PC10S – A detailed guide to Pension Credit for advisers and others (April 2018)

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About Pension Credit

What is Pension Credit?

Pension Credit is a tax-free income-related benefit for those who have reached the minimum qualifying age and live in Great Britain (GB). Pension Credit is paid for out of taxation. Your customer does not need to have paid National Insurance contributions to be eligible. The Pension Credit qualifying age is gradually going up to 66 in line with the increase in the State Pension age for women to 65 by November 2018 and the further increase to 66 for men and women between December 2018 and October 2020.

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

Guarantee Credit

Guarantee Credit provides financial help for people who have reached the minimum qualifying age and whose income is below a certain amount. The amount that applies to your customer depends on their circumstances and is called their 'appropriate amount'. (This is called the appropriate minimum guarantee in the legislation.)

How much Guarantee Credit they may get will depend on the money they have, such as pensions and savings. Guarantee Credit is the difference between the money your customer already has coming in and their 'appropriate amount'.

Savings Credit

Savings Credit is an extra amount for people aged 65 or over who have made some provision for their retirement (such as savings or a second pension) which brings their income above a level set by Parliament, called the Savings Credit starting point. (This is called the Savings Credit threshold in the legislation.) Customers can get Savings Credit with or without Guarantee Credit. They may still get Savings Credit even if their income is above their 'appropriate amount'.

Changes to Savings Credit

As part of the Pensions Act 2014, the savings credit element of Pension Credit has closed to people who reach State Pension age on or after 6 April 2016. People who are already getting their State Pension, or who reached State Pension age before the new State Pension was introduced on 6 April 2016, will continue to have access to savings credit in line with the present rules. However if they are a member of a couple and the other member reaches State Pension age on or after 6 April 2016, they will not have access to savings credit unless they were awarded savings credit before that date and have remained continuously entitled to it since then.

Who is eligible for Pension Credit?

There are two main rules about who can get Pension Credit. These are about age and residency.

Age: Your customer can only get Pension Credit if they have reached the qualifying age. If they have not reached the minimum qualifying age but their partner has, the partner can apply for Pension Credit. You can find out how we define a 'couple' - Couples

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Residency: Your customer may only get Pension Credit if they live in Great Britain (England, Scotland and Wales) and they:

> •have the right to reside, and are habitually resident, in the United Kingdom (UK), the Channel Islands, the Isle of Man or the Republic of Ireland, (this is known as the common travel area)

The habitual residence and right to reside rules are explained in the Habitual residence test.

If your customer has come to GB from abroad, they may be able to get Pension Credit, but this depends on their residence or immigration status and on their circumstances.

In some cases, customers may be able to keep Pension Credit if they leave Great Britain (GB) temporarily

Pension Credit qualifying age

The Pension Credit qualifying age is gradually going up to 65 by November 2018 in line with the State Pension increase for women. It will then increase in line with further increases in State Pension age so will rise to 66 by October 2020 and to 67 by 2028. To find out when your customer can get Pension Credit see the table below.

Changes to the State Pension age will affect the Pension Credit qualifying age.

Your customer's Pension Credit qualifying age if they were born on or after 5 April 1953, but before 6 April 1960 (Anyone born before 5 April 1953 has already reached the qualifying age)

Date your customer was born	Date your customer will reach the Pension Credit qualifying age
6 September 1953 to 5 October 1953	6 March 2018
6 October 1953 to 5 November 1953	6 July 2018
6 November 1953 to 5 December 1953	6 November 2018
6 December 1953 to 5 January 1954	6 March 2019
6 January 1954 to 5 February 1954	6 May 2019
6 February 1954 to 5 March 1954	6 July 2019
6 March 1954 to 5 April 1954	6 September 2019
6 April 1954 to 5 May 1954	6 November 2019
6 May 1954 to 5 June 1954	6 January 2020
6 June 1954 to 5 July 1954	6 March 2020
6 July 1954 to 5 August 1954	6 May 2020
6 August 1954 to 5 September 1954	6 July 2020
6 September 1954 to 5 October 1954	6 September 2020
6 October 1954 to 5 April 1960	66th birthday

How Pension Credit is worked out

The amount your customer will get depends on:

- their weekly income and how much they have saved or invested (their capital), and
- if they have a partner, their partner's weekly income and their capital

Income: If your customer or their partner has a pension of any kind, it will normally be taken into account. Certain other types of income are also taken into account, but some can be ignored. What counts as income for Guarantee Credit? explains these rules and how different types of income are treated.

Capital: If your customer (or your customer and their partner if they are a couple) have savings and investments which, in total, come to £10,000 or less, we will ignore it. If it comes to more than £10,000 it may affect how much Pension Credit your customer can get. [Reference 5b]

Guarantee Credit

Each part of Pension Credit – Guarantee Credit and Savings Credit – is worked out separately. Some people will get both, others just one.

This part of the guide explains how we work out the Guarantee Credit element.

Here are some examples to show how Pension Credit works in different ways for different people. Guarantee Credit is the difference between your customer's 'appropriate amount' and your customer's income, which may include an amount of deemed income from their capital (explanation of deemed income).

Overview of how Guarantee Credit is calculated

Calculating a customer's Guarantee Credit involves a number of steps:

1. Establish the customer's weekly income.
2. Establish the weekly (deemed) income from any capital over the £10,000 threshold. (Deemed income from capital)
3. Make allowance for any income or capital disregards.
4. Compare the net income to the 'appropriate amount' for the customer.

For Guarantee Credit the payment represents the shortfall between the 'appropriate amount' and the net income calculated for your customer.

The sections that follow explain how Pension Credit is worked out.

They explain how:

- your customer's income is calculated, including how earnings are calculated and income disregards are treated
- the capital element is calculated, including how capital disregards are treated
- we calculate the 'appropriate amount' for your customer
- the individual elements – Guarantee and Savings Credit - are arrived at

The 'appropriate amount'

[Legislation 41]

Your customer's 'appropriate amount' [Reference 1] will be made up of:

- the standard amount (This is called the standard minimum guarantee in the legislation.) [Reference 2] and may also include some or all of the following extra amounts [Reference 3]:
    - extra amount for severe disability
    - extra amount for carers
    - extra amount for housing costs (for example mortgage interest) – to cover certain accommodation costs that are not met by Housing Benefit
    - transitional extra amount – for some people who were getting Income Support or income-based Jobseeker's Allowance or

income related Employment and Support Allowance before they started to get Pension Credit

The current rates for these amounts are given in the next section.

The standard amount

[Legislation 42]

The standard amount is the minimum amount of money the Government has made available to support day-to-day living, including household costs such as water and fuel charges.

There are two rates of standard amount:

- £163.00 a week for single people
- £248.80 a week for couples

These rates, and those quoted in the sections that follow are the figures that apply from April 2018. Rates normally change each April and can be found in the Benefit and Pension rates leaflet.

There is also information on the standard amount for people in polygamous marriages.

[Legislation 44]

The extra amount for carers

Your customer may be able to get this extra amount of £36.00 a week if:

- they (or their partner if they have one) are getting Carer's Allowance
- they (or their partner if they have one) has claimed Carer's Allowance and would be getting it if they did not already have another contributory benefit paying a higher amount (we call this 'underlying entitlement')

If each partner satisfies either one of these conditions, the extra amount is doubled.

When Carer's Allowance stops or underlying entitlement ceases, the Pension Credit extra amount for carers is paid for a further eight weeks. (If however Carer's Allowance has already continued for eight weeks after the person being cared for has died, the extra amount for carers will stop immediately.)

The extra amount for severe disability

[Legislation 43]

There are two rates for severe disability.

If your customer is single they may get the lower rate of £64.30 if:

- they live alone (except in certain specific circumstances) [Reference 4]; and
- they get Attendance Allowance or the middle or highest rate of the care component of Disability Living Allowance or either rate of the daily living component of Personal Independence Payment or Armed Forces Independence Payment, and
- no-one is paid Carer's Allowance for looking after them.

If your customer has a partner they may get the higher rate of £128.60 a week if:

- they both get Attendance Allowance or the middle or highest rate of the care component of Disability Living Allowance or either rate of the daily living component of Personal Independence Payment or Armed Forces Independence Payment, and
- no-one else lives with them (except in certain specific circumstances) [Reference 4]; and
- no-one is paid Carer's Allowance for looking after either of them.

If your customer has a partner they may get the lower rate of £64.30 a week if no-one else lives with them (except in certain specific circumstances), [Reference 4], and either:

- they both get Attendance Allowance or the middle or highest rate of Disability Living Allowance or either rate of the daily living component of Personal Independence Payment or Armed Forces Independence Payment and someone gets Carer's Allowance for looking after one of them (but not both of them)
- one of them gets Attendance Allowance or the middle or highest rate of the care component of Disability Living Allowance or either rate of the daily living component of Personal Independence Payment or Armed Forces Independence Payment and no-one is paid Carer's Allowance for looking after that person, and the other is blind or severely sight impaired

The extra amount for housing costs

The extra amount for housing costs is for those costs not covered by the Housing Benefit scheme. Housing Benefit payments are from the local council to help towards rent or the cost of living in a hotel, guest house, hostel or somewhere similar.

The extra amount for housing costs does not cover Council Tax liabilities. Fees from the local council associated with Council Tax reduction payments are not classed as Pension Credit housing costs.

The housing costs that can be covered by extra amounts are:

- mortgage interest payments on loans taken out to buy their property
- interest on loans for specific repairs and improvements on their home
- interest payments when a home is being bought by hire purchase
- ground rents relating to a long tenancy
- some service charges
- co-ownership and Crown tenancy charges
- charges for tents and site rents
- rentcharge payments

Other costs such as water charges, some repairs and insurance costs, cesspit and septic tank emptying are treated as covered by the standard amount.

In Scotland the rent for a croft is covered by the Housing Benefit scheme.

The transitional extra amount

[Legislation 45]

Your customer's 'appropriate amount' may include a transitional extra amount to make sure they do not lose money as a result of rule changes, if:

- they were getting Income Support [Reference 5], income-based Jobseeker's Allowance or income-related Employment and Support Allowance immediately before they started to get Pension Credit and they were getting some form of transitional protection because of a previous change in the rules.

The transitional extra amount is the difference (if any) between:

- the final Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance applicable amount (the amount before income is deducted), less
- any amounts which were included in your customer's applicable amount for children, plus
- any transitional additions, and
- the Pension Credit standard amount, plus
- any extra amounts for severe disability, carers or housing costs

The transitional extra amount will go down when other parts of your customer's 'appropriate amount' increase or if they start to get another extra amount.

If your customer stops getting Pension Credit for less than eight weeks and had been getting a transitional extra amount immediately before this, it may be included in their 'appropriate amount' when they re-apply.

What about children?

Pension Credit does not include any money for children. If your customer has a dependent child living with them, please see Help for people who care for children for other help they may be able to get.

Savings Credit

[Legislation 60]

Savings Credit is extra money for people aged 65 or over – or whose partner is 65 or over – whose qualifying income is above the Savings Credit starting point. This is called the Savings Credit threshold in the legislation.

Important changes from 6 April 2016

As part of the Pensions Act 2014, the Savings Credit element of Pension Credit has closed for people reaching State Pension age on or after 6 April 2016. This includes those people reaching State Pension age on or after 6 April 2016 with a partner who reached State Pension age before this date. Protection will be given to couples in this position who were awarded Savings Credit for the period immediately before and continuing beyond 6 April 2016.

The conditions that will need to be satisfied for a couple in this position to be entitled to Savings Credit from 6 April 2016 are that one member must:

- be entitled to Savings Credit immediately before 6 April 2016
- be awarded Savings Credit with effect from a day before 6 April 2016 and
- be entitled to Savings Credit at all times since the beginning of 6 April 2016.

The Savings Credit starting point is:

- £140.67 for a single person
- £223.82 for a couple

There is a maximum amount of Savings Credit available. This is:

- £13.40 for a single person
- £14.99 for a couple

The maximum amount is 60% of the difference between the standard amount (£163.00 for a single person and £248.80 for a couple) and the Savings Credit starting point.

These rates, and those quoted in the sections that follow are the figures that apply from April 2018. Rates can be found in the Benefit and Pension rates leaflet.

Savings Credit calculation

If your customer's Savings Credit qualifying income is the same as, or below, the Savings Credit starting point they cannot get Savings Credit.

If their total income is above their 'appropriate amount' this will reduce the amount of Savings Credit payable. Savings Credit is worked out as follows.

'Amount A'

First, work out 'Amount A'. This is 60% of the difference between your customer's qualifying income and the Savings Credit starting point. The maximum allowable for Amount A is £13.40 for a single person and £14.99 for a couple.

If your customer's qualifying income is the same as, or more than, the standard amount, the maximum Amount A applies.

If your customer's qualifying income is less than, or the same as, their 'appropriate amount', their Savings Credit will be the same as Amount A.

If your customer's income is more than their 'appropriate amount', work out Amount B.

'Amount B'

Amount B is 40% of the difference between their total income (which includes non-qualifying income) and their 'appropriate amount'.

Take Amount B from Amount A. What is left is your customer's Savings Credit.

If your customer seems to be eligible for Pension Credit then get them to call The Pension Service who will be able to help them claim in one phone call.

Calculating Pension Credit: some examples

These examples show how Pension Credit is worked out.

The rates used in these examples are:

Standard amount:

- single person: £163.00
- couple: £248.80

Savings Credit starting point:

- single person: £140.67
- couple: £223.82

Savings Credit maximum:

- single person: £13.40
- couple: £14.99

These are the figures that apply from April 2018. The rates normally change each April and can be found here

The Savings Credit maximum is 60% of the difference between the standard amount (£163.00 for a single person and £248.80 for a couple) and the Savings Credit starting point.

Example 1

Andrew is 65 om 10th August. He gets £46.90 per week occupational pension. His 'appropriate amount' is simply the standard amount as he is not entitled to any extra amounts.

Andrew's 'appropriate amount' is £163.00. His income is £46.90, so he is entitled to Guarantee Credit of £116.10 a week. Andrew's Pension Credit is £116.10

Example 2

Joyce is 72. She lives alone. Her State Pension is £75.50. She also gets Attendance Allowance of £85.60 and has savings of £8,000.

Joyce's 'appropriate amount' is £227.30 which includes the extra amount of £64.30 for severe disability. Her Attendance Allowance does not count as income and her savings are less than £10,000 [Reference 5a]. Her only income to be deducted from Pension Credit is £75.50 State Pension. She is entitled to Guarantee Credit of £151.80.50 a week.

In this case Joyce's only qualifying income is her State Pension of £73.30. As this is below the Savings Credit threshold of £140.67 she is not entitled to Savings Credit.

Joyce's total Pension Credit is £151.80.

Example 3

Cathy is 75. She is single. Her State Pension is £148.80 and she has £11,500 in a building society account. She owns her own flat (no mortgage) and pays ground rent of £850 a year (£16.35 a week).

Cathy's 'appropriate amount' is £179.35 which includes an extra amount for housing costs of £16.35. Her income is £151.80 (including £3 deemed income from capital), so she is entitled to Guarantee Credit of £27.55 a week.

All Cathy's income is qualifying income, and is not more than the standard amount. Amount A is therefore £6.68 (this is 60% of the difference between her qualifying incomes and the savings credit threshold). As Cathy's income is less than her 'appropriate amount' she is entitled to £6.68 Savings Credit a week.

Cathy's total Pension Credit is £34.23 which is made up of £27.55 Guarantee Credit plus Savings Credit of £6.68.

Example 4

Jean and Howard are both 68. Jean's State Pension is £75.50 and Howard's is £145.85. They have savings of £35,000. Their 'appropriate amount' is simply the standard amount as they are not entitled to any extra amounts.

Their 'appropriate amount' is £248.80. Their income is £274.35 (including £50 deemed income from their capital). They are not entitled to Guarantee Credit.

All their income is qualifying income and is more than the standard amount. Amount A is therefore £14.99 (the maximum amount for a couple).

Their income is £25.55 more than their 'appropriate amount', so 40% of this (£10.22) is taken away from Amount A, giving a Savings Credit of £4.77 a week. Jean and Howard's Pension Credit is £4.77

Pensions Flexibilities

Since 6 April 2015, people have been able to choose what they want to do with their "defined contribution" pension fund. This is where the contributor builds up a pot of money, known as a "pension pot", rather than the right to a pension.

From the age of 55, people can choose to:

- do nothing and leave the pot untouched;
- opt for a drawdown arrangement (where lump sums or regular amounts can be drawn down from the pension pot);
- draw out all of the funds in the pension pot; or
- purchase an annuity.

How Pension Credit is affected

Pot left untouched

If your customer does not buy an annuity or other pension product with their pension pot and leaves it untouched, although the pot will be disregarded as capital, notional income will be taken into account as if an annuity had been purchased. See guidance on notional income.

Regular drawdown

If your customer choses to draw down regular amounts from their pension pot, it will be treated as retirement income. The amount taken into account will be the higher of the actual income or the notional income.

Lump sum drawdown

If your customer withdraws ad-hoc lump sums from their pension pot, these will be taken into account as capital. If they make the customer's total capital exceed the £10,000 threshold, the customer will be treated as having deemed income from the capital.

Re-valuing the pension pot

When income or capital is withdrawn, the value of the pot will reduce. Therefore the notional income figure should be re-assessed:

- after every income drawdown, which exceeds the applicable notional income amount, from the pension pot;
- after every capital drawdown from the pension pot; or
- upon the claimant's request

Withdrawing the whole pot at once

If your customer withdraws the whole pension pot, it will be taken into account if it makes the customer's total capital exceed the £10,000 threshold. The customer will be treated as having deemed income from the capital.

Annuity purchased

If your customer purchases an annuity with the pension pot, the income from the annuity will be taken into account.

Spends all or part of the pot

If your customer spends, transfers or gives away any money taken from their pension pot, the usual rules on deprivation of capital will apply.

Income Rules

If your customer, or your customer's partner, satisfies the age and residency rules, and they are both under age 65, they can probably get Pension Credit if the money they have coming in is less than:

- £163.00 a week if they are single

- £248.80 a week if they have a partner

If this applies they are likely to get Guarantee Credit and this will top up their weekly income to at least the levels shown above – but also see how we work out capital for Pension Credit.

If your customer, or your customer's partner, is aged 65 or over and have income above the Savings Credit starting point such as from savings or a second pension, they may get extra Pension Credit in the form of Savings Credit. This element could be up to:

- £13.40 a week for single people
- £14.99 a week for couples

This means that your customer may still get Pension Credit even if the money they or their partner have coming in is up to around:

- £196.50 a week if they are single
- £286.28 a week if they have a partner

These are the figures that apply from April 2018. The rates normally change each April. Even if your customer has more money than this coming in each week, they may still get Pension Credit if:

- they or their partner (or both of them) have a severe disability
- they or their partner (or both of them) look after a severely disabled person
- they have certain housing costs, like mortgage interest payments

The sections on the extra amount for severe disability, the extra amount for carers and the extra amount for housing costs give more information about these special circumstances.

Rules for couples

[Legislation 3]

Your customer's income and their partner's income are normally added together for Pension Credit purposes.

Customers will be treated as a couple if they live with their husband, wife or civil partner or with someone as their husband, wife or civil partner. The other person is called their partner. There are guidelines for deciding whether two people are treated as a couple.

In some cases, customers will be treated as a couple if they are temporarily separated from their partner. The guidance is explained in People living apart from their partner.

If your customer has a partner and they are treated as a couple, they will have a joint 'appropriate amount' and their income and capital will be added together when we work out their Pension Credit.

If both partners have reached the minimum qualifying age either of them can apply for Pension Credit. Only one partner can get Pension Credit at any one time. If they cannot agree which of them will apply, we can decide for them.

To find out the age at which your customer could become entitled to Pension Credit, you can use the Pension Credit calculator.

How we work out income for Pension Credit

We use the income your customer already has to work out their Pension Credit. This section explains what counts as income and how it is calculated.

We then add up your customer's capital and work out the (deemed) income they get from it. This is covered in detail in Deemed income.

Broadly the rules for calculating income are the same for both Guarantee Credit and Savings Credit (Pension Credit). However, there are some types of income that are not counted as qualifying income for Savings Credit. Working out income for Savings Credit

If your customer is a self-assessment taxpayer

Pension Credit takes account of net income less any tax payable, including any tax on your State Pension. If your customer is a self-assessment tax payer they need to tell us how much income tax they will pay or expect to pay for the current tax year. We need to know this to ensure your customer is getting the correct amount of Pension Credit. To find out more about Income Tax go to www.gov.uk/income-tax

What counts as income for Guarantee Credit?

[Legislation 1]

Your customer's income is the money they (and their partner if they have one) have coming in from:

- State Pension and any foreign equivalents
- an occupational or private pension scheme
- The Pension Protection Fund or Financial Assistance Scheme
- a retirement annuity contract
- Civil List pensions
- Annuities

- most social security benefits, including industrial injury benefits (see Income that is wholly disregarded for a list of the benefits that do not count as income) and similar foreign benefits
- War Disablement, War Widow's or War Widower's Pensions (or foreign equivalents) and Overage Infirm Allowances
- Guaranteed Income Payments (and payments to adults for whom a Child Payment had been paid) from the Armed Forces Compensation Scheme
- pensions paid by governments to victims of Nazi persecution
- maintenance from a spouse or civil partner or former spouse or civil partner
- payments under the Workmen's Compensation Scheme
- earnings
- Working Tax Credit
- payments from lodgers, boarders or people renting part of their home (subtenants)
- regular payments from equity release schemes
- Payment Protection Fund periodic payments
- royalties or Public Lending Rights payments
- regular payments from trust funds
- 'deemed income' from capital over £10,000
- any of these types of income paid to a third party, such as a shop or supplier or relative, on your customer's behalf (this does not apply if they are bankrupt and payments from their occupational or personal pension have to be paid to their creditors or trustee in bankruptcy and they and their partner have no other income) [Reference 5c]

Payments made instead of a particular type of income, such as compensation for the non-payment of a particular benefit, are normally treated in the same way as payments of that income would be.

Some of these types of income are either completely, or partially, ignored. These are called the disregards (see Income Disregards).

What doesn't count as income

We do not count as income, any money your customer has coming in that isn't on the list above, such as:

- regular payments from a charity or relative
- payments from local authority social services for personal care
- cash in lieu of concessionary coal
- money received on behalf of someone else (other than a partner)

Weekly calculations

[Legislation 2]

Income is worked out on a weekly basis. This means that if, for example, your customer gets paid monthly we calculate the annual total and then break this down into equal weekly amounts. Payments made on an occasional basis or from royalties or Public Lending Rights are treated as being for one year and then divided into weekly amounts. Your customer's total weekly amount, less any disregards, is then used to calculate their weekly Pension Credit.

Notional income

[Legislation 4]

Notional income is income your customer does not actually get but is treated as getting. We may treat them as having notional income when they have:

- not claimed State Pension but are entitled to it
- not taken income available to them under a personal pension plan or a retirement annuity contract
- deferred payments from an occupational pension
- given up their rights to an income (from a trust fund for example) because they wanted to get Pension Credit, or more Pension Credit (this does not apply if your customer originally chose to take Extra State Pension but changed their mind and took a lump-sum instead)

Important information if your customer or their partner puts off, or are already putting off, claiming State Pension

If your customer or their partner has put off claiming State Pension while claiming Pension Credit, they will not build up extra State Pension or the lump sum for the days they are in receipt of Pension Credit from 6/4/2011. If your customer or their partner would like more information about how this change affects them see www.GOV.UK.

This rule also applies to people who claim Income Support, Jobseeker's Allowance (Income Based), Employment and Support Allowance (Income Related) and Universal Credit while their partner puts off claiming their State Pension.

Working out income for Savings Credit

[Legislation 5]

Qualifying income for Savings Credit is worked out in the same way as income for Guarantee Credit but does not include:

- Working Tax Credit
- Incapacity Benefit
- Jobseeker's Allowance (contribution-based)
- Employment and Support Allowance (contributory)

- Severe Disablement Allowance
- Maternity Allowance
- Maintenance payments from a spouse or former spouse, or civil partner or former civil partner

How we work out earnings

People who work for an employer

[Legislation 6]

If your customer or their partner work for an employer, their gross earnings include all their wages and other payments from that employment, including bonuses, commissions, fees, retainers, sick pay and attendance allowances.

We also count as earnings:

- the value of non-cash vouchers, such as tokens from supermarkets and chain stores, if National Insurance (NI) contributions have been paid on their value

We do not count certain payments as earnings, for example:

- payments in kind, such as groceries

We then deduct from your customer's gross earnings:

- any tax and NI contributions
- half of any contributions towards occupational or personal pension schemes

What is left counts as earnings in our Pension Credit calculation.

People who are self-employed

[Legislation 7]

If your customer or their partner is self-employed, their earnings are the net profit from that employment. This profit is normally calculated over the previous year but another period may be used if this will be more accurate.

We deduct the following expenses from gross income to calculate net profit:

- necessary expenses for the business, such as money spent on repairing equipment, interest on a business loan and excess VAT paid while your customer is getting Pension Credit. (This does not cover capital expenditure, depreciation, money for business expansion and business entertainment)

- repayment of capital on loans for replacement and repair of business equipment (this does not cover any other loans)
- Income Tax and National Insurance (Class 2 and Class 4) contributions, if payable (these are calculated on a notional basis)
- half of all premiums paid for a personal pension

Childminders

[Legislation 8]

If your customer works as a child-minder in their own home, one-third of their gross income counts as earnings and two-thirds are treated as expenses and are ignored completely.

We then deduct tax and national insurance contributions if applicable and apply the relevant earnings disregard to the one-third of earnings that are taken into account.

Income disregards

Disregards are the part of an income that is not counted when we work out Pension Credit.

Disregards are calculated on a weekly basis.

Income that is wholly disregarded

[Legislation 9]

The following are all wholly disregarded when working out your customer's income.

Social Security benefits:

- Housing Benefit.
- Attendance Allowance.
- Disability Living Allowance.
- Personal Independence Payment.
- Armed Forces Independence Payment.
- Christmas Bonus.
- Bereavement Payment.
- These additions to industrial injury benefits:
    - Constant Attendance Allowance.
    - Exceptionally Severe Disablement Allowance.
- Any Social Fund payment (including Winter Fuel Payments and Cold Weather Payments).

- Child Benefit.
- Guardian's Allowance.
- Child's Special Allowance.
- Dependency increases for anyone other than your customer or their partner.
- Foreign or Northern Irish benefits similar to those listed above.
- Statutory Sick, Maternity, Paternity, Shared Parental, or Adoption Pay
- An increase of disablement pension due to:
    - Constant Attendance Allowance;
    - Exceptionally Severe Disablement.

Other types of income that are fully disregarded: [Legislation 10]

- War Widow's Supplementary Pension.
- These additions to War Disablement Pensions:
    - Constant Attendance Allowance.
    - Mobility Supplement.
    - Severe Disablement Occupational Allowance.
    - Dependency increases for anyone other than your customer or their partner.

[Legislation 11]

- Income (other than social security or war pensions) received because your customer or their partner suffered a personal injury, including:
    - payments from annuities set up under a structured settlement
    - payments from annuities bought from a lump-sum compensation payment
    - money from trust funds which were set up with a lump-sum compensation payment

[Legislation 11b]

- Payments received from a trust fund which was not set up with a lump-sum compensation payment are not counted as long as they are made entirely at the trustees' discretion and are for items other than food, ordinary clothing or footwear, household fuel, rent, council tax, water charges or housing costs.

There is no limit to the amount that can be fully disregarded.

Income that is partially disregarded

[Legislation 12]

Some types of income are partially disregarded when we work out Pension Credit. This means we ignore part of the income.

The following are partial disregards:

- The first £10 of income from:

- War Widow's or Widower's Pension
- War Disablement Pension
- Guaranteed Income Payments from the Armed Forces Compensation Scheme
- foreign payments equivalent to the three payment types listed above
- pensions paid by governments to victims of Nazi persecution
- Widowed Parent's Allowance
- Widowed Mother's Allowance

Trust funds

[Legislation 11b]

- The first £20 of income received from a trust fund if payments are made entirely at the trustees' discretion and cannot be disregarded in full (see Income that is wholly disregarded).
- If your customer has income from a trust (which cannot be disregarded in full) and other income in the list above (for example, a War Pension), no more than £10 of the money from the trust can be disregarded.

Income from tenants and lodgers

[Legislation 13]

- The first £20 a week of rent paid to your customer if they let part of their home to a tenant is ignored [Reference 5d]. If there are separate tenancy agreements with more than one tenant, the first £20 a week of the rent from each tenancy is ignored.
- The first £20 a week plus half the rest of the money received if your customer has a lodger (or boarder) living in their home is ignored [Reference 5e]. If there is more than one lodger, the same treatment is applied to the income from each lodger, so the first £20 a week plus half the rest of the money received from each lodger is ignored.

- The amount that is ignored is on top of any disregards from other types of income.

If anyone else lives in your customer's home and pays them for their living costs and accommodation (for example, an adult son or daughter), these payments will not count as income. However, there may be a deduction from any extra amount received for housing costs. (How do we work out housing costs?).

Home income plans

[Legislation 14]

If your customer has released equity from their home to buy an annuity and is paying interest on the loan they took out to do this, part of the annuity income (equal to the amount of interest being paid) may be ignored.

Earning disregards

[Legislation 15]

The amount of earnings disregarded depends on whether your customer:

- receives certain benefits
- is blind
- is a carer
- is a lone parent
- works part-time in certain special occupations

The amount of earnings ignored in the Pension Credit calculation is on top of any disregards on other types of income.

Normal disregards

[Legislation 16]

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

Higher disregards

There is a higher earnings disregard of £20 for some people. For some couples, the first £20 of joint earnings is ignored.

The £20 disregard applies when:

- your customer is a lone parent (does not have a partner and is responsible for a child who lives with them)
- your customer or their partner get any of these benefits:
    - Armed Forces Independence Payment
    - Attendance Allowance
    - Disability Living Allowance
    - Personal Independence Payment
    - long-term Incapacity Benefit

    - Severe Disablement Allowance
    - Mobility Supplement
    - the disability or severe disability element of Working Tax Credit
    - Employment and Support Allowance

- your customer or their partner are registered blind
- your customer gets the extra amount for caring responsibilities because they (or their partner) are a carer
- your customer or their partner have earnings from one of these occupations:

    - part-time fire fighter
    - member of the Territorial Army or the reserve forces
    - lifeboat crew member or someone manning or launching a lifeboat
    - auxiliary coastguard involved in coast rescue duties

Special rules

[Legislation 17]

There are special rules for people who were getting £20 of their (or their partner's) earnings disregarded either when they were getting Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance in the eight weeks before they started to get Pension Credit or when they reached State Pension age.

The £20 disregard will continue to apply as long as there are no gaps of more than eight weeks in either the employment or their entitlement to Pension Credit.

The maximum amount that we can ignore from a single person's earnings is £20.

The maximum amount that we can ignore for a couple if any of these rules apply to one or both of them, is also £20. [Legislation 18]

Earnings from before an application

[Legislation 19]

If your customer stopped work (whether employed or self-employed) before their Pension Credit started, any payments they get for this work (except royalty payments or Public Lending Rights) will be ignored completely.

How we work out capital for Pension Credit

Capital includes money held in any form – cash, bank and building society accounts, Premium Bonds, investment trusts, shares, ISAs, etc. – and from any source – savings, inheritance, redundancy, lump-sum grants, ad hoc or lump sum equity release payments etc. It also includes the net market value of land and property.

Calculations for couples

[Legislation 20]

If your customer has a partner, the capital held by both of them will usually be added together and treated in the same way as the capital held by a single person. See People living apart from their partner for situations where partners can be treated separately.

Disregarded capital

The value of some types of capital is disregarded (Capital disregards).

Deemed income

[Legislation 21]

If the net value of your customer's capital is more than £10,000, they will be treated as if they have an income from it. This is called deemed income and will affect their Pension Credit calculations (Deemed income from capital). The actual interest or dividends from capital are not used to work out income.

Notional capital

[Legislation 22]

Notional capital is capital your customer doesn't actually have but is treated as having.

We may treat your customer as having notional capital if they got rid of capital to get Pension Credit or more Pension Credit – for example, if they knew they had too much money to get Pension Credit so gave some to a grandchild.

We will not treat your customer as having notional capital if they used capital to repay or reduce a debt (for example, a mortgage) or to buy something which was reasonable in the circumstances (for example, replacing a car might be considered reasonable, buying a luxury car is probably not).

Reduction over time

If your customer is treated as having notional capital, the amount they are treated as having will be reduced over time.

- If your customer is getting some Pension Credit the reduction will be equal to the amount of additional Pension Credit they would have been entitled to had they not been treated as having this capital.
- If your customer is not entitled to any Pension Credit the reduction will be equal to the amount of Pension Credit and any additional Housing Benefit they would have been entitled to had they not been treated as having this capital. If they re-apply more than six months after being refused Pension Credit, the weekly amount of the reduction in their capital will be recalculated.

Capital disregards

When we calculate capital we ignore certain types of capital assets and lump-sum payments, either for a period of time or for good.

The following paragraphs show examples of disregarded capital.

Personal possessions

Personal possessions, for example a car, furniture and fittings in the home, family belongings, are ignored.

Houses and land

If your customer owns the home they live in:

- the value of the home (property, garage and outbuildings) is ignored unless any part of the property could be reasonably sold off separately
- money raised through a loan on the property or through equity release is not ignored (unless it is for necessary repairs and improvements)
- money received by sub-letting part of the property or taking in lodgers or boarders is treated as income (What counts as income for Guarantee Credit?)

If your customer or their partner own a property but do not live in it

[Legislation 23]

The value of the property can be ignored if it is occupied by:

- their or their partner's close relative, such as a child or partner's sister, if that person has reached the Pension Credit qualifying age or is sick or disabled; or
- a partner or former partner from whom they are not estranged or divorced (for example, if your customer is in a care home and their husband, wife or civil partner is living in the property).

[Legislation 24]

The value of any property recently bought and which your customer intends to move into within 26 weeks of the purchase is ignored. We may ignore it for longer than this if something serious happens which means the move cannot take place as planned.

The value of the property may also be ignored for 26 weeks – or possibly longer if there are real difficulties – if your customer:

- is trying to sell it [Legislation 24a]
- is carrying out essential repairs or alterations so they can live in it [Legislation 24b]
- is taking legal action so they can live in it [Legislation 24c]

The value of the property may also be ignored if your customer has left home after the breakdown of a relationship – in which case we will ignore the value of the property that was their home if the former partner still lives in it and is a lone parent. In other cases we will ignore its value for 26 weeks after your customer has left the property.

Certain types of earmarked capital

[Legislation 25]

Certain types of capital needed for a specific purpose may be ignored.

We will ignore the following earmarked capital for up to one year:

- capital from the sale of your customer's property – if it is earmarked to buy another home
- money from an insurance policy – if it is for damage to, or loss of, a property or personal possessions and is to be used for their repair or replacement
- capital, such as a loan – if it is to buy a home or pay for essential repairs or improvements

Life insurance policies

[Legislation 26]

We ignore the surrender value of life insurance policies. If your customer chooses to cash in a policy early, or it matures, the money they get is counted as capital.

Funeral plans

[Legislation 27]

We ignore the value of any pre-paid funeral plan for your customer or their partner, even if they could ask for the money to be refunded. If they choose to cash in the plan, the money they receive is counted as capital.

Far Eastern Prisoners of War Payment

[Legislation 28]

We ignore the special payments made to:

- former prisoners of war and internees of the Japanese or their widows or widowers

[Legislation 29]

Second World War Compensation Payments

If your customer or their partner received a lump-sum payment because they were a slave or forced labourer, or lost property or suffered personal injury, or was a parent of a child who had died during the Second World War we will ignore an amount equal to their lump-sum payment from their capital.

Lump-sum personal injury (including vaccine damage) payments

The amount of any payment made to your customer or their partner if they have one, as a consequence of any personal injury is disregarded indefinitely.

The amount of any payment administered in England and Wales by the High Court, the Country Court under certain rules, the Court of Protection or on behalf of a person where payment can only be disposed of by order or direction of any such court, is also disregarded indefinitely. If your customer lives in Scotland this may be by the Sheriff Court under certain rules or in accordance with the terms of a trust set up for the benefit of those claimants or partners.

Lump-sum payments from certain special trusts and MFET Limited

[Legislation 30]

There are a number of special trusts set up by Government to help people who contracted HIV or Hepatitis C from blood products or who suffered from variant Creutzfeldt-Jakob disease (CJD) or who have a severe disability (for example, the Macfarlane Trusts; the Eileen Trust; MFET Ltd and the Independent Living Fund (2006)).

If your customer or their partner received a payment from one of these trusts it may be ignored, either indefinitely or, in some cases, for two years from the date of the payment or the death of the sufferer.

If your customer or their partner received such a payment, they may have been given details of the special rules at the time (the Pension Credit rules are the same as those which apply to Income Support).

Lump sum ex gratia payments made to Equitable Life pre September 1992 with- profits annuity policyholders

In the 2013 Budget the Chancellor announced that Equitable Life policy holders with a pre 1992 with profits annuity policy would receive an ex gratia payment of £5,000 or if they were in receipt of Pension Credit at 1 November 2013 they will get an ex gratia payment of £10,000.

If your customer or their partner received such a payment, it should be ignored indefinitely.

NB: In the Summer 2015 Budget, the Chancellor announced that, as part of the closure of the scheme, additional payments would be made to non-With Profits Annuitant (WPA) policyholders in receipt of Pension Credit who received a previous lump sum payment under the scheme (With-Profits Annuitants were not eligible as they had already received 100% of their relative losses). Payments have now been made.

If your customer or their partner received one of these payments, they should be treated as capital in the normal way.

Arrears and late payment of benefits

[Legislation 31]

Arrears of, and compensation for the late payment of, the following benefits are normally ignored for a year from when they are received

- Armed Forces Independence payment
- Attendance Allowance.
- Disability Living Allowance.
- Personal Independence Payment.
- Armed Forces Compensation Scheme.
- Housing Benefit.
- Income Support.
- Income-based Jobseeker's Allowance.
- Income-related Employment and Support Allowance.
- Universal Credit.
- Pension Credit.
- War Widow's Supplementary Pension.
- Child Tax Credit.
- Child Benefit.
- Social Fund payments (including Cold Weather Payments and Winter Fuel Payments).

Official error arrears & compensation

[Legislation 32]

There are special rules if the amount of arrears or compensation is £5,000 or more and is to put right an earlier official error:

- If your customer received the payment less than a year before they started to get Pension Credit it will be ignored for a year from the date they received it.
- If they receive the payment while they are getting Pension Credit it will be ignored for as long as they continue to get Pension Credit.
- If they were getting Income Support, Jobseeker's Allowance, Employment and Support Allowance or Universal Credit immediately before they started to get Pension Credit, and the payment was ignored in that benefit, it will be ignored for as long as they continue to get Pension Credit.

Lump-sums from deferring State Pensions

[Legislation 33]

If your customer or their partner had deferred (put off claiming) their State Pension and chose to take a lump-sum payment rather than increased State Pension when they did claim it, we will ignore an equal amount of their capital, unless they change their mind and opt to receive the increase in State Pension instead (this also applies if they get a lump-sum payment because their late spouse or civil partner had not claimed their State Pension). The lump sum is no longer an option for those who reach State Pension age after 6th April 2016 and defer their State Pension.

Health in Pregnancy Grants

If your customer or their partner receives the Health in Pregnancy Grant we ignore the full amount.

Payments from local authorities under the Supporting People scheme

[Legislation 34]

Any lump-sum payments made under the Supporting People scheme will be ignored for a year from when they were received.

Money in a trust

[Legislation 35]

We ignore any capital held for your customer in a trust fund, but any income they get from it may affect their Pension Credit.

There are special rules for payments made at the trustees' discretion or if the money in trust came from a personal injury payment (income received because your customer or their partner suffered a personal injury).

Business assets

[Legislation 36]

We will ignore the value of your customer's assets in a business if they are the owner (or one of the owners) and they:

- do some work in that business
- are unable to work in the business because they are ill or disabled but plan to return as soon as they can
- no longer work in the business and are trying to sell or realise their assets – in which case we will ignore the assets for a reasonable period

How we work out the value of capital assets

If the value of property or other assets (for example National Savings Certificates) can't be ignored, we will value them at current market value, less any outstanding mortgage or debts secured on them.

Overseas assets

[Legislation 37a]

If your customer holds property or other assets outside the UK:

- the asset will be valued at its sale (or surrender) value in the country of origin if there is no law to stop them transferring money from there to this country
- the value of the property will be the sale value in the UK if your customer is not allowed to transfer money from the country of origin to the UK

In both cases:

- we will ignore 10% of the asset's current market value if there are any costs involved in the sale (for example, estate agents' or stockbrokers' fees).

[Legislation 38]

- if the asset is held in a currency other than sterling, we will allow a deduction for any banking charge or commission payable to convert the currency to sterling
- we will deduct any outstanding debts or mortgages secured on the assets

Jointly-owned property

[Legislation 39]

If your customer owns property jointly with someone else (other than their partner) and its value can't be ignored, we will value their share of the property.

For example, if your customer:

- has a half-share in a holiday cottage and their brother and sister-in-law own the other half, we will value their half-share
- owns the cottage with their brother and sister-in-law as 'joint tenants' – or 'joint owners' in Scotland – we would value their portion as one-third

These valuations are done by specialist valuers. It is not just a case of dividing the total value of the property, because the value of, say, a half-share in a house is likely to be less than half the value of the whole house.

Deemed income from capital

[Legislation 40]

If your customer's capital is over £10,000, they are deemed to have an income of £1 a week for each £500 or part of £500 over that amount [Reference 5f].

For example, if your customer and their partner have capital of over £10,000 but no more than £10,500, they will be deemed to have an income of £1 a week. See Deemed income from capital table below.

Deemed income from capital

Capital held by your customer and their partner (in £s)	Deemed income (weekly in £s)
10,000.01 - 10,500.00	1
10,500.01 - 11,000.00	2
11,000.01 - 11,500.00	3
11,500.01 - 12,000.00	4
12,000.01 - 12,500.00	5
12,500.01 - 13,000.00	6
13,000.01 - 13,500.00	7
13,500.01 - 14,000.00	8
14,000.01 - 14,500.00	9
14,500.01 - 15,000.00	10
15,000.01 - 15,500.00	11
15,500.01 - 16,000.00	12
16,000.01 - 16,500.00	13

16,500.01 - 17,000.00	14
17,000.01 - 17,500.00	15
17,500.01 - 18,000.00	16
18,000.01 - 18,500.00	17
18,500.01 - 19,000.00	18
19,000.01 - 19,500.00	19
19,500.01 - 20,000.00	20
20,000.01 - 20,500.00	21
20,500.01 - 21,000.00	22
21,000.01 - 21,500.00	23
21,500.01 - 22,000.00	24
22,000,01 - 22,500.00	25
22,500.01 - 23,000.00	26
23,000.01 - 23,500.00	27
23,500.01 - 24,000.00	28
24,000.01 - 24,500.00	29
24,500,01 - 25,000.00	30

How we work out housing costs

Who can get help with housing costs?

[Legislation 46]

Your customer may be able to get an extra amount for housing costs if:

- they or their partner are liable to pay housing costs to live in their home
- someone else is normally liable to pay housing costs (such as a former partner) but because they are no longer paying them, your customer or their partner now has to and it is reasonable to treat them as liable for the housing costs.
- as a matter of practice they share housing costs with other members of the household who are not close relatives of them or their partner and it is reasonable to treat them as sharing responsibility for those costs

Non-dependants at home

[Legislation 46a]

Your customer’s Pension Credit may be affected if they have non-dependants living in their home as these people will be expected to contribute towards some of the housing costs. Standard deductions are based on their age and circumstances.

Temporary absence from home

[Legislation 46b]

If your customer is temporarily absent from their usual home they may still be able to get an extra amount for housing costs.

More than one home

[Legislation 46b]

These extra amounts for housing costs are usually only paid for one home but there are some exceptions (More than one home).

Mortgages taken out to purchase the home and certain home improvement loans

Mortgage interest

[Legislation 47]

If your customer has a mortgage or a loan taken out to buy their home, the extra amount for housing costs will include help with the interest payments.

Pension Credit will not help with:

- repayments of capital
- the premiums of any endowment or pension policy linked to the loan

Pension Credit can only help with the interest on loans for:

- ‘acquiring an interest in a home’
- financing certain essential repairs or improvements to the existing dwelling
- repaying loans that were used for either of the above

Where a mortgage is taken out partly for another purpose, such as buying a car or as a business loan, the extra amount for housing costs will include interest only on the part of the loan used to buy or repair your customer’s home.

A replacement mortgage will only be met to the same level as the original mortgage. For example, if the new mortgage or loan was used partly to clear debts or to replace another loan which was not previously paid off, the extra amount would not include interest on that part of the new mortgage or loan. See Support for Mortgage Interest (SMI) for more information.

SMI as a benefit is ending on 5 April 2018, and will be replaced by a loan. If your customer gets SMI as a benefit, they will get a letter by February 2018 telling them about the loan and other options available to them.

Restrictions

£100,000 capital limit and exceptions

[Legislation 48]

If the outstanding capital on your customer's loan, or loans, is more than £100,000 then only the interest on £100,000 can be included in the extra amount [Reference 6]. This limit does not apply if the loan was taken out and used, in full or part, to adapt their home for the special needs of a disabled person. [Reference 7]

This limit may be up to £200,000 if your customer was getting support with housing costs on capital up to £200,000 through Income Support, Jobseeker's Allowance, or Employment and Support Allowance immediately prior to claiming Pension Credit.

Your customer must claim Pension Credit within 12 weeks of leaving Income Support, Jobseeker's Allowance or Employment and Support Allowance and they will continue to get assistance with housing costs up to £200,000 for as long as they remain entitled to Pension Credit.

Loans taken out while in receipt of Pension Credit

[Legislation 49]

The help your customer can get with interest payments may be restricted if they take out a new loan while they are getting Pension Credit (for example, if they move home). Generally, your customer will get no more help with housing costs than they were getting before they took out the new loan.

If your customer is getting Pension Credit and Housing Benefit and they take out a new loan to buy a home (either the property they were formerly renting or a different property), the amount of help your customer can get with their new housing costs will be no more than the amount of Housing Benefit they were getting when they were renting. However, the amount they get could be increased later (for example, if interest rates go up).

These rules may also affect your customer if they apply for Pension Credit after they take out the new loan, but want their Pension Credit to start from a date before they took out the loan.

These rules may not affect your customer if the loan was for essential repairs and improvements to their existing home or if they moved to:

- meet the special needs of a disabled person
- provide separate sleeping accommodation for children of different sexes who are aged 10 or over

The upper limit for help towards the interest on loans of up to £100,000 will still apply in these cases, apart from where the loan was taken out and used, in full or in part, to adapt their existing home to meet the special needs of a disabled person. (Restrictions – see High housing costs section below).

High housing costs

[Legislation 50]

We may decide that your customer's housing costs are too high if:

- their home is larger than is needed for the people living in it
- their home is in a very expensive area
- their housing costs, such as mortgage interest, are higher than the cost of other suitable accommodation in the area

To make our decision about whether housing costs are too high, we look at:

- suitable accommodation and housing costs in the area
- the circumstances of everyone living in the house, including their ages and state of health and the effect of a change of home on the education of anyone under 20
- whether your customer was able to meet the costs of their home when they moved in - if they were, the costs cannot be ruled too high for the first six months after they start getting Pension Credit, and possibly not for the next six months

If it is decided that your customer's housing costs are too high, restrictions will be imposed. If, on the other hand, your customer's housing costs are considered reasonable, your customer's benefit will not be affected.

Standard rate of interest

[Legislation 51]

We use a standard rate of interest (SIR).

The SIR is linked to the Bank of England published average mortgage rate (AMR). A change only occurs when the Bank of England AMR differs by 0.5 percentage points or more from the current SIR.

The AMR has fallen steadily over the last year. The AMR published on 4 May 2017 was 2.61% and as this is more than 0.5 percentage points below the current SIR of 3.12% it triggered a change to the SIR used to calculate SMI.

With effect from 18 June 2017 the SIR is 2.61%.

For more details about the standard interest rate see Support for Mortgage Interest (SMI)

Interest on loans for repairs and improvements

[Legislation 52]

The extra amount for housing costs can include help with the interest on loans taken out and used to make necessary repairs and improvements. The amount of help towards the eligible mortgage interest is calculated in the same way as for the loan taken out to purchase the property.

This is a list of all eligible repairs and improvements:

- Provision of a fixed bath, shower, wash basin, sink or lavatory, and associated plumbing, including hot water not connected to a central heating system.
- Repairs to an existing heating system.
- Damp-proofing.
- Providing ventilation and natural lighting.
- Providing drainage facilities.
- Providing facilities to prepare and cook food.
- Providing insulation.
- Providing electric lighting and sockets.
- Providing storage for fuel or refuse.
- Repairing unsafe structural defects.
- Adapting the existing home for the special needs of a disabled person.
- Providing separate sleeping accommodation for persons of different sexes aged 10 or over but under 20 who live with the customer and for whom the customer or their partner are responsible.

Hire purchase interest

[Legislation 53]

For customers buying their home by hire purchase, the extra amount for housing costs will include help with the interest payments. This will be worked out in the same way as with mortgage interest.

Other housing costs

[Legislation 54]

Ground rent

The extra amount may include ground rent or other rent where the payment is for a long tenancy. However, we will make deductions for fuel and any other service charges included in this payment which cannot be included in the extra amount for housing costs.

Service charges

The extra amount may include eligible service charges connected to the adequacy and occupancy of the dwelling (for example under a long leasehold or long tenancy for more than 21 years). These charges may cover management fees, insurance, minor repairs and cleaning of communal areas. However, the following types of charge cannot be included:

- charges met by the local authority under the Supporting People scheme
- charges for day-to-day living expenses such as meals, laundry, heating, lighting or hot water
- charges to cover major repairs and improvements

Co-ownership and Crown tenancy charges

The extra amount includes charges where customers:

- make payments for housing costs to purchase the property under a co-ownership scheme
- are Crown tenants who cannot get Housing Benefit to help with their rent payments

We will, however, make deductions for any fuel or other service charges included in the main charge that cannot be included in the extra amount for housing costs.

Charges for tents and site rents

If your customer lives in a tent, the extra amount will include an amount to cover the charges on the tent and the site on which it stands. But we will make deductions for any service charges, as in the paragraph above.

Note: This would apply to a customer who lives in a mobile motor home.

Rentcharge

Rentcharges payable by some freeholders under the terms on which they own their own freehold, can be included in the extra amount if they are covered in section 1 of the Rentcharges Act 1977.

People who live with your customer – non-dependants

[Legislation 55]

People who normally share your customer's accommodation but are not dependent on them for financial support are known as non-dependants. For example, grown up sons or daughters or elderly relatives. People who are separately liable to make payments in respect of their accommodation to a landlord do not share accommodation.

Others, who live with your customer as part of their family, and any children they have fostered, do not count as non-dependants. Non-dependants who normally live with your customer could affect the amount of Pension Credit they may receive as they are expected to contribute towards the cost of living in the household.

Shared accommodation does not include:

- a shared bathroom or lavatory
- a shared corridor or entrance
- communal areas in sheltered accommodation

The following people do not count as non-dependants, whether they share accommodation or not:

- carers employed by a charity that charges for the service (and any partner of such a person)
- joint tenants
- subtenants, boarders, and tenants of owner-occupiers (unless they are a close relative of the claimant or their partner.
- dependent children of the family aged under 20.
- any partner (if they are polygamously married, there is a section on people in polygamous marriages).

Non-dependant deductions from Pension Credit

Standard rates of deductions are made from your customer's Pension Credit for non-dependants aged 18 or over who normally live with them. There are six levels of deduction and the rate is based on the age and circumstances and gross income of the non-dependant.

If the non-dependant is working less than 16 hours per week, the lowest deduction will apply. If the non-dependant is working more than 16 hours per week, the rate of deduction is based on their gross income.

No deductions will be taken from your customer's Pension Credit if:

- your customer or their partner are registered blind or severely sight impaired
- your customer or their partner is receiving Attendance Allowance or the care component of Disability Living Allowance or the daily living component of Personal Independence Payment or Armed Forces Independence Payment

No deductions are made in respect of the following type of non-dependants:

- Those in receipt of Pension Credit.
- Where the non-dependant normally lives elsewhere.
- Those in receipt of a training allowance in connection with youth training.
- Full-time student during term time (deductions may be made during the summer vacation if the non-dependant is working).
- The non-dependant is a full-time student and your customer or their partner has reached age 65.
- The non-dependant normally shares your customer's home, but is in prison.
- The non-dependant has been a patient in a hospital for 52 weeks or more. If the non-dependant leaves hospital but is then re-admitted within 28 days, their total number of days in hospital are added together.
- Those aged less than 25 who are receiving ESA (Income Related) assessment phase rate, (their ESA will not include a component).
- Those aged under 25 and in receipt of Income Support or income-based Jobseeker's Allowance.
- Those aged under 25 and in receipt of Universal Credit with no earned income
- Where a non-dependant deduction has already been applied under the Housing Benefit (Persons who have attained the qualifying age for State Pension Credit) Regulations 2006.

A deduction may be delayed for 26 weeks if your customer or their partner are aged 65 or over and a non-dependant either moves into their home or the non-dependant's circumstances change resulting in an increase in the deduction.

Special housing situations

[Legislation 56]

Absence from home

The extra amount for housing costs will still be paid if your customer:

- is temporarily away from their home for no more than 13 weeks
- intends to return to it
- has not let it to someone else
- is still responsible for their housing costs

The extra amount for housing costs will be stopped immediately if they:

- are temporarily away from home and know from the start that they will be away for longer than 13 weeks

The extra amount may continue if your customer:

- is temporarily away from their home for up to 52 weeks in some special situations, such as if they are in hospital or a care home on a temporary basis

Rent in advance

Pension Credit cannot help if your customer has to pay rent in advance to get a tenancy. They may, however, be able to get some help from the Social Fund.

More than one home

[Legislation 57]

The extra amount can usually only include housing costs for one home. Help with another home may be available if your customer has costs for two because:

- they are waiting to move into a new home or have moved and are unavoidably responsible for housing costs on the old and new homes - in this situation they can only get money on both for up to four weeks
- they have had to leave their home because of domestic violence
- one member of a couple has to live away from home to study or train

Homes and businesses

[Legislation 58]

Where a home includes premises rated as a business we can help with housing costs only for the domestic part.

Applying for Pension Credit

How to apply

The easiest way for your customer to apply is by telephone.

Customers can call on:

- freephone 0800 99 1234
- freephone 0800 169 0133 (textphone)

Lines are open Monday to Friday between 8am – 6pm.

We can also arrange for claims to be taken at designated offices such as local authorities.

If English is not your customer's first language, they should phone the application line on 0800 99 1234 and say (in English) that they want to apply using another language (a friend could make this call for them).

A member of the team will arrange for an interpreter before continuing with the application.

If your customer is phoning from Wales (except from a mobile phone), their call will be put through to a call centre where Welsh speakers will be available if your customer wants to apply/ conduct their business in Welsh. If your customer is phoning from a mobile phone, and wants to apply in Welsh, they must tell us. We will either transfer their call to a Welsh speaker or arrange for one to call them back.

What happens during the call?

An advisor will ask your customer questions so an application can be completed over the telephone. We may also ask your customer to send some supporting evidence (for example, proof of earnings or savings) to us within one month of the date of application.

Where supporting evidence is required (for example proof of earnings or savings) your customer will be asked to call back with this information within one month of the date of application.

When your customer calls us, we will ask them for the following information, so they will need to have it to hand when they call. Customers should not delay applying, even if they do not have everything listed here. If necessary, we can arrange to call them back at a time that suits them.

We will need the following information, from your customer and their partner (if they have one):

- National Insurance (NI) number.

- How much money they have coming in each week, for example, details of any pension they get from a former employer or a personal pension plan, and how often it is paid.
- Their total savings and investments. We will ask them for the most recent balance in their bank and savings accounts and if the application is backdated, if there have been any changes to these balances since the date they wish to apply from.
- Their account details (if they have one).
- Their housing costs, such as mortgage interest, service charges or ground rent.

If they would prefer, a friend or family member can call on their behalf. If someone calls on the customer's behalf it would be necessary in the first instance for the customer's identity to be verified and for the information collected to be sent back to the customer to verify before any payments can be made.

When making their claim your customer will be agreeing that the information they have given is complete and correct and that they will report changes to their circumstances promptly. If they do not provide correct information they risk being prosecuted or face a financial penalty

Your customer – or their friend – can also apply by:

- writing a letter asking for an application form for Pension Credit
- phoning 0800 991 234 and asking for an application form

Letters and forms must be sent to (no stamp is needed):

Freepost RRKJ-AEXK-JRLB
The Pension Service
PO Box 16
Gateshead
NE92 1BA

When to apply

[Legislation 65]

The earliest a person can apply is four months before they reach the Pension Credit qualifying age. They can apply any time after that, but it's best to apply as soon as they can. Pension Credit can start from a date up to three months before a person applies if they were entitled for that time. Pension Credit cannot be backdated for more than three months. For example, if your customer was born on 10 August 1953 they would reach the minimum qualifying age on 6 November 2017. If they want to start getting Pension Credit from that date, they can apply at any time from 6 July 2017 (4 months in advance) up to 6 February 2018 (which is 3 months after your customer reached the minimum qualifying age).

The Pension Credit qualifying age is gradually going up to 65 by November 2018 in line with the State Pension increase for women. It will then increase in line with further increases in State Pension age for both men and women. To find out when your customer can get Pension Credit see the Pension Credit Age Table.

If your customer wants Pension Credit to start from a past or future date they must tell us when they apply. If they phone to apply, we can go through this with them. If they complete an application form they will find more information in the booklet that comes with it.

Dealing with applications

What happens after an application is made?

This section of the guide explains how we deal with applications, who makes the decisions about Pension Credit and what your customer can do if they disagree with a decision

Requests for more information

We may ask your customer to provide extra information so we can assess their application. This could include proof of income, earnings and savings, for example. If they have a mortgage or home loan we may give them a special form for their lender to fill in.

Usually, everything can be done by telephone or post. In some cases we may make an appointment for an interview.

If we arrange an interview:

- we will do our best to hold it at a time, date and place that suits your customer
- it will be conducted in private
- it may be held on the premises of a local organisation such as Age UK or a pensioner support group
- we will visit your customer at home if this is more suitable, for example if they have mobility problems

Who decides who gets Pension Credit?

Once we have all the information we need for your customer's application, we will pass it on to a decision maker.

Decision makers decide whether a person is entitled to Pension Credit according to the law, including case law and the relevant legislation.

How are customers told?

Your customer will be told of the decision in writing. They will also receive a summary of how their Pension Credit has been worked out. Our letter also explains how to get a more detailed explanation of the assessment, if your customer needs one.

The decision maker will give the reasons for their decision in writing if your customer asks for them within one month. Your customer can phone or write to us to ask for this. The address and telephone number will be on the letter they receive about the decision.

Appeals

What to do if your customer thinks a decision is wrong

Your customer has the right to appeal to an independent tribunal against the decision (see next section), but only after they have asked for the decision to be reconsidered – known as a Mandatory Reconsideration (MR).

Your customer must apply for an MR within one month of the date of the decision. If they contact us after one month, we may not be able to do an MR and this may affect their right of appeal.

Customers can apply by telephone or by writing to us giving their reasons. The letter telling them our decision will give more information on how to contact us.

How to appeal

If your customer decides to appeal, after they have received the decision on their MR – known as a MR Notice (MRN) - they must write directly to Her Majesty's Courts and Tribunals Service (HMCTS). **They should go to Gov.UK and search for SSCS1 – this is the appeal form which it would be helpful if they used.** They must include a copy of their MRN (they will have been sent two by DWP) otherwise the appeal will not be accepted. The MRN itself explains how to appeal.

Deadlines for making an appeal

Your customer must write to HMCTS within one month of the date of the MRN.

If your customer applies after this time they should explain why the appeal is late. If the reason is accepted it will be processed as normal. If the reason is not accepted the appeal will not proceed; the decision will stand.

Possible outcomes

Appeals are heard by independent tribunals and, like the decision maker, the tribunal is bound by Pension Credit and other social security law. It can change the decision by increasing or decreasing the award or it can confirm that the decision is correct. It cannot, however, change the law or pay more than the law allows.

How is Pension Credit paid?

Direct Payment

The Department's standard and preferred method of payment is directly into the customer's bank, building society or credit union account. Some of the advantages of paying directly into a bank or building society account include:

- Increased flexibility of withdrawing money from a variety of places, including a wide range of banks and cash machines.
- Utility companies offer discounts for paying household bills by direct debit
- Assists with effective budgeting.
- Payment of salary
- Most bank accounts can be accessed at the Post Office counter or ATMs
  Customers can choose how and when they get their money, including through; cash machines, cashback facilities (offered by many retailers) and over the counter at banks and building societies
- Many banks and building societies also have arrangements which allow customers to collect their money over the counter at a Post Office®.

Collection arrangements for credit union customers are dependent on the individual's credit union agreement.
Customers must tell us straight away if they change their account or if they think the wrong amount has been paid in.
A method of payment discussion must be held with all customers to determine the most suitable way to receive their payments.
During the method of payment discussion, for those customers who are unable to open or operate a bank, building society or credit union account, alternative paying arrangements will be required.
There are currently two alternatives which can be used in exceptional cases. These are the Post Office card account and the Simple Payment Service.
The Post Office® card account provides a basic account that can only accept benefit and pension payments. Customers can only use Post Office® branded cash machines. Post Office® card account customers can't use cashback facilities.
The Simple Payment Service should only be used when the customer has confirmed that they are unable to open or operate any other type of account. Simple Payment customers can only collect their payments at an authorised PayPoint retailer which offers the Simple Payment Service. A list of the authorised stores can be found at www.paypoint.co.uk/simplepayment

Opening an account
If your customer does not have a suitable account or does not want to use the one they have (for example a joint account) any bank or building society will help them open an account that suits them better. The customer should remember to ask if the account allows the collection of money from the Post Office® if this is important to them.
If your customer has problems opening a current account or if they are worried about being overdrawn, they could ask any bank or building society about opening a basic bank account. Basic bank accounts are available from all major banks and offer free banking with no overdraft facility. All basic bank accounts can be accessed at a post office. They allow money to be paid in, bills to be paid automatically and many of these accounts allow cash to be collected at the Post Office®.

Alternatively, your customer could have their Pension Credit paid into a credit union account. Customers who request Direct Payment into a credit union account are normally asked to contact the relevant credit union to discuss the ways they can access their money, before deciding if it is the appropriate account option for them.

Getting someone else to collect payments

Account payments

If your customer's Pension Credit is paid into an account and they are unable to collect the money, they can ask their bank or building society if arrangements can be made for someone else to collect the money

Post Office® card account payments

If your customer's money is paid into a Post Office® card account and they are unable to collect it, they can apply for someone they trust to have permanent access to their account and collect the money for them. They need to ask at their local Post Office ® for an application form to set this up.

Appointing someone to act on a customer's behalf

[Legislation 61]

We can appoint someone, usually a family member or close friend, to act on the customer's behalf for everything to do with social security. See the Agents, Appointees, Attorneys and Deputies Guide for further details.

When Pension Credit is paid from

[Legislation 62]

Your customer will be given a regular payday for their Pension Credit payments.

Customers over State Pension age on or before 5 April 2010

These customers will get their Pension Credit weekly in advance on the same payday as their State Pension is paid on or would be paid on if they were entitled to it. Your customer's entitlement will normally start, and they will be paid, from the first payday after the date they applied or from that date if it happens to be their payday.

Customers who reach the Pension Credit qualifying age on or after 6 April 2010

If your customer reaches the Pension Credit qualifying age on or after 6 April 2010 they will normally get their Pension Credit either weekly, fortnightly or four weekly in arrears. Your customer's entitlement will start on the first day of their first full benefit week following the date of application.

Paydays

A customer's payday is determined by the last two digits of their National Insurance number. If the number is between:

- 00 and 19 their payday is Monday
- 20 and 39 their payday is Tuesday
- 40 and 59 their payday is Wednesday
- 60 and 79 their payday is Thursday
- 80 and 99 their payday is Friday

For example, if the last two digits of your customer's National Insurance number are 58, their benefit week will begin on a Thursday and end on the following Wednesday. The day they get their first payment will be determined by the payment frequency they choose.

Any existing male Pension Credit customer under State Pension age on 5 April 2010 will continue to be paid in advance unless their Pension Credit entitlement ends before they reach State Pension age.

There is a special rule for people who were getting Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Universal Credit, immediately before they qualified for Pension Credit. Customers in these groups may be entitled to a part week payment of Pension Credit.

Small amounts

[Legislation 63]

If your customer's Pension Credit is less than £1 a week, it may be paid quarterly rather than weekly. If it is less than 10p a week it will not be paid unless payment can be combined with another benefit. [Reference 8]

Payment with other social security benefits

If your customer is getting a long-term social security benefit, such as State Pension, this payment may be combined with their Pension Credit.

Deductions and payments to third parties

In some situations, we can deduct an amount from the Pension Credit payment before your customer gets it. The main situations when this may be done are:

- to pay mortgage interest (this is explained in more detail in the next section)
- to pay back money because a Social Fund payment was made as a loan
- to pay flat rate maintenance
- to pay back money because your customer has been overpaid Pension Credit or another benefit
- to pay Third Party Deductions for arrears of:
    - housing costs
    - miscellaneous accommodation costs
    - hostel payments
    - rent arrears and service charges for fuel
    - fuel costs
    - water charges
    - council tax or community charge arrears
    - fines
    - a contribution to maintenance
    - integration loans
    - eligible loans

Mortgage interest payments

[Legislation 64]

Your customer's Pension Credit calculation may include an extra amount for Housing costs to cover mortgage interest.

Guarantee Credit – if your customer is getting Guarantee Credit this will be paid to their lender if they are a member of the mortgage interest direct scheme. Most lenders, including banks and building societies, have joined the scheme. We cannot make these payment arrangements if the lender has chosen to opt out of the mortgage interest direct scheme.

Savings Credit – if your customer is only getting Savings Credit we will not pay money to their lender unless they are in arrears with their mortgage repayments or if they ask us to make these payments.

Arrears deductions – if your customer's mortgage lender is not in the mortgage interest direct scheme, we do not normally pay any mortgage interest direct to the lender. But if your customer is behind with their mortgage payments we may. We may also deduct a standard sum from their Pension Credit payment towards any arrears.

More than one mortgage – if your customer has more than one mortgage which qualifies for help, we will make payments on each loan to the appropriate lender.

Customer arrangements – if your customer is behind with their mortgage payments, they must make their own arrangements with the lender to clear these arrears.

They will also need to make their own arrangements if the amount which can be paid from their Pension Credit does not cover the full mortgage payment – for example, because they are also repaying capital or because their Pension Credit entitlement is less than the mortgage interest taken into account for the extra amount for housing.

There is a leaflet available which gives more information about getting help with housing costs.

To help people access advice and support, we have commissioned a National Homelessness Advice Service leaflet – 'Are you worried about your mortgage? Get advice now'. This provides clear advice for homeowners struggling to pay their mortgages and provides contact details for advice services. It has been widely circulated to local services.

Overpayments

[Legislation 74]

This section looks at the different kinds of overpayments and how we recover these payments. The different circumstances that can lead to an overpayment are explained below.

Misrepresentation and false disclosure

If we have paid a customer too much because they told us something which was not true, or did not tell us about something which we needed to know about, they may have to repay any money they are not entitled to. They may also risk being prosecuted or having to face a financial penalty.

Late changes

If we have paid too much because it was impossible to change the payment into the customer's account in time, they may have to repay any money they are not entitled to. They may also risk being prosecuted or having to face a financial penalty.

Temporary changes

If a customer's circumstances change temporarily and this means they get a payment of Pension Credit to which they are not fully entitled, they may have to pay some of it back. This might happen, for example, if a part-time job pays more than usual one week.

Late payment of other income

If Pension Credit has been paid because other income that has to be taken into account was not paid on time, customers may be asked to repay it. An example would be if they normally get a pension from abroad, but the payment stopped and they asked for their Pension Credit to be increased. If they start getting the pension again, and they get arrears, we will ask them to repay the extra Pension Credit they got.

Late payment of other benefits

Pension Credit is sometimes paid when a customer or their partner has claimed a social security benefit, such as Employment and Support Allowance or State Pension, but it has not yet been paid. Normally, the arrears of that benefit will be adjusted to recover the Pension Credit already paid. If it has not been possible to do this, the money can be recovered in any of the ways described below.

Recovery of overpayment of other benefits

If customers have been overpaid Housing Benefit or incorrectly given a reduction in their Council Tax their local authority will normally deal with this. However, in some cases the local authority can ask us to make the recovery by deductions from certain other social security benefits, including Pension Credit.

What if overpayments are disputed?

Your customer can dispute or appeal if they disagree with any of the following decisions:

- there has been an overpayment
- the amount of the overpayment
- the overpayment is recoverable from them

See What to do if your customer thinks a decision is wrong for more information.

How are overpayments recovered?

If your customer has been paid too much Pension Credit and the decision maker decides that it is recoverable, they will have to repay it. Your customer can do this in one of these ways:

- by paying a lump-sum
- by having weekly deductions made from their Pension Credit
- by having deductions made from most social security benefits

We may also keep back any arrears due to your customer so we can reduce the overpayment.

Repayment by instalments

If your customer no longer receives Pension Credit or does not get other social security benefits and cannot repay in one lump-sum, we will normally ask them to repay by instalments. If we cannot agree a repayment plan we may, as a last resort, take your customer to the civil court. If they are in PAYE employment we may consider recovering direct from their salary via a Direct Earnings Attachment

Repayment by partner

If your customer's partner later applies for Pension Credit instead and benefit continues to be paid for both of them, they may have to carry on repaying the overpayment by deductions from their Pension Credit.

Repayment of other benefits

If your customer has been overpaid some other benefit and the decision maker decides that it is recoverable, it can be taken from their Pension Credit payment by weekly deductions if they no longer get the other benefit.

What happens if a customer’s circumstances change

The amount of Pension Credit your customer gets may change if their income, capital or other circumstances change. This section explains the changes we need to know about and how your customer must tell us. It also explains the assessed income period.

Effects on an assessed income period

If your customer is 65 or over (or, if they have a partner, one of them is 65 or over and the other is 60 or over), an assessed income period may apply. During an assessed income period we do not need to be told about every change in circumstances.

The letter sent to your customer with the Pension Credit decision will tell them if an assessed income period applies to them. They will also be sent an accompanying information sheet titled ‘Pension Credit what you need to tell us about’. It outlines changes they must report even though they have an assessed income period.

If your customer (and their partner) is under 65, or if an assessed income period does not apply for another reason, they must tell us immediately if there are any changes in their circumstances that may affect how much Pension Credit they should get.

If something changes which your customer should have reported and they do not or they tell us late, they might lose money to which they are entitled or they might be overpaid money which would probably have to be repaid. They may also risk being prosecuted or having to face a financial penalty. If they are not sure whether or not we need to know about a particular change, they should tell us anyway.

Changes to tell us about

Your customer must tell us as soon as they can if any of the changes below apply to them or their partner.

Changes in earnings

By earnings we mean wages, tips, fees, bonuses, commission, retainers and any other money from an employer.

We need to know if your customer or their partner:

- start to do any paid work
- start to earn more, or less, money
- stop working

- earn money occasionally - we need to be told about these earnings when they get them and they must send us a wage slip if they have one.

If your customer or their partner start earning money regularly, they need to tell us:

- how much they earn before tax, National Insurance (NI) contributions or anything else has been taken off
- how much tax and NI contributions they pay each week
- if they make contributions into a pension scheme each week how much they pay
- their employer's name and address in case we need to get in touch with them
- if they won't be doing the same amount of work each week but will earn the same amount of money (if, for example, they will be working two weeks out of three or for longer every fourth week)

They must send us wage slips if they have them.

Changes in income

Your customer must tell us if they or their partner:

- start to get a new pension or annuity payment, or if a pension or annuity payment goes up or down (special rules apply during an assessed income period)
- start to get a regular payment from an equity release scheme, or the amount goes up or down (special rules apply during an assessed income period)
- either claim or start to get any social security benefit or allowance
- start to get any other money which is treated as income for Pension Credit purposes or if the amount received goes up or down, or
- stop getting a benefit or other money

Changes to capital

Your customer must tell us if their, or their partner's, capital:

- goes over £10,000
- goes up or down by £500 or more if it is already over £10,000

Special rules apply during an assessed income period (see changes to capital during an assessed income period).

Changes at home

We need to know if your customer or their partner:

- move to a different address
- go into a care home, (your customer should also tell us if their Attendance Allowance, Disability Living Allowance care component,

Personal Independence Payment daily living component stops as a result of them going into a care home)
- becomes a Royal Hospital Chelsea Pensioner (your customer should also tell us if their Armed Forces Independence Payment stops as a result of them going into the Royal Hospital Chelsea).
- decide to buy where they live
- take out a mortgage or loan for repairs or improvements to their home
- want to change their bank account for Pension Credit payments

They must also tell us if:

- the capital balance on their mortgage increases
- their mortgage or loan is paid off

If their Pension Credit includes an extra amount for housing costs, they must tell us if someone:

- comes to live in their home
- living in their home, leaves or goes into hospital
- living in their home, starts or stops work
- living in their home, starts to get, or stops getting, Pension Credit

See Non-dependant deductions from Pension Credit for information about how these changes can affect Pension Credit.

If your customer, or their partner, is 65 or over, the extra amount for housing costs may not go down immediately if someone comes to live in their home or starts work, but they should still tell us.

Your customer must also tell us if:

- they are getting the extra amount for severe disability and someone comes to live in their home
- they are not getting the extra amount for severe disability because someone has been living in their home and that person leaves

Going into, or coming out of, hospital

Your customer must tell us if they or their partner, or someone they are caring for, goes into, or comes out of, hospital.

See People in hospital for information about how this can affect Pension Credit.

Leaving Great Britain

Your customer should tell us if they are planning to go abroad for whatever reason. They should also tell us if they go to Northern Ireland, the Isle of Man or the Channel Islands. If your customer goes abroad solely for medical treatment or for medically approved convalescence or care we will pay their Pension Credit for up to 26 weeks.

Depending on the circumstances, in other cases we may be able to pay Pension Credit for up to 4 weeks or for up to 8 weeks while they are abroad.

See People who leave Great Britain temporarily for information about how this can affect Pension Credit.

Family changes

Your customer must tell us if:

- they get married or form a civil partnership
- they start living with someone as if married to them or as if in a civil partnership
- they and their former partner start living together again
- they get divorced or dissolve a civil partnership
- they and their partner separate
- they or their partner go to prison or are held in custody

If someone dies

Someone must tell us if:

- your customer dies
- their partner dies
- someone who was living with them dies
- someone they were caring for dies

Assessed Income Period

If your customer is 65 or over, or if they have a partner and one of them is at least 65 and the other is at least 60, an assessed income period (AIP) may apply if they claimed Pension Credit before 6 April 2016. If your customer has an AIP they do not need to report changes to pensions (we treat payments from the Pension Protection Fund or Financial Assistance Scheme in the same way as a pension), annuities, equity release payments or capital as they happen. Other changes in circumstances still have to be reported.

How long is the assessed income period?

[Legislation 66]

The assessed income period normally lasts for five years, but it may be shorter if, for example:

- your customer or their partner will be 65 in the next five years, or

- they expect a second pension or annuity to start or change within the next 12 months (other than because of a normal yearly increase), or
- they expect their capital to change significantly in the next 12 months.

If your customer is aged 75 or over when the assessed income period is set, it will be set indefinitely – so it will not end automatically after five years and will only end if one of the circumstances described under When the assessed income period ends early applies.

Changes to Assessed Income Periods from 6 April 2016

Section 28 of the Pensions Act 2014 provides for the abolition of the assessed income period. Since 6 April 2016, no new assessed income periods have been set, and existing assessed income periods with a specified end-date are being phased out. Indefinite assessed income periods already in place at 6 April 2016 will continue unless they end under the existing rules (for example, if a person enters a care home permanently).

What happens when your customer thinks a decision is wrong?

The letter your customer gets telling them of the decision about their Pension Credit application will also tell them if an assessed income period applies to them and, if appropriate, what that period is. If they think the decision about the assessed income period is wrong, Information about what to do is available at if they disagree with a decision.

Changes to pensions and annuity income during an assessed income period

Your customer does not have to tell us about changes to their pensions, annuity income or equity release payments during the assessed income period. We will estimate the amount of any normal yearly increase based on information given in the original Pension Credit application. We will send your customer details of how their Pension Credit is worked out. However:

- if the estimated amount of pension, annuity or equity release payment is more than your customer is actually getting, they need to tell us straight away
- if your customer's pension, annuity income or equity release payment goes down, or they stop getting a pension, they can tell us and ask for their Pension Credit to be recalculated. If this happens, we will ask for details of all (non-state) pension and annuity income, any equity release payments and capital at that point. If the total is less than the figure we have been using, their Pension Credit will go up. If the total

is the same as, or more than, the figure we have been using, their Pension Credit will stay the same.

Changes to capital during an assessed income period

Your customer does not have to tell us about changes to their capital during the assessed income period. However, if their capital changes and they think they could be entitled to more Pension Credit, they can tell us and ask for their Pension Credit to be recalculated. If this happens, we will ask for details of all (non-state) pensions, annuity income, any equity release payments and capital at that point.

If the total is less than the figure we have been using, their Pension Credit will go up. If the total is the same as, or more than, the figure we have been using, their Pension Credit will stay the same.

The end of an assessed income period

When the assessed income period ends early

[Legislation 67]

As stated on page 62, under the Pensions Act 2014 existing AIPs with a specified end date will be phased out. If your customer's AIP was originally due to end on a date between 1 April 2019 and 5 April 2021, their end-date will be brought forward to a date between 14 July 2016 and 28 March 2019.

An assessed income period will also end before the planned date if your customer:

- starts to be treated as a member of a couple
- stops being treated as a member of a couple (for example, if their partner dies or goes permanently into a care home or they or their partner go into hospital for more than a year)
- goes permanently into a care home
- temporarily stops getting a pension or annuity, or the amount they get goes down temporarily (for example, payment of a pension from abroad stops because of problems in the country in question) and they ask for their Pension Credit to be recalculated
- is no longer entitled to Pension Credit

When the period ends
When an assessed income period ends (other than at the end of Pension Credit entitlement) we may ask for details of all your customer's circumstances and Pension Credit will be recalculated. However, no new assessed income period will be set, and your customer will have to report future changes as they occur.

Pension Credit reduces

This may mean your customer's Pension Credit goes down because their pensions, annuity income, any equity release payments and capital are higher than before.

If this is the case, the new amount will apply from the start of the new assessed income period only.

This does not mean that they have been overpaid Pension Credit during the previous assessed income period, because any increases to private pensions (other than normal yearly increases), annuity income (other than normal yearly increases), equity release payments and capital are ignored until the end of the assessed income period.

If the Pension Credit is lower because your customer had not told us about another type of change, normal overpayment rules apply (Overpayments).

Pension Credit increases

If your customer's Pension Credit is higher after recalculation at the end of the assessed income period, they may be entitled to some arrears.

People who have come to Great Britain from abroad

Certain rules apply for people who have come to live in GB (England, Scotland and Wales) from another country (including returning British citizens) and who want to get Pension Credit.

[Legislation 68]

Whether your customer can get Pension Credit will depend on their residence or immigration status. They will also have to satisfy the normal Pension Credit rules, including the requirement to have the right to reside and to be able to be treated as factually habitually resident (known as the Habitual Residence Test).

[Legislation 69]

General rules

In general, your customer can get Pension Credit as usual if they:

- satisfy the habitual residence test
- are eligible under the normal Pension Credit rules

Special rules

There are special rules for people in GB as the result of a written maintenance undertaking.

More information

For more information about immigration issues, see the UK Visas and Immigration pages.

People who come to GB temporarily

If your customer is not a European Economic Area (EEA) national and has come to stay in GB temporarily and has been allowed into the UK on the understanding that they are self-supporting and 'have no recourse to public funds', they cannot normally get Pension Credit. This is because people who are subject to immigration control are not entitled to income-related benefits.

Habitual residence test

Your customer must demonstrate their right to reside and that they can be treated as factually habitually resident in the Common Travel Area (that is, the UK, the Republic of Ireland, the Channel Islands or the Isle of Man) before they can get Pension Credit.

Your customer will satisfy the right to reside requirements in the UK if they:

- are a British citizen or a British passport holder with a right of abode
- are a citizen of the Republic of Ireland or an Irish passport holder
- are a national of Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Romania, Slovenia, Spain, Sweden, Switzerland; **and** a worker or a self-employed person or a person who retains those statuses for the purposes of European Union (EU) law. (If your customer is from one of these countries and is not a worker or self-employed, they will generally have the right to reside only if they are not a burden on public funds or they are a dependent family member of a worker or self-employed person)
- are a national of Croatia who is self-employed, or working as an authorised worker (or exempt from authorisation) under the Worker Authorisation Scheme
- if your customer is from one of these countries and is not a worker or self-employed, they generally have the right to reside as long as they have sufficient funds to support themselves so that they are not a burden on social assistance)
- have leave to enter or remain in the UK which allows recourse to public funds

Once your customer has satisfied the right to reside element of the Test, they must also demonstrate that they can be treated as factually habitually resident before they can get Pension Credit.

Your customer will be treated as having automatically satisfied the requirement to be factually habitually resident if they are:

- a worker or self-employed person or person who retains either of those statuses for the purposes of EU law
- a family member of such a person for the purposes of EU law
- a person who has a right to reside permanently in the UK under EU law
- a national of Croatia who is self-employed, or working as an authorised worker under the Worker Authorisation Scheme
- a refugee
- someone who has been granted humanitarian protection
- someone who has been granted discretionary leave to remain in the UK, outside the immigration rules
- someone who is not subject to immigration control who has been deported back to the UK

If your customer does not fall into one of the above categories, but has shown that they have a right to reside in the UK, the decision maker will decide whether they are habitually resident.

Decision Makers assess a wide variety of factors to determine whether someone is factually habitually resident. These include, but are not limited to things such as:

- how long your customer lived abroad
- why your customer came to the UK
- how long your customer plans to stay here
- whether your customer has a settled pattern of living here

If the decision maker decides your customer is not habitually resident then they cannot get Pension Credit. If your customer disagrees with this decision they have the right to appeal. See What to do when a decision is considered wrong.

Interviews

If your customer, or their partner, has come to live in GB they may be asked to go to an interview. They must take their passport, and their partner's passport, and any letters they have received from the Home Office. At the interview they will be asked about their immigration and residence status. From this information, a decision maker will decide whether they can get Pension Credit.

Sponsored immigrants

Sponsored immigrants are normally given indefinite leave to enter or remain in the UK and are admitted to the UK on the understanding that they have relatives who are prepared to support them without recourse to public funds. The sponsor signs a maintenance undertaking which is legally binding.

Sponsored immigrants are not entitled to Pension Credit for five years from the date of their entry or the date on which the maintenance undertaking was signed (whichever is the later), unless the sponsor or sponsors (if more than one) die.

People who have limited leave to remain in the UK

If your customer is from abroad and has limited leave to remain in the UK with no recourse to public funds, they must normally be self-supporting and cannot get Pension Credit.

People who leave Great Britain temporarily

Pension Credit is for people who live in GB. However, your customer may be able to continue to get it for a short time if they are away from GB temporarily.

Medical treatment

Pension Credit can be paid for people who have left GB for medical treatment or for medically approved convalescence or care for up to 26 weeks. The absence has to be solely for those reasons and must not be expected to exceed 26 weeks. This includes accompanying a partner, child or a qualifying young person who is receiving medical treatment or undergoing convalescence.

Bereavement

Your customer’s Pension Credit may continue for up to 8 weeks where the temporary absence from GB is in connection with the death of

- their partner, or a child or qualifying young person normally lived with your customer or
- a close relative of your customer, or of their partner or of a child or qualifying young person normally living with your customer.

But this is only where it would be unreasonable to expect the absence to not exceed 4 weeks.

For the purposes of the temporary absence from GB rules, a qualifying young person is a person who has reached the age of 16 but not the age of 20 and who is

- aged 16 years, but only for the period up to, but not including, the 1st September that next follows their 16th birthday
- aged up to 19 years, but only for the period up to, but not including, the 1st September that next follows their 19th birthday where they are enrolled on, or accepted for
    - approved training **or**
    - a course of education
        - which is not advanced education
        - at a school, college or other establishment that is approved by the Secretary of State
        - where they spend on average more than 12 hours a week during term time in receiving tuition, doing examinations or practical work or supervised study

Where the young person is aged 19 they must have started the education or training or been enrolled on or accepted for it before reaching that age.

Other reasons

In any other case, if the person's absence is unlikely to exceed 4 weeks, Pension Credit can be paid for up to 4 weeks.

If your customer is planning to leave GB for a temporary period they should let us know.

Expenses

Payment of any expenses incurred outside GB will not be covered by Pension Credit.

Payment

Pension Credit payments will not be sent outside GB. If your customer leaves GB, the payment will be made to them on their return to this country, unless they have arranged for it to be made to someone else (who is in GB) or it is being paid into an account by direct payment.

When people need to re-apply

If your customer is away from GB for a length of time that means they cannot be paid Pension Credit for all the time they are away, they will need to re-apply when they return.

Northern Ireland

If your customer goes to Northern Ireland and cannot be paid Pension Credit under the GB scheme for all the time they are there, they may be able to get Pension Credit under the Northern Ireland scheme for the rest of their stay.

If your customer leaves Great Britain but their partner stays

If your customer's partner stays in GB while they are away, they can arrange for the Pension Credit they would get while they are away to be paid to their partner.

If your customer will be away for longer than their Pension Credit can be paid and their partner has reached the minimum qualifying age (qualifying age tables) and meets other conditions for Pension Credit (for example, habitual residence test), they have two choices, either:

- their partner can apply for Pension Credit immediately, if your customer agrees. (In this case, your customer will not be paid for any time they are away.) The partner will be paid for both people for as long as the customer's Pension Credit can be paid under the temporary absence rules, and as a single person for the rest of the time the customer is away
- your customer's partner can apply for Pension Credit as a single person from the point at which the customer can no longer be paid under the temporary absence rules - after that time no money will be paid for your customer until they return

If your customer's partner is under the minimum qualifying age (qualifying age tables) they may be able to claim Income Support, Jobseeker's Allowance, Employment and Support Allowance or Universal Credit.

If your customer's partner leaves Great Britain but your customer stays

If your customer's partner leaves GB but your customer stays, they will be paid as a couple for as long as your customer could have got Pension Credit under the temporary absence rules if it had been the customer that had left GB. After that, if the partner is still away, your customer's Pension Credit will be recalculated as if they were a single person.

People in hospital

How going into hospital affects Pension Credit

Your customer's Pension Credit may be affected if they or their partner go into hospital [Reference 9] as an in-patient. This will depend on:

- whether your customer has a partner
- whether they are both in hospital
- the length of stay in hospital

Single people

Your customer's Pension Credit will normally stay the same if they are single and go into hospital unless:

- their 'appropriate amount' includes an extra amount for severe disability or carers
- they stop being treated as responsible for housing costs (see Housing costs while in hospital).

We will stop paying the extra amount for severe disability when payment of their Attendance Allowance, Disability Living Allowance or Personal Independence Payment stops (usually after four weeks) or if their Armed Forces Independence Payment stops as a result of them going into the Royal Hospital Chelsea. We will stop paying the extra amount for carers eight weeks after their Carer's Allowance (or your customer's underlying entitlement to it) stops.

Couples

If your customer and/or their partner are in hospital and are not expected to return home when they are discharged (for example, if arrangements are being made for them to live permanently in a care home once they leave hospital), they may be treated as a single person for Pension Credit purposes. If this happens, the person who has not been getting Pension Credit will need to apply in their own right.

One partner in hospital

If your customer and their partner are treated as a couple and one of them has to go into hospital, their Pension Credit will normally stay the same for the first 52 weeks unless:

- their 'appropriate amount' includes an extra amount for severe disability or carers
- they stop being treated as a couple for Pension Credit purposes

If the extra amount for severe disability was at the higher rate it will drop to the lower rate when payment of Attendance Allowance, Disability Living

Allowance or Personal Independence Payment stops for the person in hospital (usually after four weeks).

If it was at the lower rate it will either stop or continue at the lower rate when payment of Attendance Allowance, Disability Living Allowance or Personal Independence Payment stops for the person in hospital. This will depend on the circumstances when both people were at home and which one goes into hospital.

An example to explain this rule

Peter and Mary are a couple and both have Attendance Allowance, but the extra amount is at the lower rate because someone is getting Carer's Allowance for looking after Peter. If Peter goes into hospital and payment of his Attendance Allowance stops, the extra amount will stay the same. If Mary goes into hospital and payment of her Attendance Allowance stops, so will the extra amount.

If your customer stops getting Carer's Allowance (or their underlying entitlement to it ends) because they or the person they care for goes into hospital, we will stop paying the extra amount for carers eight weeks later.

Your customer and their partner will usually be treated as single people for Pension Credit purposes after 52 weeks, unless they are expected to come home shortly afterwards. If this happens, the person who has not been getting Pension Credit will need to apply in their own right.

Both partners in hospital

If both your customer and their partner are in hospital, your customer's Pension Credit will normally stay the same for the first 52 weeks unless:

- their 'appropriate amount' includes an extra amount for severe disability or carers
- they stop being treated as a couple
- they stop being treated as responsible for housing costs (see Housing costs while in hospital below)

We will not include the extra amount for severe disability when payment of their Attendance Allowance, Disability Living Allowance or Personal Independence Payment stops (usually after four weeks). We will stop the extra amount for carers eight weeks after Carer's Allowance (or underlying entitlement to it) ends.

Your customer and their partner will be treated as single people for Pension Credit purposes after 52 weeks, unless both are expected to come home shortly afterwards. The person who has not been getting Pension Credit will need to apply in their own right if they are treated as a single person.

Housing costs while in hospital

If your customer goes into hospital they will continue to get any Pension Credit and housing cost payments for as long as they are treated as responsible for the costs. This will normally be for up to a maximum of 52 weeks. If and when it becomes clear that their stay in hospital will be for much longer than a year, we will stop housing cost payments immediately.

More information

Find more information about Housing Benefit paid to people in hospital.

People living in care homes

This section explains the rules about Pension Credit for people who live permanently in a care home.

These rules do not apply to:

- people in National Health Service (NHS) nursing homes (who are treated in the same way as people in hospital)
- people in a care home temporarily (sometimes called 'respite care'). In this case, Pension Credit will normally continue as if the person was still at home

What we mean by care home

Care homes (sometimes called residential care homes or nursing homes) provide accommodation, meals, personal care and, in some cases, nursing care for elderly or disabled people or people who cannot manage at home because of some other condition.

Care homes in England are registered with the Care Quality Commission (www.cqc.org.uk, tel:03000616161). In Scotland they are registered with the Care Inspectorate(www.scswis.com, tel:03456009527) and in Wales with the Care and Social Services Inspectorate Wales (www.cssiw.org.uk, tel:03007900126)

How living in a care home affects Pension Credit

Your customer's Pension Credit will be worked out in much the same way as if they were not living in a care home, but there are some differences, which we explain below.

If your customer lives permanently in a care home and their partner does not live there with them, their entitlement to Pension Credit will be looked at separately, as if both were single people.

If your customer still owns the property they lived in before moving into the care home, its value will be treated as capital unless:

- their husband, wife or civil partner, or the person who was their partner when they lived at home, still lives in it
- a close relative (who has either reached the minimum qualifying age, is disabled or incapable of work) still lives in it
- they are trying to sell it

Extra amount for severe disability

If your customer is getting Attendance Allowance or the care component of Disability Living Allowance at the middle or highest rate or either rate of the daily living component of Personal Independence Payment or Armed Forces Independence Payment when they go to live permanently in a care home, and no-one is getting Carer’s Allowance for looking after them, they may get the extra amount for severe disability – even if they could not get it while they were at home.

This is because other people in the care home are not viewed as living with them. However, this extra amount will stop if and when payment of their Attendance Allowance, Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment stops, normally after they have been in the care home for four weeks, unless your customer has to pay the full charge or in the case of Armed Forces Independence Payment, when they become a Royal Hospital Chelsea Pensioner and go into the Royal Hospital Chelsea.

Moving into a care home

If your customer needs financial help to move into a care home they should contact their local authority’s Social Services/Social Work Department.

They should also contact them if they need support to be able to continue to live at home.

The Social Services/Social Work Department will first look at the kind of help your customer needs. They may then advise a move into a care home. If they do, they will also help choose a home that best suits your customer’s needs. They will also assess how much of the charge your customer will have to pay.

The Social Services/Social Work Department will normally arrange to pay the home’s fees, unless your customer has to pay the full charge, but different arrangements can be made if your customer, the home and the Social Services/Social Work Department agree.

For information leaflets about choosing a home, charging rules and NHS responsibilities on choice of home, contact:

- England - NHS Choices http://www.nhs.uk/Conditions/social-care-and-support-guide/Pages/care-homes.aspx)
- Wales – Welsh Government (www.gov.wales/topics/health/publications/socialcare/guidance1/care home,
- tel:03000604400 (Welsh); tel:03000603300 (English))
- Scotland – Care Information Scotland (www.careinfoscotland.co.uk) or contact their helpline on 08456 001 001

People in religious orders

[Legislation 71]

Members of religious orders whose needs are fully met by the order cannot get Pension Credit. In some cases, a member whose needs are not fully met by the order (for example, because they are living outside the order's premises to nurse a sick relative) may be able to get Pension Credit.

People in prison

What we mean by prisoner

We define a prisoner as somebody held in custody who is:

- serving a prison sentence
- awaiting trial or sentence (i.e. on remand)

Prisoners are not entitled to Pension Credit apart from remand prisoners who may be eligible for housing costs (see Prisoners on remand below).

Prisoners with partners

If your customer is a prisoner and has a partner who has reached the minimum qualifying age (qualifying age tables) the partner should apply for Pension Credit. (If they are under the minimum qualifying age they may be able to claim Income Support, Jobseeker's Allowance, Employment and Support Allowance or Universal Credit.)

Prisoners on remand

If your customer is in custody on remand and their family is living in their normal home, the family may be able to get Housing Benefit. They should claim straight away. If they delay, they may lose benefit. If the family already gets Housing Benefit they should tell the local authority as soon as your customer goes into custody.

If your customer is single they can continue to get Pension Credit to cover their housing costs (such as mortgage interest) while they are in custody on remand if there is no-one else responsible for their home and they expect to be away for less than 52 weeks or, in special circumstances, for slightly longer. For example where a claimant has gone into hospital or has to live in a hostel as a condition of bail.

If your customer is in custody on remand and expects to be away from their normal home for less than 52 weeks they may be able to get Housing Benefit for up to 52 weeks while they are away. These payments will be made directly to the person or organisation the money is owed to.

If your customer is responsible for payments of Council Tax, they should contact their Local Authority for advice on payment of Council Tax.

Prisoners on leave

Your customer will not be entitled to Pension Credit if they go on a short period of release on temporary licence to help prepare for their discharge or are released early on an 'end of custody' licence.

Prisoners in mental hospitals

If your customer is subject to a prison sentence for a criminal offence but has been either:

- transferred to hospital for treatment under section 47 of the Mental Health Act 1983 (or section 136 of the Mental Health (Care and Treatment) (Scotland) Act 2003)
- sent by the court to hospital for treatment under section 45A of the Mental Health Act 1983 (or section 59A of the Criminal Procedure (Scotland) Act 1995)

they cannot get Pension Credit for the time they would otherwise have spent in prison. After this time, we will treat them in the same way as other people in hospital.

People who are homeless

If your customer is of no fixed abode they can still get Pension Credit.

If they can arrange to collect their post from a ‘care of’ address, their application can be dealt with as normal. If not, we will still deal with their application but they may have to collect their payments from a local Jobcentre Plus office.

If your customer finds accommodation, they must let us know by calling The Pension Service or telling staff at the office they were using while they were homeless. They must also tell us if the address they use for post changes.

People living together as if they are married

We treat couples who are married or civil partners and couples who live together as if they are married in the same way for Pension Credit.

What we mean by ‘living together as if married’

‘Living together as if married, means that two people live together and share their lives in the same way as if they were married.

How we decide whether people are living as if married

When your customer applies for Pension Credit we will ask them some questions about their living arrangements. If their situation is still not clear we will visit them at home to interview them about their circumstances to see if they share their life together in the same way as a married couple.

It would be helpful if the other person your customer shares their accommodation with is also there when we visit, but this is not essential.

There is no single factor that, on its own, shows that people are living together as if married.

We will ask your customer:

- how they came to share accommodation
- how they share their home and lives
- what plans, if any, they have for the future

We will not ask intimate questions.

We will note down what your customer says, using their own words.

What happens after the interview

A decision maker will look at your customer's and their partner's answers and decide if their life is like a marriage or not. We will write and tell your customer the decision.

If your customer and their partner have only recently started to live in the same accommodation, the decision maker may decide that their life together is not at present, like a marriage. If so, we will look at their situation again at a later date. We will write to your customer again about this.

Previous guidance stated that a couple could be treated as living together "as if they were civil partners". Such references have been deemed unnecessary – the term "as if married" is now taken to cover any couple who live together following the introduction of same sex marriages into law.

People living apart from their partner

[Legislation 72]

Your customer and their partner will still be treated as a couple if either of them is temporarily living away from home (for example, if one of them is caring for a sick relative, has gone on holiday or is studying away from home).

If a temporary separation becomes permanent, your customer and their partner can apply for Pension Credit separately.

Your customer will also be treated as a single person if:

- the absence is likely to last longer than 52 weeks or has already lasted longer than that time
- they, their partner or both go into prison or secure hospital (see People in Prison)
- they or their partner go permanently into a care home or an independent hospital (People Living in Care Homes)
- their partner goes abroad for more than a few weeks (see People who leave Great Britain temporarily)
- the partner who has been getting Pension Credit goes abroad and their Pension Credit stops after a certain time. The partner left in GB will then be treated as a single person. See People who leave Great Britain temporarily for the rules about payment of Pension Credit during temporary absences abroad.

People in polygamous marriages

[Legislation 73]

A polygamous marriage is where a person is married to more than one partner and the marriage was registered or contracted in a country where this is legal.

If your customer has entered into a polygamous marriage and is living with more than one of their partners:

- only one partner can get Pension Credit at any one time and all partners need to agree who should apply. If they cannot agree who should apply, we can decide for them
- when we work out Pension Credit we add together the income and capital of all the partners

Your customer's Pension Credit 'appropriate amount' is made up of:

- the standard amount for couples, for your customer and one partner, plus
- the difference between the standard amount for a couple and the standard amount for a single person, for each of their other partners, plus
- any extra amounts (for example, for severe disability or housing costs) for your customer or any of their partners

More information on the standard amount for Pension Credit.

The rules for the extra amount for severe disability are also slightly different. For example, your customer can only get the higher amount if all of them are getting Attendance Allowance, or the middle or highest rate of the care component of Disability Living Allowance or either rate of the daily living component of Personal Independence Payment or Armed Forces Independence Payment and no-one is getting Carer's Allowance for caring for any of them.

The Savings Credit starting point is the same as for a couple (£223.82).

The Savings Credit maximum is the same as for a couple (£14.99).

An assessed income period may apply if your customer or any of their partners are 65 or over and everyone is aged 60 or over.

Linked benefits and other financial help

This section looks at other social security benefits, grants and loans your customer may be able to apply for, as well as what other help they may be able to get with everyday and special costs.

There are detailed leaflets available about each of these benefits.

Housing Benefit

Housing Benefit is a social security benefit awarded by local authorities. It is to help people on low incomes pay some or all of their rent.

If your customer is getting Pension Credit, they may be able to get Housing Benefit. To get Housing Benefit, they or their partner must be responsible for the rent of the home they live in or must be paying that cost as if they were responsible. Any non-dependants living in the home will be expected to contribute, so they may affect the benefit your customer gets.

- If your customer applies for Pension Credit by phone, and also wants to make a claim for Housing Benefit, we will ask for all the necessary information and send these to the relevant local authority.

The telephone call constitutes the claim so the customer does not have to complete or sign a printed form. We will send the customer a Statement of Details which will instruct the customer to check and report any errors or omissions direct to the local authority.

- If your customer applies for Pension Credit by asking for an application pack by post, this will include a Housing Benefit claim form. They should send this form directly to their local authority who will work out if they are entitled to Housing Benefit.

Who can get Housing Benefit?

Your customer does not have to be getting Pension Credit to get Housing Benefit. In fact, they may get some help even if their income is too high to get Pension Credit – unless they have more than £16,000 capital. The amount of capital is worked out in the same way as it is for Pension Credit.

Help for people able to get Pension Credit

If your customer gets Guarantee Credit they will generally get help (even if they have more than £16,000 capital) with:

- all their eligible rent Reference 10 payments, provided they are reasonable, minus deductions for any non-dependants living with them,

If your customer only gets Savings Credit, they will generally get some help with their rent, unless they have more than £16,000 capital.

Help for people not able to get Pension Credit

If your customer cannot get Pension Credit or they stop getting it, and do not have more than £16,000 capital, their local authority may still be able to help with part of their rent.

You can get more information about this benefit from the local authority. There are also leaflets available which give more detail about this benefit.

Local Council Tax Support

Local council tax support is another form of help awarded by the local authority to local residents. It is to help people on low incomes who are liable to pay Council Tax, by reducing the amount they are liable to pay.

The Social Fund

The Social Fund helps people with one-off or extra expenses that are difficult to pay out of their regular income. Social Fund payments are not treated as income or capital when Pension Credit is worked out. For more information, please see SB16 – A guide to The Social Fund.

Regulated Social Fund

Cold Weather Payments

These payments help towards extra heating costs during a week of very cold weather. Your customer will get a Cold Weather Payment if they are in receipt of Pension Credit and the average temperature for their area is recorded as, or is forecast to be, 0°C or below for seven days in a row. These payments are made automatically and a claim does not need to be made, but if they have any queries about the payment they should contact The Pension Service.

Funeral Expenses Payments

If your customer or their partner are on low income and are responsible for arranging a funeral they may get help towards the costs if they have an award of a qualifying benefit. For pensioners these are:

- Pension Credit
- Housing Benefit
- Child Tax Credit above the family element, or
- Working Tax Credit that includes a disability or severe disability element.

Budgeting Loans

Budgeting loans are interest-free and are made to help people with the cost of one off expenses. They are only available to those who have been getting certain means tested benefits for at least 26 weeks.

Repayment terms

Loan repayments will be made:

- by deductions from their or their partner's Pension Credit payments for people getting Pension Credit
- by deductions from other benefits they are getting, or
- by cheque or in cash, for people not getting enough Pension Credit to make the repayments or who no longer get Pension Credit. (Cash should not be sent through the post.)

Sure Start Maternity Grants

These help pay for the immediate needs of a new baby where there are no other children aged less than 16 in the family. Maternity grant may be paid when there is a multiple birth (e.g. twins) and the family have children already. They are intended for people who are getting certain benefits or tax credits, including Pension Credit.

Short Term Benefit Advances

Short Term Benefit Advances are advances of benefit that may be made until someone's actual entitlement can be worked out or paid.

Short Term Benefit Advances can only be made if your customer:

- has made an application to Pension Credit but has not yet received their first full payment, or has had a change of circumstances that significantly increases the amount of their personal allowance they already receive and is yet to receive the new amount;
- is likely to be entitled to Pension Credit; and
- can afford to repay the Short Term Benefit Advance within the required timeframe.

Short Term Benefit Advances are discretionary advances which consider the claimant's circumstances and any financial need they may be experiencing which puts their welfare at risk' They will normally be made only to cover a short period and will also be repayable over a short period. There is no right of appeal against a Short Term Benefit Advance.

Short Term Benefit Advances cannot be used to by-pass the normal rules on who is eligible for Pension Credit. For instance, your customer cannot get a Short Term Benefit Advance if they have:

- received a decision on their application but disagree with it
-
- been refused Pension Credit but are appealing against the decision

What happens after payment

When your customer's actual Pension Credit entitlement is later worked out, any benefit advance they have had will be recovered either from any arrears or by deductions from Pension Credit payments over a period of up to 12 weeks. If it turns out that they were not entitled to any Pension Credit at all, or not as much as the interim payment, the decision maker will decide whether the difference can be recovered.

If they can, your customer will have to repay it in the same way as an overpayment. If they receive an interim payment they will get a letter explaining this.

Other social security benefits

In this section we explain other key benefits your customer may be able to claim. There is a full list of all social security benefits in technical guidance.

There are also leaflets available which give more detail about each of these benefits.

Attendance Allowance

Attendance Allowance is available for people 65 and over who have a physical or mental disability which means that they need supervision or help with their personal care.

Entitlement to Attendance Allowance depends on how much supervision or help a person needs with their personal care. Eligibility does not depend on National Insurance contributions. It is not means tested and is tax free.

Attendance Allowance is not treated as income when Pension Credit is worked out. In some cases, your customer may be entitled to more Pension Credit if they get Attendance Allowance (for example, if they qualify for the extra amount for severe disability).

Disability Living Allowance

Disability Living Allowance is for people who have a physical or mental disability which means that they need supervision or help with their personal care or have walking difficulties or both, and have claimed before they reach age 65.

Entitlement to Disability Living Allowance depends on how much supervision or help with personal care a person needs or the difficulty they have with walking or getting around. Eligibility does not depend on National Insurance contributions, it is not means tested and is tax free.

Disability Living Allowance has two parts:

- a care component (payable at one of three rates)
- a mobility component (payable at one of two rates)

If Disability Living Allowance is being paid when someone reaches 65 it can continue to be paid for as long as they meet the qualifying conditions.

Disability Living Allowance is being replaced by Personal Independence Payment for people who were aged 16 to 64 on 8 April 2013 or who reach age 16 after that date. Disability Living Allowance continues to be available to children under the age of 16. Recipients of Disability Living Allowance who were aged 65 or over on 8 April 2013 are unaffected by the introduction of Personal Independence Payment and may continue to receive the benefit so long as they continue to meet the entitlement conditions.

Disability Living Allowance is not treated as income when Pension Credit is worked out. In some cases, your customer may be entitled to more Pension Credit if they get Disability Living Allowance (for example, if they qualify for the extra amount for severe disability).

Personal Independence Payment

From 8 April 2013 Personal Independence Payment has replaced Disability Living Allowance for new claims from people who are aged 16 to 64 who have a long-term health condition or disability. Personal Independence Payment is a non-means-tested, tax free cash benefit and can be paid if someone is in or out of work. It is made up of 2 components: "daily living" and "mobility", each of which is payable at a standard or enhanced rate.

To qualify for Personal Independence Payment the claimant must be aged 16 to 64 and have difficulty with:

- daily living activities
- mobility

Your customer must have had these difficulties for at least 3 months and expect them to last for at least 9 months, although claims can be submitted during the first 3 months. Most customers will need to attend a face-to-face consultation with a health professional to help determine whether they are entitled to an award.

Personal Independence Payment was introduced for new claims in parts of the north of England from 8 April 2013, and nationwide from 10 June 2013. Disability Living Allowance is ending for people who were under the age of 65 on 8 April 2013 and are aged 16 or over. Your customer will continue to get Disability Living Allowance until the Department for Work and Pensions writes to them to tell them when it will end and what they need to do. Your customer doesn't need to contact the Department for Work and Pensions unless there is a change in how their condition or disability affects them. For more information go to https://www.gov.uk/search?q=disability+living+allowance+is+ending.

Personal Independence Payment is not treated as income when Pension Credit is worked out. In some cases, your customer may be entitled to more

Pension Credit if they get Personal Independence Payment (for example, if they qualify for the extra amount for severe disability).

Armed Forces Independence Payment

Armed Forces Independence Payment provides financial support to service personnel and veterans seriously injured as a result of service to cover the extra costs they may have as a result of their injury. Individuals awarded a Guaranteed Income Payment of 50% or higher under the Armed Forces Compensation Scheme will be eligible.

The amount paid for Armed Forces Independence Payment matches the highest award payable under Personal Independence Payment or Disability Living Allowance of £145.35 per week (2018/19 rate). Individuals eligible for Armed Forces Independence Payment will not be required to undergo an assessment, nor is there any future reassessment process. Recipients of Armed Forces Independence Payment cannot claim Attendance Allowance, Disability Living Allowance or Personal Independence Payment.

Those eligible will receive a flat rate equivalent to the enhanced rates of both components (mobility and daily living) of Personal Independence Payment. Those in receipt of Armed Forces Independence Payment will have broadly the same passporting arrangements to other benefits and services as Personal Independence Payment recipients.

Armed Forces Independence Payment is a regular payment for life and eligible individuals do not have to undergo any initial or ongoing medical assessments.

Armed Forces Independence Payment is not treated as income when Pension Credit is worked out. In some cases, your customer may be entitled to more Pension Credit if they get Armed Forces Independence Payment (for example, if they qualify for the extra amount for severe disability).

Those in receipt of Armed Forces Independence Payment will not be entitled to claim Personal Independence Payment. Individuals with a War Pension or a Guaranteed Income Payment under the Armed Forces Compensation Scheme that is less than 50% will be able to apply to DWP for Personal Independence Payment.

DWP administers and funds these payments

Carer’s Allowance (CA)

Carer’s Allowance is available for people spending at least 35 hours a week caring for someone receiving Attendance Allowance, or the middle or highest rate of Disability Living Allowance care component or the equivalent rates of Constant Attendance Allowance, or either rate of the daily living component of Personal Independence Payment, or Armed Forces Independence Payment.

If your customer is entitled to Carer's Allowance and already gets another social security benefit (for example, State Pension), they may not be paid any Carer's Allowance if the other benefit is equal to or higher than it. However, if they claim and are entitled to Carer's Allowance (even if it is not paid), they may qualify for the additional amount for carers in Pension Credit.

If the person being cared for is getting Pension Credit which includes the extra amount for severe disability or an income-related benefit which includes the severe disability premium, their benefit could be affected if your customer or their partner are paid Carer's Allowance.

See more information for carers.

Incapacity Benefit

Incapacity Benefit offered people a replacement income when they had stopped working or looking for work because they were sick or disabled, and had paid enough National Insurance contributions.

From 27 October 2008, Incapacity Benefit was replaced, for new claimants, by Employment and Support Allowance.   Most people on Incapacity Benefit are being reassessed to see if the qualify for Employment and Support Allowance . This process began in October 2010.

If your customer, or their partner, is still getting Incapacity Benefit, it will be taken into account when their Pension Credit is worked out.

People who get Incapacity Benefit may be credited with National Insurance contributions which can help towards State Pension.

Employment and Support Allowance

Employment and Support Allowance is for people under State Pension age who have an illness or disability and are unable to work. It replaced Incapacity Benefit and Income Support (where claimed on the grounds of illness or disability) for new claimants from 27 October 2008.

There are two types of Employment and Support Allowance:

- contributory Employment and Support Allowance which is normally paid for up to 365 days (but can be paid for longer) if enough NI contributions have been paid. If your customer or their partner get contributory Employment and Support Allowance, it will be taken into account when their Pension Credit is worked out
- income-related Employment and Support Allowance which is means-tested, so if your customer or their partner are getting Pension Credit,

neither of them will be entitled to income-related Employment and Support Allowance. Men who are between the Pension Credit qualifying age and male State Pension age can choose to claim income-related Employment and Support Allowance or Pension Credit

Jobseeker's Allowance

Jobseeker's Allowance is for people under State Pension age who are currently out of work, or who work less than 16 hours a week, but are available for and actively seeking work.

There are two types of Jobseeker's Allowance:

- contribution-based Jobseeker's Allowance can be paid for up to 182 days if enough NI contributions have been paid. If your customer or their partner get contribution-based Jobseeker's Allowance, it will be taken into account when their Pension Credit is worked out

- income-based Jobseeker's Allowance is means-tested, so if your customer or their partner are getting Pension Credit, neither of them will be entitled to income-based Jobseeker's Allowance. Men who are between the Pension Credit qualifying age and male State Pension age can choose to claim income-based Jobseeker's Allowance or Pension Credit

Winter Fuel Payments & Warm Home Discount Scheme

Winter Fuel Payments These are annual lump sum payments to help towards winter fuel bills paid to people who have reached the qualifying age. The qualifying age for Winter Fuel Payment for both men and women is rising in line with the increase in women's State Pension age.

To have reached the qualifying age for a Winter Fuel Payment for winter 2017/18 a customer will need to:

- be born on or before 5 August 1953 and
- have met the eligibility criteria during the qualifying week of 18-24 September 2017

Your customer will not usually need to make a claim if they:

- have had a Winter Fuel Payment before
- are getting State Pension or another social security benefit in the qualifying week

They may have to claim if:

- they stop getting benefits

- they have not had a Winter Fuel Payment before
- the only benefits they get are Housing Benefit, Council Tax reduction, Child Benefit or Universal Credit.

For more information or to make a claim phone the Winter Fuel Payment Helpline on:

Telephone: 0845 915 1515
Textphone: 0845 606 0285

Warm Home Discount Scheme

The Department for Work and Pensions (DWP) and certain electricity suppliers share some limited information about their customers. This allows suppliers taking part to give a discount on electricity bills automatically to Pension Credit customers who qualify.
Who can get the Warm Home Discount?

Some Pension Credit customers are automatically considered for the £140 discount. You may qualify for this energy discount if on the qualifying date you were either:

- getting the Guarantee Credit part of Pension Credit, (even if you get Savings Credit as well)

and all the following applied:
- your name, or your partner's name was on your electricity bill
- you got your electricity from one of the energy suppliers taking part in this scheme

The government will write to people who may qualify before the end of November.

Discounts paid under the Warm Home Discount Scheme will not affect any Cold Weather Payment or Winter Fuel Payment you may get.

See **The Warm Home Discount scheme** for more information.

Can other people get a Warm Home Discount?

Energy suppliers may also give a £140 discount to some other customers in vulnerable groups. Each electricity supplier has different qualifying rules they use to decide who may get the discount. See **The Warm Home Discount scheme** or contact your energy supplier for more information.

What about other help with heating costs?

You may also get help with insulation costs and making your home more energy efficient.

There are different schemes depending on where you live.

England

Telephone: **0300 123 1234**
Website: **www.energysavingtrust.org.uk**

Scotland
Telephone: 0808 808 2282
Website: **www.energysavingtrust.org.uk/Scotland**

Wales
Phone: **0808 808 2244**
Website: **www.nestwales.org.uk**

Universal Credit

Universal Credit supports people who are on a low income or out of work and helps to ensure that they are better off in work than on benefits. Universal Credit is being introduced in stages, and eligibility to claim it will depend on location and personal circumstances.

It is available to single people nationally and to couples and families in some areas of the country.

Universal Credit will eventually abolish:

- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

Universal Credit is a working age benefit and therefore cannot normally be claimed by people above the qualifying age for Pension Credit. However, couples where one partner is below the qualifying age for Pension Credit can claim Universal Credit instead of State Pension Credit but the younger partner may be subject to work related activity requirements.

Find out more information about Universal Credit,

There are also leaflets available which give more detail about these other social security benefits.

If you would like copies of any of our leaflets, please contact DWP information line on:

Telephone: 0845 731 3233
Textphone: 0845 604 0210

Other types of financial help for people on low incomes

This part of the guide describes some other types of help your customer may be able to get. There is a wide range of other help available for pensioners, ranging from free TV licences for people aged over 75 to renovation grants for home improvements.

Help with health costs

If your customer gets Pension Credit which includes Guarantee Credit, they and their partner can also get help with health costs, this includes:

- free NHS dental treatment
- vouchers towards the cost of glasses or contact lenses
- travel expenses to appointments that an NHS doctor, dentist or optician has arranged
- free NHS wigs and fabric supports

Your customer may be able to get some help with these costs even if they do not get Guarantee Credit through the NHS Low Income Scheme.

People aged 60 and over are currently entitled to free sight tests and NHS prescriptions in England. The partner of a person getting Pension Credit which includes Guarantee Credit who is aged less than 60 will be entitled to free sight tests and NHS prescriptions in England. Prescription charge arrangements are different in England from those in Wales, Scotland and Northern Ireland.

Leaflet HC11 is available from www.nhs.uk/healthcosts or advice is available by phoning **0300 330 1343**.

For those in Scotland leaflet HCS1 is available online or by phoning **0300 330 1343**.

For more information, go to www.nhs.uk/uc-healthcosts.

Help for people working

Working Tax Credit (WTC) gives financial support to customers of working age. Claims for WTC can be made by single people who are employed or self-employed, who:

- usually work 16 hours or more a week, and
- are paid for that work, and
- expect that work to last for at least four weeks,

and who are

- aged 16 or over and responsible for at least one child, or
- aged 16 or over and disabled, or

- aged 25 or over and usually working at least 30 hours a week, or
- aged 60 or over

Couples with children must work at least 24 hours/week between them, with one person working at least 16 hours/week, **or** one person must work 16 hours/week and be

- aged 60 or over
- entitled to the Disability Element of WTC **or**
- one person needs to work at least 16 hours/week if the other person is in receipt of (or has underlying entitlement to) Carers Allowance, Incapacitated, an in-patient in hospital or in prison

You can also get information from the Gov.uk website.

Help for people who care for children

Child Tax Credit

Pension Credit does not include money for children, but if your customer is responsible for a child or young person who is living with them, they may be able to get Child Tax Credit. This would not affect their Pension Credit.

For more information about Child Tax Credit call the Tax Credit helpline on **0345 300 3900**.

You can also get information from the Gov.uk website

Healthy Start vouchers and vitamins

Pregnant women and children under four in families getting one of a range of qualifying benefits or tax credits can apply for the Healthy Start scheme. Healthy Start provides weekly vouchers to put towards:

Fruit and veg – fresh or frozen
Any kind of plain fresh or frozen fruit or vegetables, whole or chopped, packaged or loose. Vouchers can't be spent on fruit or vegetables which have added ingredients such as fat (oil), salt, sugar or flavourings. They also can't be spent on dried, canned, juiced or pre-cooked fruit and vegetables or on smoothies."

Cow's milk (not powdered or flavoured)
Whole, semi-skimmed or skimmed milk – pasteurised, sterilised, long-life or UHT. Vouchers can't be used to buy other dairy products like cheese or yoghurt.

Infant formula milk (not follow-on or soya-based formulas)
Must say 'suitable from birth' on the pack and is made from cows' milk. Vouchers can't be used to buy follow-on milk.

Healthy Start also provides vitamins vouchers that can be exchanged for women's vitamin tablets and children's vitamin drops. Your customer can ask their midwife or Health Visitor where these vitamins are available locally. Customers can also look up their nearest vitamins distribution point by going to NHS Choices and using the service search at http://www.nhs.uk/Service-Search/Healthy-start-vitamins/LocationSearch/348

Whilst Pension Credit itself does not qualify a family for Healthy Start, if your customer's family includes a pregnant woman or child under four then they may be eligible for the scheme if the family is also getting one of the following:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Child Tax Credit (with a family income of £16,190 or less per year)
- Universal Credit (with a family take home pay of £408 or less per month)

They can also get help from the scheme for any member of the family who is pregnant and under 18 years old even if the family is not receiving any of the benefits or tax credits listed here.

Customers can get more information about the qualifying criteria and get an application form from www.healthystart.nhs.uk, or by calling the Healthy Start helpline on 0345 607 6823.

Child maintenance

If your customer provides the main day-to-day care for a child and is either separated from the child's other parent or is a guardian (e.g. a grandparent with kinship care) then a child maintenance arrangement can help towards the child's everyday living costs.

Child maintenance is regular, reliable financial support. It can help pay for things like clothing, food and other essentials. But it doesn't just have to be about exchanging money. Arrangements can be much more flexible if the parents or the guardians choose – sharing care or providing things such as food or clothes could work just as well, as long as everyone agrees to it.

Many separated families work together to make a 'family-based arrangement' that they agree between themselves. A grandparent or guardian can also make a family-based arrangement with the parent who is not living with their child or both parents if that is the case. Family-based arrangements are quick and easy to set up, flexible and they can help children benefit from having an ongoing relationship with their other parent (or parents).

If this kind of arrangement isn't possible for your customer, the statutory Child Maintenance Service may be able to help. It can work out child maintenance and if necessary can set up a collection and payment arrangement. There may be charges and fees for using the Child Maintenance Service" In some cases customers can also use the courts to make child maintenance arrangements.

Customers can get more information from Child Maintenance Options on 0800 988 0988 or www.cmoptions.org This is a free and impartial information service which can help customers to make informed choices about child maintenance arrangements.

Further information

Pension Credit helpline:

- Freephone **0800 99 1234**
- Freephone **0800 169 0133** (textphone)

Lines are open 8am to 6pm Monday to Friday.

If customers would prefer someone to visit them at home, we can arrange to visit them.

If they would prefer, a friend or family member can call on their behalf, although the applicant will need to be present to confirm their identity by answering the required security questions.

Customers living in Wales are entitled to a choice of language and can opt to use Welsh when telephoning us, making a written claim and during a face-to-face meeting at their home or in an office.

Find more information about Pension Credit.

Letters to:

Freepost RRKJ-AEXK-JRLB
The Pension Service
PO Box 16
Gateshead
NE92 1BA

Call charges

See www.gov.uk/call-charges

Textphone - if you have speech or hearing difficulties

Our textphone numbers are for people who cannot speak or hear clearly. If your customer doesn't have a textphone, they could check if the local library or Citizens Advice Bureau has one. Textphones don't receive text messages from mobile phones.

Legislation

1. SPCA s15, SPCR 15 – (back to What counts as income for Guarantee Credit - Legislation 1)

2. SPCR 17 – (back to Weekly Calculations - Legislation 2)

3. SPCA s5 – (back to Calculations for couples – Legislation 3)

4. SPCR 18 – (back to Notional income – Legislation 4)

5. SPCR 9 – (back to Working out income for Savings Credit – legislation 5)

6. SPCR 17A – (back to How we work out earnings – Legislation 6)

7. SPCR 17B, CER 11-14 – (back to People who are self-employed – Legislation 7)

8. SPCR 17B, CER 13 – (back to Childminders – Legislation 8)

9. SPCR 15 (1) – (back to Income that is wholly disregarded – Legislation 9)

10. SPCR Sch IV, Paras 4, 5 & 6, Paras 2, 3 & 12 – (back to Income that is wholly disregarded – Legislation 10)

11. SPCR Sch IV, Paras 13 & 14 – (back to Income that is wholly disregarded – Legislation 11)

11b. SPCR Sch IV, Para 11 – (back to Income that is wholly disregarded – Legislation 11b)

12. SPCR Sch IV, Paras 1 & 7 – (back to Income that is partially disregarded – Legislation 12)

13. SPCR Sch IV, Paras 8 & 9 – (back to Income from tenants and lodgers – Legislation 13)

14. SPCR Sch IV, Para 10 – (back to Home income plans – Legislation 14)

15. SPCR Sch VI – (back to Earning disregards – Legislation 15)

16. SPCR Sch VI, Para 5 – (back to Normal disregards – Legislation 16)

17. SPCR Sch VI, Para 4 – (back to Special rules – Legislation 17)

18. SPCR Sch VI, Para 4A – (back to Special rules – Legislation 18)

19. SPCR Sch VI, Para 6 – (back to Earnings from before an application – Legislation 19)

20. SPCA s5 – (back to Calculations for couples – Legislation 20)

21. SPCR 15 (6) – (back to Deemed income – Legislation 21)

22. SPCR 21 & 22 – (back to Notional income – Legislation 22)

23. SPCR Sch V, Para 4 – (back to If your customer or their partner own a property but do not live in it – Legislation 23)

24. SPCR Sch V, Para 1 – (back to If your customer or their partner own a property but do not live in it – Legislation 24)

24a. SPCR Sch V, Para 7 – (back to If your customer or their partner own a property but do not live in it – Legislation 24a)

24b. SPCR Sch V, Para 3 – (back to If your customer or their partner own a property but do not live in it – Legislation 24b)

24c. SPCR Sch V, Para 2 – (back to If your customer or their partner own a property but do not live in it – Legislation 24c)

25. SPCR Sch V, Paras 18 & 19 – (back to Earmarked capital – Legislation 25)

26. SPCR Sch V, Para 10 – (back to Life insurance policies – Legislation 26)

27. SPCR Sch V, Para 11 – (back to Funeral Plans – Legislation 27)

28. SPCR Sch V, Para 12 – (back to Far Eastern prisoners of war payment – Legislation 28)

29. SPCR Sch V, Para 14 – (back to Second World War compensation payments – Legislation 29)

30. SPCR Sch V, Paras 13 & 15 – (back to Lump-sum payments from certain special trusts and MFET Limited – Legislation 30)

31. SPCR Sch V – (back to Arrears and late payment of benefits – Legislation 31)

32. SPCR Sch V, Para 20A – (back to Special rules – Legislation 32)

33. SPCR Sch V, Para 23A – (back to Lump-sums from deferring State Pensions – Legislation 33)

34. SPCR Sch V, Para 20 – (back to Payments from local authorities under the Supporting People scheme – Legislation 34)

35. SPCR Sch V, Para 28 – (back to Money in a trust – Legislation 35)

36. SPCR Sch V, Paras 9 & 9A – (back to Business assets – Legislation 36)

37. SPCR 19 – (back to How we work out capital assets – Legislation 37)

37a. SPCR 20 – (back to Overseas assets – Legislation 37a)

38. SPCR Sch V, Para 21 – (back to Overseas assets – Legislation 38)

39. SPCR 23 – (back to Jointly-owned property – Legislation 39)

40. SPCR 15(6) – (back to Deemed income from capital – Legislation 40)

41. SPCR s2(3) – (back to The 'appropriate' amount – Legislation 41)

42. SPCA s2(4) & (5) & SPCR 6 – (back to The standard amount – Legislation 42)

43. SPCA s2(7) & SPCR 6 & Sch I Part I – (back to The extra amount for severe disability – Legislation 43)

44. SPCA s2(8) & SPCR 6 & Sch I Part II – (back to The extra amount for carers – Legislation 44)

45. SPCR 6 & Sch I part III – (back to The transitional extra amount – Legislation 45)

46. SPCR Sch II, Para 3 – (back to How do we work out housing costs – Legislation 46)

46a SPCR Sch II, Para 14 (back to Non-dependants at home – Legislation 46a)

46b SPCR Sch II, Para 4 (back to Temporary absence from home – Legislation 46b or More than one home – Legislation 46b)

47. SPCR Sch II, Para 11 – (back to Mortgage Interest – Legislation 47)

48. SPCR Sch II, Para 8 – (back to £100,000 capital limit and exceptions – Legislation 48)

49. SPCR Sch II, Para 5 – (back to Loans taken out while in receipt of Pension Credit – Legislation 49)

50. SPCR Sch II, Para 10 – (back to High housing costs – Legislation 50)

51. SPCR Sch II, Para 9 – (back to Standard rate of interest – Legislation 51)

52. SPCR Sch II, Para 12 – (back to Interest on loans for repairs and improvements – Legislation 52)

53. SPCR Sch II, Para 11 – (back to Hire purchase interest – Legislation 53)

54. SPCR Sch II, Para 13 – (back to Other housing costs – Legislation 54)

55. SPCR Sch II, Paras 1 (4) & 14 – (back to People who live with your customer – non-dependants – Legislation 55)

56. SPCR Sch II, Para 4 – (back to Absence from home – Legislation 56)

57. SPCR Sch II, Para 4 (6) – (back to More than one home – Legislation 57)

58. SPCR Sch II, Para 6 – (back to Homes and businesses – Legislation 58)

59. SPCA s2(2) – (back to Guarantee Credit calculation – Legislation 59)

60. SPCA s3 & SPCR 7– (back to Savings Credit – Legislation 60)

61. C+PR33 – (back to Appointing someone to act on a customer's behalf – Legislation 61)

62. C+P R26B – (back to When Pension Credit is paid from – Legislation 62)

63. C+P R26B(5) & SPCR 13 – (back to Small Amounts – Legislation 63)

64. C+PR34A & Sch 9A Reg 34B – (back to Mortgage payments – Legislation 64)

65. C+P 13D, 19 & Sch 4 – (back to When to Apply – Legislation 65)

66. PCAs6 & 9 & SPCR 10 – (back to How long is the assessed income period – Legislation 66)

67. SPCA s9(4) & SPCR 12 – (back to When the assessed income period ends early – Legislation 67)

68. SPCR 2 – (back to People who come to Great Britain from abroad – Legislation 68)

69. SPCR 2 – (back to General Rules – Legislation 69)

70. SPCR 3 & 4 – (back to Medical treatment – Legislation 70)

71. SPCR 6 & 7 – (back to People in religious orders – Legislation 71)

72. SPCR 5 – (back to People living apart from their partner – Legislation 72)

73. SPCR Sch III, Para 1 – (back to People in polygamous marriages – Legislation 73)

74. SSAA s71-74 & POR 8, 11, 15 & 17 – (back to Overpayments – Legislation 74)

References

1. This is called the appropriate minimum guarantee in the legislation. (back to The Appropriate Amount - Reference 1)

2. This is called the standard minimum guarantee in the legislation. (back to The Appropriate Amount - Reference 2)

3. These are called additional amounts in legislation. (back to The Appropriate Amount - Reference 3)

4. In certain circumstances your customer can still get the extra amount for severe disability even if there is someone living with them; for example, if that person is blind or a boarder or is a young person who they are getting Child Benefit for.
(back to The Extra Amount for Severe Disability - Reference 4)

5. Before 6 October 2003, Income Support could be paid to people over 60 and was known as MIG (Minimum Income Guarantee).
(back to The Transitional Extra Amount - Reference 5)

5a. This figure increased from £6,000 to £10,000 from 2 November 2009.
(back to Calculating Pension Credit: some examples - Reference 5a)

5b. This figure increased from £6,000 to £10,000 from 2 November 2009.
(back to What determines how much Pension Credit my customer will get? - Reference 5b)

5c. This figure increased from £6,000 to £10,000 from 2 November 2009.
(back to What counts as income for Guarantee Credit? - Reference 5c)

5d. A tenant is someone who pays for the right to use at least one room in the home, but not for meals.
(back to Income from tenants and lodgers - Reference 5d)

5e. A lodger is someone who pays a charge for their accommodation and at least some cooked or prepared meals.
(back to Income from tenants and lodgers - Reference 5e)

5f. This figure increased from £6,000 to £10,000 from 2 November 2009.
(back to Deemed income from capital - Reference 5f)

6. A special rule applies if someone had been getting interest on a higher loan under a transitional arrangement in Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance immediately before they started to get Pension Credit. Interest on the higher loan will continue until the next annual check of their housing costs. From then, the normal rules described in this part of the guide will apply to the loan, but they may get a transitional extra amount.
(back to £100,000 capital limit and exceptions - Reference 6)

7. For housing cost purposes, a disabled person is a person aged 75 or over; or a person who, had they were entitled to Income Support would fulfil the conditions for the disability or higher pensioner premium; or is a person aged under 20 and for whom the customer or their partner are responsible **and** in respect of whom Disability Living Allowance is payable (or would be payable if they were not in hospital), or is blind or treated as blind, or is receiving Employment and Support Allowance which includes either a support or the work related component, or in respect of whom Personal Independence Payment is payable (or would be payable if they were not in hospital), or a person in respect of whom Armed Forces Independence Payment is payable, or is entitled to an award of Universal Credit that includes an amount in respect of limited capability for work (LCW element); or limited capability for work and work-related activity (LCWRA element) or would be but for a joint claimant receiving that element.
(back to £100,000 capital limit and exceptions - Reference 7)

8. References in this guide to people who get Pension Credit also apply to people who are entitled to Pension Credit of less than 10p a week but are not being paid because of this rule.
(back to Payment with other social security benefits - Reference 8)

9. A National Health Service (NHS) nursing home counts as a hospital when we work out Pension Credit. So, if someone is in hospital for three weeks and an NHS nursing home for five, the total hospital stay counts as eight weeks.
(back to People in hospital - Reference 9)

10. This may not be the whole of the rent paid. For example, eligible rent does not include charges, for things like water and heating.
(back to Help for people able to get Pension Credit - Reference 10)