).

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We'll take your details and let you know what happens next.  
If you prefer, a friend or family member can call on your behalf.  
If applying by phone is difficult for you, in some circumstances we can arrange for someone to visit you.

### By filling in a form

You can print a claim form from the internet, at



[www.direct.gov.uk/pensioncredit](http://www.direct.gov.uk/pensioncredit)

Or we can send you a form by post. Write to us with your name and address at:

**FREEPOST RRKJ-AEKK-JRLB**

**The Pension Service**

**PO Box 16**

**Gateshead NE92 1BA**

(By writing this Freepost code on the envelope, you don't need a stamp).

### For more information

For general enquiries about pensions, contact  
The Pension Service.



Phone: **0845 606 0265**

Textphone: **0845 606 0285**

Monday to Friday 8am to 8pm.

If you live in Wales and prefer to speak Welsh,  
phone **0845 606 0275** (textphone **0845 606 0295**).

If English or Welsh is not your first language, you can  
use your own interpreter or one that we provide.

We may record phone calls for training and security.

You can also get more information from **Age UK** by contacting your local office. Their details are in the phone book.

## Call charges

Charges were correct as of the date on the back of this leaflet.

Calls to **0800** numbers are free from BT land lines but you may have to pay if you use another phone company, a mobile phone, or if you are calling from abroad.

Calls to **0845** numbers from BT land lines should cost no more than 5p per minute with a 13p call set up charge. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad.

Calls from mobile phones can cost up to 40p per minute, so check the cost of calls with your service provider.

You can ask us to call you back if you're concerned about the cost of the call.

## Textphones

Our textphone numbers are for people who cannot speak or hear clearly. If you don't have a textphone, you could check if your local library or citizens advice bureau has one. Textphones don't receive text messages from mobile phones.

We're always looking for ways of improving our leaflets. If you have any comments or suggestions about this leaflet, email us at: [leaflet.feedback@dwpgsi.gov.uk](mailto:leaflet.feedback@dwpgsi.gov.uk)

This email address is only used for leaflet feedback. We cannot answer questions about your pension or benefit.

## Important information about this leaflet

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure that the information in this leaflet is correct as of April 2012. It is possible that some of the information is oversimplified, or may become inaccurate over time, for example because of changes to the law.

This information is available in other formats on request.



Phone **0845 731 3233**  
Textphone **0845 604 0210**

More information from DWP about benefits and pensions is published online.



For benefits information go to  
**[www.direct.gov.uk/benefits](http://www.direct.gov.uk/benefits)**



For pensions information go to  
**[www.direct.gov.uk/pensions](http://www.direct.gov.uk/pensions)**

We aim to provide a high quality of service to all our customers. You can find out more in our customer charter at **[www.direct.gov.uk/dwpcharter](http://www.direct.gov.uk/dwpcharter)**

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