

Pension Credit

**Do I qualify and how
much could I get?**



Part of the Department for Work and Pensions

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Learn more from our website at:

www.pensions.gov.uk/pensioncredit

What is Pension Credit?

Pension Credit is a tax-free payment for people aged 60 or over who live in Great Britain. You do not need to have paid National Insurance to get Pension Credit.

There are two parts to Pension Credit – Guarantee Credit and Savings Credit.

- 1 **Guarantee Credit** may be paid to people aged 60 or over and tops up your weekly income to a guaranteed minimum level.
- 2 **Savings Credit** is an extra amount for people aged 65 or over who have saved some money towards their retirement, such as savings or a second pension. You can get Savings Credit on top of Guarantee Credit.

Can I apply for Pension Credit?

You can apply for Pension Credit if you have already reached your 60th birthday or are within four months of it.

Can I claim if I am coming to Great Britain from abroad?

When you claim, 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' – in other words, you must not need permission to come into Great Britain.

There are some exceptions to the immigration rules. If there is anything you are not sure about, please ask us.

To apply for Pension Credit, you can call us on:

Freephone **0800 99 1234**; or

Freephone **0800 169 0133** (textphone)

Calls are free from BT landlines, but other companies and mobile rates may vary.

Pension Credit for couples

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.

If this applies to you, we will add your income and capital together when we work out your Pension Credit.

If only one of you is aged 60 or over, you can still get Pension Credit. The person who is aged 60 or over must be the one who applies.

If you or your partner are both aged 60 or over, either of you can apply, although only one of you can get Pension Credit at any one time for both of you. We can help you both to decide who should apply.

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, the amount of Pension Credit you get also depends on how much money they have coming in each week and how much they have saved and invested.

If you or your partner are aged 60 or over, you will probably get Pension Credit if the money you have coming in is less than:

- £119.05 a week if you are single; or
- £181.70 a week if you have a partner.

If this applies to you, you are likely to get Guarantee Credit. This will top up your weekly income to at least the levels shown above. If you or your partner are aged 65 or over and you have saved some money towards your retirement, such as savings or a second pension, you may get extra Pension Credit. This is Savings Credit and could be up to:

- £19.05 a week if you are single; or
- £25.26 a week if you have a partner.

You may still get Pension Credit even if the money you have coming in is up to around:

- £167 a week if you are single; or
- £245 a week if you have a partner.

Even if you get more money than this coming in each week, you may still get Pension Credit if:

- you or your partner have a severe disability;
- you or your partner (or both of you) look after a severely disabled person; or
- you have certain housing costs, like mortgage interest payments.

You can get Pension Credit even if:

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

What happens if I apply for Pension Credit after I'm 60?

If you could have got Pension Credit earlier but you did not apply at the time, you may get money back for the months you didn't claim, up to 12 months.

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

Yes, you can apply again. Your circumstances may have changed and you may be able to get it now.

If you apply for Pension Credit, we can also help you apply for Council Tax Benefit and Housing Benefit at the same time and you will only need to speak to one person and give your details once. See page 21 for details of how to apply for Pension Credit.

How do you work out how much I will get?

We look at the money you have coming in each week, as well as any savings or investments that you might have.

We count certain types of money (after tax has been taken off) when we work out your Pension Credit.

These include:

- 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 other types of money.

These include:

- Attendance Allowance;
- Disability Living Allowance;
- Housing Benefit; or
- Council Tax Benefit.

The savings and investments we count include:

- 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;
- income bonds, capital bonds or granny bonds; and
- any property and land you own, apart from your home.

When we work out your weekly income, we count £1 for every £500 or part of £500 over £6,000 that you have saved or invested. (For example, if you have £7,000 in savings, this is £1,000 over the £6,000 limit and $£1,000 = 2 \times £500$. This means that £2 will be added to your weekly income for the £1,000 you have in savings over the £6,000 limit.)

If you live in a care home, we only count savings and investments you have over £10,000.

The following charts show if you are likely to get Pension Credit.

To use the charts, you need to:

- work out your weekly income after tax;
- add up your savings and investments;
- find the right chart for your age;
- find the right chart for your status – single or one of a couple;
- find your income along the bottom;
- find your total savings and investments down the side; and
- find where the two lines joining these figures meet on the chart.

If they meet inside the shaded area, you may get Pension Credit, and if they meet outside the shaded area, you are less likely to get Pension Credit.

Even if the chart says you are less likely to get Pension Credit, it is still worth contacting us to find out more and to apply.

Here is an example to show how the charts work.

This example assumes that you are a single person aged between 60 and 64 with:

- a State Pension and a private pension adding up to £110 a week; and
- savings of £10,000.

You will need to:

- look for £110 along the bottom;
- look for £10,000 down the side; and
- find where the two lines joining these figures meet on the chart.

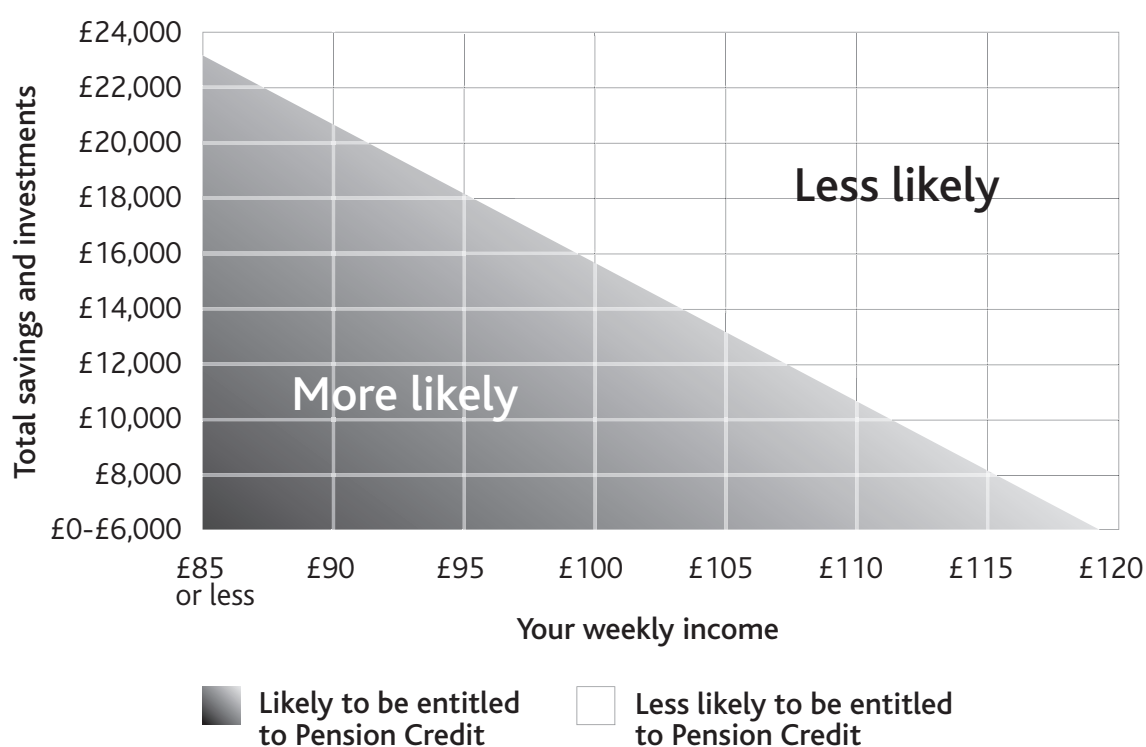
The lines meet inside the shaded area, so you will probably get Pension Credit.

How can I find out what I might get?

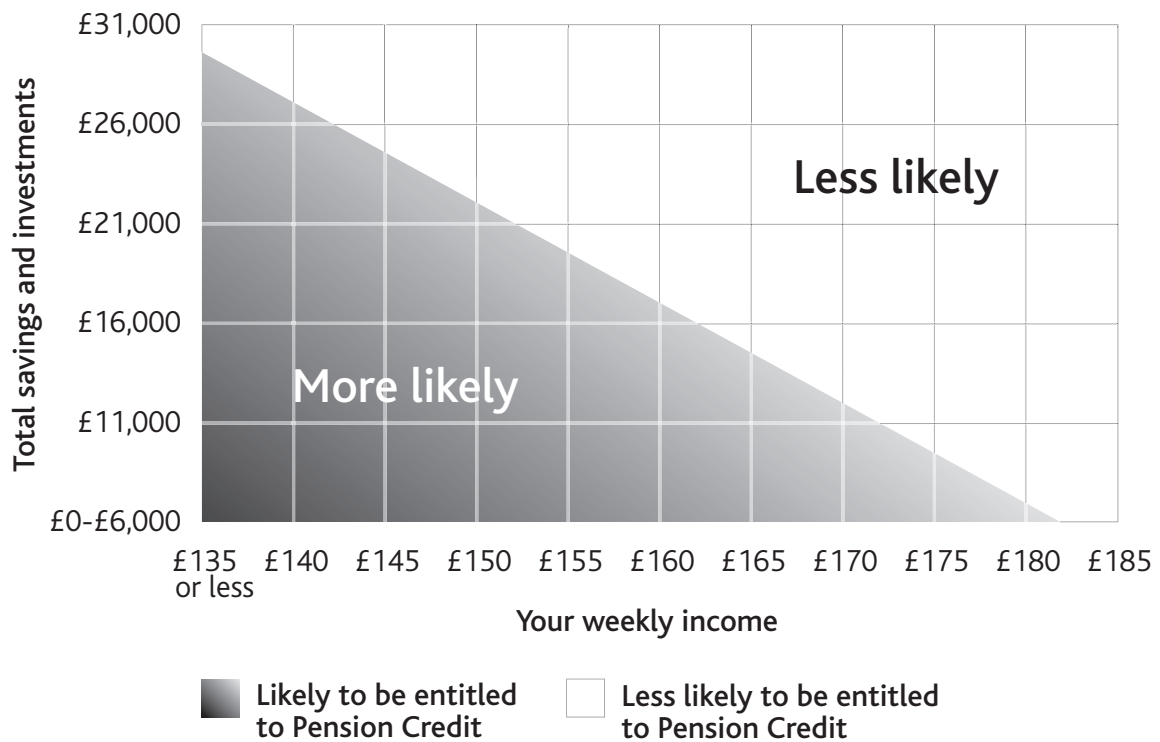
For an idea of what Pension Credit you may get, visit www.pensions.gov.uk/pensioncredit

Charts for people aged 60 to 64

Single person (aged 60 to 64)

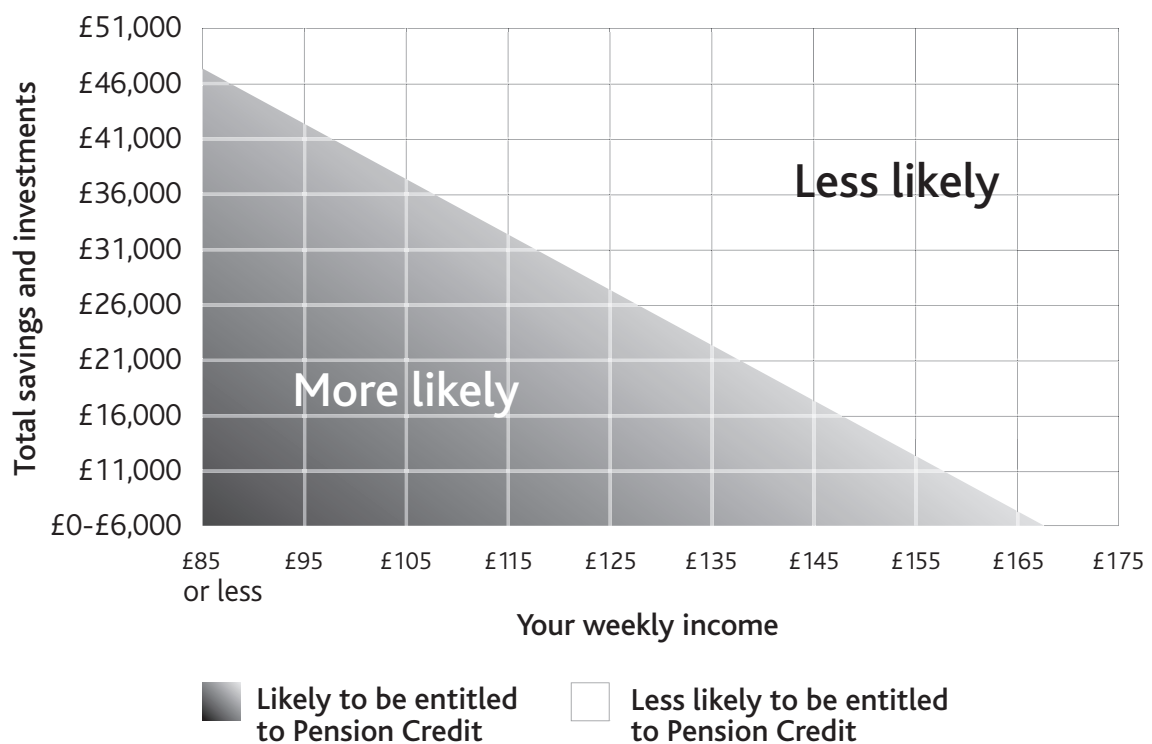


Couple (aged 60 to 64)



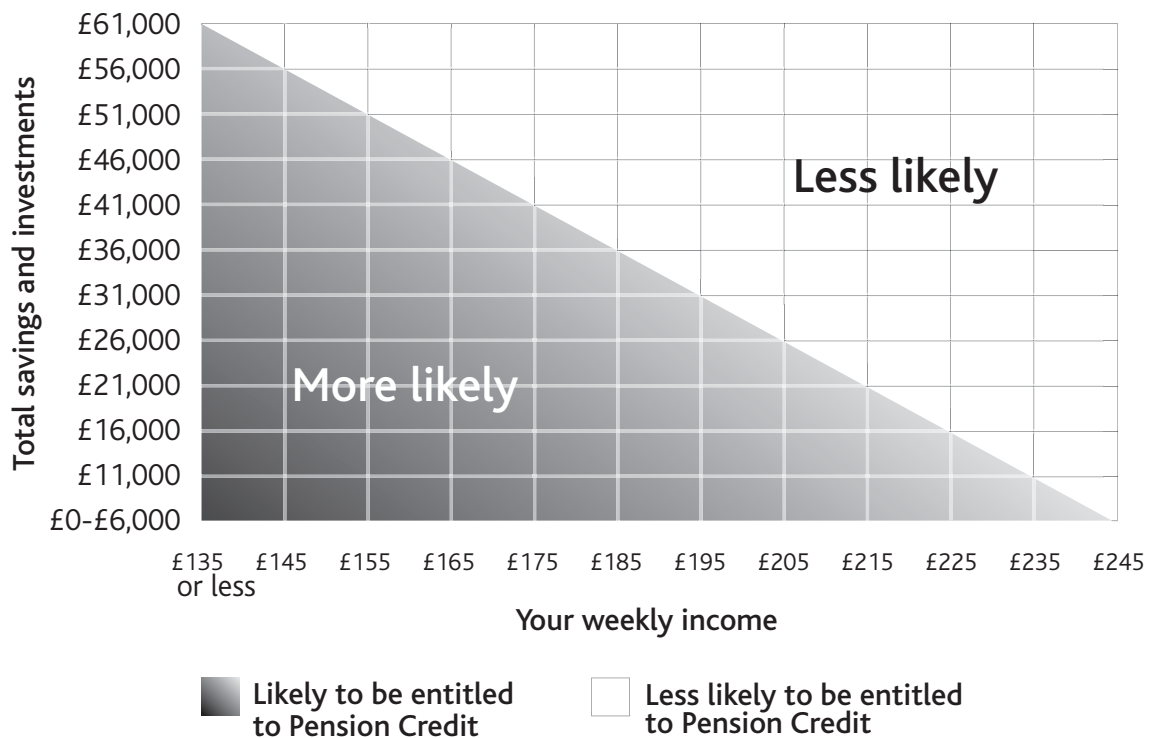
Charts for people aged 65 and over

Single person (65 and over)



Charts for people aged 65 and over

Couple (65 and over)



These charts are only a guide and do not cover individual circumstances. If you are 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 are likely to get Pension Credit.

Examples

These examples show how much Pension Credit different people might get.

Example 1

Amy is 60 and lives in her son's home. She has a State Pension of £87.30 a week and applied for Pension Credit three months after her 60th birthday.

Amy will get Guarantee Credit of £31.75 a week, bringing her total weekly income up to £119.05. She will also get £412 in back payments.

Example 2

Balbir and Manju are both 75 and have £194.60 a week coming in from the following.

- Basic State Pension (Balbir) £87.30
- Basic State Pension (Manju) £87.30
- Personal pension (Balbir) £16
- Savings of £8,000 (we count £1 of income for every £500 or part of £500 of savings they have over £6,000, which for £8,000 totals £4) £4

This gives them a weekly income before Pension Credit of £194.60.

Balbir and Manju will get Pension Credit of £20.10 a week, which brings their total weekly income up to £214.70.

Example 3

John is 63 and gave up full-time work eight months ago. He lives alone in his own home and earns £60 a week from a part-time job. (As £5 of John's earnings are ignored, we only count £55 as income for Pension Credit purposes.)

John will get Pension Credit of £64.05 a week, which brings his total weekly income up to £124.05.

Example 4

Betty is 66, lives alone and is severely disabled. She has savings of £5,000 and gets £151.80 a week from the following.

- Basic State Pension £87.30
- Attendance Allowance £64.50

Betty's savings aren't counted as they are less than £6,000 and her Attendance Allowance is not counted for Pension Credit.

Betty's total weekly income before Pension Credit is £151.80

So, Betty will get Pension Credit of £80.20 a week (this includes an extra £48.45 a week because she is severely disabled), which brings her total weekly income up to £232.

Example 5

Kathleen is 68 and a widow. She gets £170 a week from the following.

- State Pension (from her late husband's National Insurance contributions) £90
- Her own work pension £20
- Her late husband's work pension £49
- Savings of £11,489 (we count £1 of income for every £500 or part of £500 of savings Kathleen has over £6,000, which for £11,489 is £11) £11

This gives her a weekly income of £170.

Kathleen will not get Pension Credit right now, as her weekly income is a bit too high. However, she should check again if her situation or her income changes. She should also check every April, when benefit rates change.

Kathleen may be able to get Housing Benefit (if she is a tenant) and Council Tax Benefit.

How do you pay my money?

We normally pay Pension Credit direct into an account using a system called 'Direct Payment'. You can use an account with a bank, a building society or some other account provider.

If you haven't got a bank account, any bank, building society or other account provider will help you open an account. Remember to ask whether their accounts allow you to get your money from a post office, if this is more convenient for you.

If you have had problems opening an account or if you are worried about being overdrawn, you could ask about opening a basic bank account. These are available from all major banks and offer free banking with no overdraft facility. You can use these accounts to pay money in, pay bills automatically (by direct debit) and get cash out. Many basic bank accounts also allow you to get cash from post offices.

How do I set up a Direct Payment?

When you apply for Pension Credit, tell us that you would like to be paid by Direct Payment.

You will need to give us:

- your account details; and
- your National Insurance (NI) number.

You can find out more about Direct Payment by calling The Pension Service. See page 24 for details of how to contact us.

How do I apply for Pension Credit?

The easiest way is to apply by phone.
You can call us on:

- Freephone **0800 99 1234**; or
- Freephone **0800 169 0133** (textphone).

Lines are open from Monday to Friday between 8am and 8pm.

If you would prefer someone to visit you at home, just call us and we will arrange for someone to visit you.

When you call us, we will ask you for the following information so you will need to have it to hand when you call. Don't delay applying, even if you do not have everything listed here. If necessary, we can arrange to call you back at a time that suits you.

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

- Your National Insurance (NI) number. You will find this on payslips, tax papers and letters from the Department for Work and Pensions. Don't worry if you can't find it – you can still apply.
- How much money you have coming in each week, for example, details of 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 9). We will ask you for the most recent balance in your bank and savings accounts and, if you have any, details of your investments. You will find this balance on your share, Premium Bond or unit trust certificates, or in any letters of ownership.
- Your housing costs, such as mortgage interest, service charges or ground rent.

If you would prefer, a friend or family member can call on your behalf.

We will take your claim details and let you know what happens next.

You can also apply:

- in person - if you would prefer someone to visit you at home, just call us and we will arrange for someone to visit you;
- by filling in a form that we can post to you; or
- by filling in a form you can print from our website at **www.pensions.gov.uk/pensioncredit**

What if I don't speak English?

We can get an interpreter to help you apply.

Call us on Freephone **0800 99 1234** and one of our advisers and an interpreter will call you back and help you.

Where can I get more information?

For general enquiries about pensions, contact The Pension Service.

- Phone: **0845 60 60 265**; or **0845 60 60 275** for Welsh-speaking customers living in Wales.
- Textphone: **0845 60 60 285** (English) or **0845 60 60 295** (Welsh).
- Website: **www.thepensionservice.gov.uk**

Lines are open from 8am to 8pm Monday to Friday. If English or Welsh is not your first language, you can use your own interpreter or one that we provide. Our phone lines tend to be less busy in the afternoon and towards the end of the week so you may prefer to call then. We record phone calls to help us provide an accurate and consistent service and for training and security purposes.

If you would like more information, why not pick up *the Pensioners' Guide*?

This is a free government guide and explains the help and benefits you can get.

For your free copy:

- call **08457 31 32 33**; or
- order it online at **www.pensions.gov.uk/leaflets**

There are guides for pensioners that cover England, Wales and Scotland.

You can also get more information from Age Concern by:

- calling **0800 00 9966**; or
- looking in The Phone Book for your local office.

Call charges

For phone numbers beginning with **0845**, the maximum call charge from BT landlines will be 3p a minute with an extra 3p call set-up charge. Charges for calls from mobile phones, cable and other network providers may be different. If you are calling from abroad, please contact the network provider for details of charges. We can ring you back if you ask.

For phone numbers beginning with **0800**, calls are free from BT landlines, but other companies and mobile rates may vary.

Textphones

Where textphone numbers are provided, these are for people who find it hard to speak or hear clearly. If you do not have a textphone, some libraries or citizens advice bureaux may have one. Textphones do not receive text messages from mobile phones.

If you want to apply for Pension Credit in writing, fill in the form overleaf and we will send you an application form. If you prefer, someone else can fill in the application form for you.

When you have filled in the form, cut out the page and post it in an envelope to the address below. You do not need a stamp.

FREEPOST RRKJ-AEXK-JRLB, The Pension Service,
PO Box 16, Gateshead, NE92 1BA.

Your title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐

Other

Surname or family name

Other names

Your address and postcode

Your phone number

Your National Insurance (NI) number

Letters

Numbers

Letter

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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You can get this from your payslips, tax papers, or letters from the Department for Work and Pensions. If you do not have your National Insurance number, please just enter your date of birth below.

Date of birth

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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This leaflet is only a guide. It is not meant to tell you exactly what your rights are. The information in this leaflet may become out of date over time.

The amounts quoted in this leaflet apply from April 2007, and usually change every April. We have done our best to make sure that the information is correct as of June 2007. However, we cannot promise that there are no mistakes in this leaflet.

Pensions: a note about future changes

The information in this booklet is based on current rules. But the Government plans to change the rules on pensions from 2010. These changes have to be approved by Parliament but, as soon as they are approved, we at The Pension Service will publicise information about what these changes are. You should be aware that the changes might affect the State Pension you get.

You will find more information about what the Government is planning to do at **www.dwp.gov.uk/pensionsreform**

This leaflet is available in other languages and formats.

Call **08457 31 32 33** to find out more.

If you find it difficult to hear or to speak clearly, there is a textphone service available on **0845 60 40 210** where you can order these leaflets.



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