

Chapter 77 - Conditions of entitlement, membership of the household and normal amount payable

Contents

General

Introduction

Scope of this chapter77001

Definitions.....77004

Care home - England77005

Care home – Wales and Scotland77007

Claimant77009

Close relative.....77010

Couple77012

Independent hospital.....77013

Partner.....77014

Polygamous marriages77015

Spouse77016

Young person77017

Qualifying young person77018

 Approved training77023

 Interruptions77024

 Reasonable cause77027

Determining claims.....77028

Conditions of entitlement

Entitlement to State Pension Credit.....77030

Being in Great Britain77031

Qualifying age	77032
Couple	77033
Guarantee credit	77041
Appropriate minimum guarantee.....	77042
Savings credit.....	77051
Savings credit in polygamous marriages	77052
Qualifying income and savings credit threshold	77053

Membership of the household

Introduction	77100
Meaning of household.....	77102

General

Who may be members of the claimant's household	77115
Members of a multiple relationship	77116
People treated as not being members of the household	77117
Exception	77122
Care homes, independent hospital	77128
Sheltered accommodation	77131

Normal amount payable

Calculation of amount payable	77140
General.....	77141
Elements of calculation	
Guarantee credit	77142
Savings credit.....	77144

Guarantee credit

General.....	77150
Standard minimum guarantee.....	77151
Exceptions.....	77152
Appropriate minimum guarantee.....	77153
Amount payable	77154

Savings credit

General.....77167

 Single claimants.....77168

 Mixed age couples77169

 Couples that are not mixed age77170

Savings credit threshold.....77173

Qualifying income.....77176

 Maintenance payments.....77177

Qualifying income exceeds savings credit threshold77178

Maximum savings credit.....77179

Amount payable77184

 Amount A77185

 Amount B77187

 Rounding of fractions77190

Amounts to be used in the calculation of entitlement **Appendix 1**

Examples of calculation of amounts of SPC payable
(based on figures applicable at 12.04.04)..... **Appendix 2**

Chapter 77 - Conditions of entitlement, membership of the household and normal amount payable

General

Introduction

Scope of this Chapter

77001 **[See Memo DMG 14/18]** SPC is a SS benefit¹ that was introduced on 6.10.03². It is made up of

1. a GC, to ensure a minimum level of income for people who have reached the qualifying age (see DMG 77150) **and**
2. a SC which, from age 65, provides an additional amount for pensioners who have low or modest savings and income (see DMG 77167).

Note 1: See DMG 77032 for guidance on qualifying age.

Note 2: From 6.12.18³ a person must be at least pensionable age⁴ (see DMG Chapter 75) to be entitled to a SC.

1 SPC Act 02, s 1(1); 2 SPC Regs, reg 1(1); 3 Pensions Act 07, s 13(3); 4 SPC Act 02, s 3(1)

77002 **[See Memo DMG 01/19]** This Chapter contains basic guidance on SPC and explains

1. the conditions of entitlement for SPC
2. how to establish membership of the same household
3. how to calculate the normal amount of SPC payable.

77003 For guidance on

1. the additional amounts of GC that may be awarded - see DMG 78025 et seq
2. the special rules that apply when calculating how much SPC to pay
 - 2.1 to members of polygamous marriages - see DMG 78600 et seq
 - 2.2 to prisoners - see DMG 78650 et seq
 - 2.3 to members of religious orders - see DMG 78680 et seq
 - 2.4 when people are in hospital - see DMG 78700 et seq
 - 2.5 when people are subject to the loss of benefit provisions - see ADM Chapter B2
 - 2.6 when people are absent from GB - see DMG 78920 and Chapter 07

3. payment questions - see DMG Chapter 79
4. transitional provisions - see DMG Chapter 80
5. the AIP - see DMG Chapter 83
6. deemed weekly income from capital and capital - see DMG Chapter 84
7. income other than earnings - see DMG Chapter 85
8. earnings - see DMG Chapter 86.

Definitions

77004 The following paragraphs explain the meaning of terms used throughout DMG Volumes 13 and 14 for SPC.

Care home - England

77005 In England, an establishment is a care home¹ if it provides accommodation, together with nursing or personal care, for people who

1. are or have been ill **or**
2. have or have had a mental disorder **or**
3. are disabled or infirm **or**
4. are or have been dependent on alcohol or drugs.

1 SPC Regs, reg 1(2); Care Standards Act 2000, s 3

77006 An establishment is not a care home if¹ it is

1. a hospital **or**
2. an independent clinic.

1 Care Standards Act 2000, s 3(3)

Care home – Wales and Scotland

77007 In Wales and Scotland, an establishment is a care home if it is accommodation in which a care home service is provided¹. That is, a service that provides accommodation, together with nursing, personal care, or personal support for people by reason of their vulnerability or need.

1 SPC Regs, reg 1(2); Regulation of Care (Scotland) Act 2001, s 2, Regulation and Inspection of Social Care (Wales) Act 2016 s.2

77008 An establishment is not a care home if¹ it is

1. a hospital **or**
2. a public, independent or grant-aided school **or**
3. an independent hospital **or**
4. a private psychiatric hospital **or**
5. an independent clinic **or**
6. an independent medical agency.

1 Regulation of Care (Scotland) Act 2001, s 2(3) & (5), Regulation and Inspection of Social Care (Wales) Act 2016 Sch 1

Claimant

77009 Claimant means¹ a person who claims SPC.

1 SPC Act 02, s 17(1)

Close relative

77010 A close relative is¹

1. a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, stepson, stepdaughter, brother, sister, **or**
2. if any of the preceding persons is one member of a couple, the other member of that couple; **and**
3. similar relationships arising through civil partnerships².

1 SPC Regs, reg 1(2); 2 CP Act 04, s 246

77011 “Brother” and “sister” includes half-brother and half-sister. A child who is adopted becomes a child of the adoptive parents and the brother or sister of any other child of those parents. The adopted child stops being the child of, or the brother or sister of any children of, the natural parents. Whether an adopted person is a close relative of another person depends on the legal relationship not the blood relationship¹.

1 R(SB) 22/87

Couple

77012 **[See Memo DMG 01/19]** Couple means¹

1. two people who are married to, or civil partners of, each other and are members of the same household; **or**
2. two people who are not married to, or civil partners of, each other but are LTAMC.

1 SPC Act 02, s 17(1)

Note 1: A person under the age of 16 cannot be a member of a couple. This is because a person under 16 is a child and is not able to marry or enter into a civil partnership.

Independent hospital

77013 An Independent hospital¹ is one which is not a health service hospital.

*1 National Health Service Act 2006, s 275; Care Standards Act 2000, s 2;
Regulation of Care (Scotland) Act 2001, s 2(5)(a) & (b)*

Partner

77014 In SPC a member of a couple is referred to as a partner and both members are referred to as partners¹.

1 SPC Regs, reg 1(3)

Polygamous marriages

77015 **[See Memo DMG 01/19]** A polygamous marriage case is one in which¹

1. a person (the person in question) is a husband or wife by virtue of a marriage entered into in a country which permits polygamy **and**
2. either party to the marriage has for the time being any spouse additional to the other party **and**
3. the
 - 3.1 person in question **and**
 - 3.2 other party to the marriage **and**
 - 3.3 additional spouseare members of the same household.

Note: The DM should obtain evidence of the marriage, if a claimant declares more than one spouse.

1 SPC Act 02, s 12(1)

Spouse

77016 Spouse should be given its normal everyday meaning. That is a person to whom another person is married.

Young person

77017 Young person

1. means¹ a person who is a
 - 1.1 child **or**
 - 1.2 qualifying young person **but**

2. does not include a person who²
 - 2.1 is entitled to JSA(IB) or IS **or**
 - 2.2 would be entitled to JSA(IB) or IS, if another member of the family were not entitled to the same benefit³.

*1 JSA Regs, reg 76; IS (Gen) Regs, reg 14; 2 JSA Regs, reg 76(2); IS (Gen) Regs, reg 14(2);
3 SS A Act 92, s 1(1)*

Qualifying young person

77018 A qualifying young person is a person who has reached the age of 16 but not the age of 20

1. up to, but not including, 1 September that next follows their 16th birthday¹
and
2. up to, but not including, 1 September that next follows their 19th birthday where they are enrolled on, or accepted for
 - 2.1 approved training **or**
 - 2.2 a course of education
 - 2.2.a which is not advanced education
 - 2.2.b at a school, college or other establishment that is approved by the Secretary of State **and**
 - 2.2.c where they spend on average more than twelve hours a week during term time in receiving tuition, taking examinations or practical work or supervised study².

1 SPC Regs, reg 4A(1)(a); 2 SPC Regs, reg 4A(1)(b)

77019 Where the young person is aged 19, he or she must have started the education or training or been enrolled on or accepted for it before reaching that age¹.

1 SPC Regs, reg 4A(2)

77020 A person shall be treated as undertaking a course of FTE during the period between the end of one course and the start of another where the person is accepted for or enrolled on the latter course.

77021 Where a child or qualifying young person turns 16 or 19 on 31 August the period described at DMG 77018.1. and 2. will end on that same day.

77022 Any person who falls within DMG 77018 above is not a qualifying young person if they are receiving UC, JSA, IS or ESA¹.

Example

Sue and Wendy are 18 year old twins and in education. Wendy has a child and gets UC and is therefore not a qualifying young person. Sue is a qualifying young person.

1 SPC Regs, reg 4A(5)

Approved training

77023 Approved training means training arranged under prescribed legislation¹ and approved by the Secretary of State².

1 Employment and Training Act 1973, s 2(1); Enterprise and New Towns (Scotland) Act 1990, s 2(3); 2 SPC Regs, reg 4A(4); UC Regs, reg 5

Interruptions

77024 Up to the age of 20, where a person's education or training has been interrupted and immediately before it was interrupted they were a qualifying young person under the conditions above, they will remain a qualifying young person for the duration of the interruption.

77025 Subject to the exception in DMG 77026 below, the condition in DMG 77024 above will only apply where the period of interruption is

1. one of up to six months duration, even if it began before the person was 16, but only to the extent that it is considered to be reasonable in the opinion of the HMRC Commissioners **and**
2. due to illness or disability and for a period that is considered reasonable in the opinion of the HMRC Commissioners¹.

1 CHB (Gen) Regs, reg 6(3)

77026 Where the period of interruption is immediately followed by a period during which the person

1. has provision made to undertake non approved training **or**
2. is receiving advanced education **or**
3. is receiving education by virtue of his employment or any office held

then they will not satisfy the condition in DMG 77025 above¹.

1 CHB (Gen) Regs, reg 6(4)

Reasonable cause

77027 Examples of reasonable cause for interruption include

1. individual holidays, other than official holidays, during term-time
2. temporary closure of the educational establishment during term-time
3. authorized absence following contact with an infectious disease
4. illness or disability (mental or physical)
5. absence due to illness or death in the family
6. disruption of normal transport with no reasonable alternative available
7. change of educational establishment
8. authorized absences to follow a course of study elsewhere, for example
 - 8.1 to study at home for an examination **or**
 - 8.2 a field course **or**
 - 8.3 an educational cruise.

Determining claims

77028 Where, in determining an SPC claim, a determination falls to be made as to whether the GC may be awarded without any additional amounts that may be applicable for

1. housing costs¹ **or**
2. the severely disabled²

that determination may be made even if there is not enough evidence to include these amounts.

1 SS CS (D&A) Regs, reg 13(1); 2 reg 13(3)

77029 The award may then be revised or superseded if further evidence is received after the claim or question has been determined¹. See DMG Chapters 03 and 04 for guidance on revision and supersession.

1 SS CS (D&A) Regs, regs 3 & 6

Conditions of entitlement

Entitlement to State pension credit

77030 [See Memo DMG 01/19] A claimant is entitled to SPC if they¹

1. are in GB **and**
2. have reached the qualifying age **and**
3. satisfy the conditions to get a GC or SC **and**
4. are not a member of a
 - 4.1 couple where the other member is entitled to SPC **or**
 - 4.2 polygamous marriage (see DMG 77020) where the other party to the marriage or the additional spouse are members of the same household and entitled to SPC **and**
5. have made a valid claim² **and**
6. where relevant, their partner, satisfy the NI provisions (see DMG Chapter 02)³.

1 SPC Act 02, s 1(2) & 4(1); SPC Regs, Sch III, para 1(3); 2 SS A Act 92, s 1(1) & (4); 3 s 1(1A)

Being in Great Britain

77031 DMs should follow the guidance on GB and temporary absence from GB (see DMG Chapter 07) when deciding this question.

Qualifying age

77032 [See Memo DMG 01/19] Qualifying age¹ means

1. for a woman - pensionable age **or**
2. for a man - the age which would be pensionable age for a woman born on the same date as the man.

Note: See DMG Chapter 75 for guidance on pensionable age.

1 SPC Act 02, s 1(6)

Example

Allan was born on 9.5.44. He reaches pensionable age on 9.5.09. But a woman born on the same date as him reaches pensionable age on 9.5.04. So Allan reaches the qualifying age for SPC on 9.5.04.

Couple

77033 **[See Memo DMG 01/19]** DMs should follow the guidance at DMG 77012 when deciding if the claimant is a member of a couple.

77034 - 77040

Guarantee credit

77041 To get a GC a claimant should have¹

1. no income **or**
2. income that does not exceed their AMG.

1 SPC Act 02, s 2(1)

Appropriate minimum guarantee

77042 DMs should follow the guidance at DMG 77153 et seq to work out the AMG.

77043 - 77050

Savings credit

77051 To get a SC a claimant should¹

1. be
 - 1.1 at least age 65 **or**
 - 1.2 a member of a couple and the other member is at least age 65 **and**
2. have
 - 2.1 QI that is more than the SCT **and**
 - 2.2 an income which, after the calculation at DMG 77184 et seq, allows amount A to be greater than amount B.

Note 1: Amounts A and B are explained at DMG 77184 et seq.

Note 2: From 6.12.18² a person must be at least pensionable age³ (see DMG Chapter 75) to be entitled to a SC.

1 SPC Act 02, s 3(1) & (2); 2 Pensions Act 07, s 13(3); 3 SPC Act 02, s 3(1)

Savings credit in polygamous marriages

77052 **[See Memo DMG 01/19]** If the SPC claimant is in a polygamous marriage (see DMG 77020) to get a SC¹

1. the claimant or the other party to the marriage or the additional spouse should be at least age 65 **and**
2. the claimant should have
 - 2.1 QI that is more than the SCT **and**
 - 2.2 an income which, after the calculation at DMG 77184 et seq, allows amount A to be greater than amount B.

Note: From 6.12.18² at least one member of the polygamous marriage must be at least pensionable age³ (see DMG Chapter 75).

1 SPC Act 02, s 3(2); SPC Regs, Sch III, para 1(2); 2 Pensions Act 07, s 13(3); 3 SPC Act 02, s 3(1)

Qualifying income and savings credit threshold

77053 DMs should follow the guidance at DMG 77173 et seq when working out QI and the SCT.

77054 - 77099

Membership of the household

Introduction

77100 Membership of the household is relevant when

1. deciding the amount of SPC that can be awarded to a claimant **and**
2. calculating the claimant's
 - 2.1 income **and**
 - 2.2 earnings **and**
 - 2.3 capital.

77101 The following paragraphs give guidance on when people should be treated as being, or not being, members of the same household.

Meaning of household

77102 Household has no specific legal meaning and so should be given its normal everyday meaning. That is a domestic establishment containing the essentials of home life¹. Household may refer to people held together by a particular kind of tie, even if temporarily separated². People living in one dwelling (for example a house, flat or caravan) do not necessarily live together in the same household.

1 R(SB) 4/83; 2 Santos v. Santos [1972] All ER 246

Example

Andy and Aniza are estranged and continue to live in the same house. They do not financially support each other or share domestic and social activities. One partner is reluctant to leave until a satisfactory financial agreement has been reached with the other partner. They each have separate households.

77103 - 77114

General

Who may be members of the claimant's household

77115 The claimant's household may include

1. the claimant
2. the claimant's partner
3. any additional spouse in a polygamous marriage case.

This applies even if any of these people are temporarily living apart¹, for example to work or visit relatives.

1 SPC Regs, reg 5(2); Sch III, para 1(8)

Members of a multiple relationship

77116 There is no special rule to cover multiple relationships. If the claimant is

1. **married to one but not all** of the other members of the relationship - the DM should treat any unmarried member as a claimant who has no partner
2. **not married to any** of the members - the DM should treat each member of the relationship as a claimant who has no partner. This is because when a claimant has a relationship similar to marriage with two or more people, none of them can form an unmarried couple.

Example 1

Alan, Bronwyn and Carol live in the same household but are not married to each other. Alan who is aged 65, claims SPC and states that he is in a multiple relationship with both Bronwyn and Carol. He is treated as a claimant who has no partner and is awarded SPC as a person who has no partner. Bronwyn and Carol are also treated as claimants who have no partner.

Example 2

Alan, Bronwyn and Carol live in the same household. Alan is married to Bronwyn but in his claim for SPC states that he is also in a relationship with Carol. Alan is treated as a member of a couple with his wife Bronwyn and is awarded SPC as a claimant who has a partner. Carol is treated as a claimant who has no partner.

People treated as not being members of the household

77117 A person should be treated as not being a member of the same household as the claimant if

1. that person is living away from the claimant **and**

- 1.1 does not intend to resume living with the claimant¹ **or**
- 1.2 is likely to be away for more than 52 weeks² (unless DMG 77119 applies) **or**
- 2. that person, or the claimant, is permanently in a care home³, independent hospital **or**
- 3. that person, the claimant, or both of them are
 - 3.1 detained in a special hospital in England and Wales, or a state hospital in Scotland⁴ **or**
 - 3.2 detained in custody⁵
 - 3.2.a awaiting trial or sentencing **or**
 - 3.2.b serving a sentence imposed by a court **or**
 - 3.3 on temporary release from custody⁶ (home leave) **or**
- 4. the claimant is abroad and their entitlement to SPC cannot continue for any period during their temporary absence from GB⁷ (see DMG 78920 and Chapter 07)
- 5. that person is absent from GB⁸, other than in the circumstances described at DMG 77118, 77119 or 77120
- 6. a person subject to immigration control⁹ (see DMG 78941 and DMG Chapter 07).

1 SPC Act, s 17(2)(a); SPC Regs. reg 5(1)(a)(i); 2 reg 5(1)(a)(ii); 3 reg 5(1)(b); 4 reg 5(1)(c)(i); 5 reg 5(1)(c)(ii); 6 reg 5(1)(c)(iii); 7 reg 5(1)(d); 8 reg 5(1)(f); 9 reg 5(1)(h); Immigration & Asylum Act 1999, s 115(9)

77118 A person is treated as being a member of the claimant's household whilst temporarily absent from GB¹ if the absence is no longer than

- 1. 4 weeks where the absence is not expected to exceed 4 weeks² **or**
- 2. 8 weeks³ where DMG paragraph 77119 applies **or**
- 3. 26 weeks⁴ where DMG paragraph 771120 applies

1 SPC Regs, reg 5(1)(f); 2 reg 5(1A)(a); 3 reg 5(1A)(b); 4 reg 5(1A)(c);

77119 The temporary absence can be 8 weeks where

- 1. the absence is not expected to exceed 8 weeks **and**
- 2. the absence is in connection with the death of
 - 2.1 a child or qualifying young person who normally lives with the person **or**
 - 2.2 a close relative of the person, their partner or a child or qualifying young person normally living with the person **and**

3. the Secretary of State considers that it would be unreasonable to expect the person to return to GB within the first 4 weeks¹

1 SPC Regs, reg 5(1B)

77120 The temporary absence can be up to 26 weeks where the absence is not expected to exceed 26 weeks and is solely in connection with

1. the person undergoing
 - 1.1 treatment for an illness or physical or mental impairment by, or under the supervision of, a qualified practitioner **or**
 - 1.2 medically approved convalescence or care as a result of treatment for an illness or physical or mental impairment provided that the person had that illness or disability before leaving GB **or**
2. the person accompanying their partner, or a child or qualifying young person for whom they are normally living where that partner, child or qualifying young person is undergoing
 - 2.1 treatment for an illness or physical or mental impairment by or under the supervision of a qualified practitioner **or**
 - 2.2 medically approved convalescence or care as a result of treatment for an illness or physical or mental impairment provided the partner child or qualifying young person had that illness or disability before leaving GB¹

1 SPC Regs, reg 5(1C)

77121 Where both partners or all members of a polygamous marriage are permanently in

1. a care home, independent hospital **or**
2. sheltered accommodation

the normal rules as to whether they are members of the same household apply (see DMG 77128 et seq). Each case should be decided on its facts.

Exception

77122 Even if the person living away is likely to be away for more than 52 weeks, as in DMG 77117 **1.2**, they may be treated as a member of the claimant's household if

1. that person
 - 1.1 intends to resume living with the claimant **and**
 - 1.2 has no control over the length of the absence **and**
2. the absence is unlikely to last substantially more than 52 weeks¹.

1 SPC Regs, reg 5(1)(a)(ii)

77123 Substantially has no specific legal meaning and so should be given its normal everyday meaning. That is, in this context, of large size or amount. DMs should note

that this exception only applies if the claimant and absent person have previously been members of the same household, notwithstanding that that household may have been abroad and the intention must not be conditional.

Example 1

Blair is claiming SPC. He and his wife Isobel live in the same household. Isobel is involved in a road accident and is admitted to hospital. She needs prolonged treatment and rehabilitation and is expected to be in hospital about 14 months. The DM treats her as part of Blair's household during her absence.

Example 2

Angela is claiming SPC having recently returned from Italy where she had been living with her partner Toni. Toni will come and join her in a months time. Angela and Toni are not members of the same household (although they would be if Angela was claiming IS).

77124 - 77127

Care homes, independent hospital

- 77128 Where one of a couple is permanently in a care home or independent hospital (see DMG 77005 et seq), that person is treated as not being a member of the same household as their partner (see DMG 77117 2.). But both partners, or all members of a polygamous marriage, may be permanently in a care home or independent hospital. In such a case the DM must decide whether the partners, or members of the polygamous marriage, are nevertheless members of the same household.
- 77129 Whether people are members of the same household is a question of fact and degree. But for people to be members of the same household they have to share a domestic establishment. A domestic establishment requires a reasonable level of independence and responsibility for the occupants.
- 77130 DMs should establish all the facts of the particular case and may find it useful to consider the following issues¹
1. Do the partners or members of the polygamous marriage decide how their days will be structured? For example do they decide (even by default) at what time to get up, have meals, go to bed etc?
 2. Do they decide how the accommodation they live in is to be arranged? For example, do they decide which room is to be the dining room, the living room etc?
 3. Can they decide who can come and stay with them, and for how long?

4. Can they insist that other people do not enter their accommodation without permission?
5. Can they decide the decor and furnishing of their accommodation?
6. Do they have some facilities for preparing food and making tea, coffee and other hot drinks?
7. Do they have responsibility for running the household? For example, are they responsible for getting repairs done, replacing domestic appliances or buying food?

Note: The list of questions above is not definitive or exhaustive. None of these facts on their own are decisive.

1 R(IS) 1/99

Example 1

Bill and Agnes are husband and wife. They move into a care home when they become too infirm, physically, to look after themselves.

They share rooms furnished with their own furniture and other people need permission to enter those rooms. They have their own television set and telephone. They choose to have their evening meals in the communal dining room and have to pay extra for those meals. But they prepare all other meals in their own small kitchen and eat them in their own dining area.

Bill and Agnes are members of the same household.

Example 2

Liam and Mary are husband and wife. Liam has had a severe stroke and Mary has heart problems and arthritis. Liam needs more care than Mary can give him so he goes into a care home. Two years later Mary goes into the same care home because her health has deteriorated. She and Liam have separate rooms and are billed separately by the home. Liam and Mary are not members of the same household. They do not have a domestic establishment in the care home.

Example 3

Pierre and Annette are husband and wife. Both suffer from senile dementia and go into a care home to be cared for. Although they share a room, they do not understand that they are husband and wife. They are each billed separately by the nursing home. Pierre and Annette are not members of the same household.

Sheltered accommodation

77131 The elderly and infirm sometimes live in what is known as sheltered accommodation. That is separate self-contained accommodation with a warden or

nurse to keep an eye on the occupants. Where both partners or all members of a polygamous marriage are permanently in such sheltered accommodation they are members of the same household.

77132 - 77139

Normal amount payable

Calculation of amount payable

77140 [See Memo DMG 14/18] The following guidance explains how to calculate the normal amount payable for SPC. Other rules apply where people are

1. members of a polygamous marriage (see DMG 78600)
2. prisoners (see DMG 78650)
3. members of religious orders (see DMG 78680)
4. in hospital (see DMG 78700)
5. subject to the loss of benefit provisions (see DMG 78900)
6. absent from GB (see DMG 78920 and Chapter 07).

General

77141 A claimant who is entitled to SPC may be entitled¹ to

1. a GC (see DMG 77150 et seq) **or**
2. a SC (see DMG 77170 et seq) **or**
3. both.

1 SPC Act 02, s 1(3)

Elements of calculation

Guarantee credit

77142 The amount of GC depends on¹

1. the level of the claimant's income **and**
2. the amount of the standard minimum guarantee (SMG) **and**
3. whether any additional amounts are applicable (see DMG Chapter 78).

1 SPC Act 02, s 2

77143 If there are

1. any additions to the SMG, the total amount of GC will be the appropriate minimum guarantee (AMG)

2. no additions to the SMG, the SMG will be the AMG and the total amount of GC will be the amount of the AMG

less any income relevant to the SPC income assessment. See DMG 77150 et seq for guidance on how to work out the amount of GC payable.

Savings credit

77144 The amount of SC depends on¹

1. the level of the claimant's income **and**
2. the amount of the
 - 2.1 claimant's qualifying income (QI) **and**
 - 2.2 savings credit threshold (SCT) **and**
 - 2.3 AMG **and**
 - 2.4 maximum savings credit (MSC).

See DMG 77170 et seq for guidance on how to work out the amount of SC payable.

1 SPC Act 02, s 3

77145 - 77149

Guarantee credit

General

77150 The GC ensures a minimum level of income to those who satisfy the conditions of entitlement. For guidance on the special rules that apply to

1. prisoners - see DMG 78650
2. members of religious orders - see DMG 78680.

Standard minimum guarantee

77151 There are normally two rates of SMG that may be appropriate when considering the amount of GC that may be awarded. These are a

1. set amount where the claimant has a partner¹ **and**
2. lower amount where the claimant has no partner².

Note: See Appendix 1 to this Chapter for the rates of SMG.

1 SPC Act 02, s 2(4) & (5)(a); SPC Regs, reg 6(1)(a); 2 SPC Act 02, s 2(4) & (5)(b); SPC Regs, reg 6(1)(b);

Exceptions

77152 Other rates of SMG may apply¹ where people are

1. members of a polygamous marriage (see DMG 78600)
2. prisoners (see DMG 78650)
3. members of religious orders (see DMG 78680)
4. in hospital (see DMG 78700).

Note: See Appendix 1 to this Chapter for the rates of SMG that may be applicable in such cases.

1 SPC Act 02, s 2(6); SPC Regs, reg 6(2) & (3) and Sch III

Appropriate minimum guarantee

77153 The AMG¹ is the total of

1. the SMG **and**
2. any additional amounts that may be applicable for
 - 2.1 the severely disabled (see DMG 78030)
 - 2.2 carers (see DMG 78100)

2.3 former claimants of IS/JSA(IB) (see DMG 78120)

2.4 housing costs (see DMG 78170 et seq).

1 SPC Act 02, s 2(3)

Example 1

Agnes, who is aged 60, lives alone in a bungalow on which she has a mortgage. The SMG for Agnes is £105.45 and an additional amount of £30 is applicable for housing costs. The AMG for Agnes is £135.45 (£105.45 + £30).

Example 2

Bleddyn, who is aged 65, lives with his partner Cerys in a house on which they have an outstanding mortgage. Cerys' elderly father lives with them and Cerys is entitled to CA for looking after him. The SMG for Bleddyn is £160.95 and an additional amount of £25.55 is applicable because Cerys is a carer. An additional amount of £46 is also applicable for housing costs. The AMG is £232.50 (£160.95 + £25.55 + £46).

Amount payable

77154 Where the claimant is entitled to a GC, the amount payable is¹

1. if the claimant has no income, the amount of the AMG **and**
2. if the claimant has income that does not exceed the AMG, the difference between the AMG and the income.

1 SPC Act 02, s 2(2)

77155 The following examples show how the amount of GC payable is generally worked out. DMs should see Appendix 2 to this Chapter and Appendix 6 to Chapter 78, for more detailed examples.

Example 1

Millie has no partner. She claims SPC when she gives up work because she has no income. Millie does not qualify for any additional amounts and the amount of the AMG for her is £105.45. The DM decides that the amount of GC payable to Millie is £105.45 (the amount of the AMG).

Example 2

Fred is aged 65 and has no partner. He makes a claim for SPC and states that his only income is RP of £79.60 a week. Fred does not qualify for any additional amounts and the amount of the AMG for him is £105.45. The DM decides that the amount of GC payable to Fred is £25.85. That is the difference between the AMG (£105.45) and Fred's income (£79.60).

77156 - 77166

Savings credit

General

77167 The SC provides an additional amount for those aged 65 and have reached State Pension age before 6.4.16. In the case of a person who is a member of a mixed age couple SC entitlement is restricted to those where one of the members of the couple was awarded SC before 6.4.16 and has remained entitled to it continuously since that date.

Note: a mixed age couple is where one member of the couple reaches State Pension age before 6.4.16 and the other member of the couple on or after that date¹.

1 SPC Act 02, s 3ZA(3)

Single claimants

77168 From 6.4.16 a claimant must have attained pensionable age before 6.4.16¹ and have attained the age of 65 before, on or after that date.

1 SPC Act 02, s 3(1)(a)

Example 1

In 2015 Kate is single, aged 63, and in receipt of a small private pension. Kate is entitled to SPC and because she reached State Pension age before 6.4.16 she may also be entitled to receive Savings Credit when she attains the age of 65 in 2017.

Example 2

Kate's twin brother Jason is single, retired and also in receipt of a small private pension. Jason is entitled to SPC but because he has not reached State Pension age before 6.4.16 he will not be entitled to receive Savings Credit when he attains the age of 65 in 2017.

Mixed age couples

77169 For a mixed age couple to have entitlement to Savings Credit one of the couple must have

1. been entitled to a Savings Credit immediately before 6.4.16
2. been awarded a Savings Credit with effect from a day before 6.4.16
3. remained entitled to a Savings Credit at all times since 6.4.16¹

1 SPC Act 02, s 3ZA; SPC Regs, reg 7A

Couples that are not mixed age

77170 A couple where both have attained State Pension age before 6.4.16 but are not yet aged 65 may be entitled to receive Savings Credit when the eldest attains the age of 65.

77171 The amount of SC payable is

1. based on a percentage of QI above the SCT **and**
2. subject to a maximum amount **and**
3. reduced if a claimant's income exceeds their AMG.

77172 When considering whether an SC is payable, the starting point for the DM¹ is to decide the

1. appropriate SCT **and**
2. amount of the claimant's QI.

1 SPC Act 02, s 3(2)(a)

Savings credit threshold

77173 There are two rates of SCT that may apply¹. These are

1. a set amount for a claimant who has no partner **and**
2. a higher amount for a claimant who
 - 2.1 has a partner **or**
 - 2.2 is a member of a polygamous marriage².

Note: See Appendix 1 to this Chapter for the rates of SCT.

1 SPC Act 02, s 3(7); SPC Regs, reg 7(2); 2 reg 7(2); Sch III, para 1(7)

77174 - 77175

Qualifying income

77176 For the purposes of the SC, all income should be treated as QI with the exception of¹

1. WTC
2. IB
3. JSA(Cont)
4. SDA
5. MA
6. maintenance payments (see DMG 77177)
7. any amount disregarded in the calculation of a claimant's income (see DMG Chapters 85 and 86)
8. ESA(Cont).

1 SPC Act 02, s 3(6); SPC Regs, reg 9

Example 1

Dean is entitled to RP of £79.60 a week. His partner Carol gets IB of £55.90 a week and £60 a week occupational pension. Their QI is £139.60. That is the total of their income (£79.60 + £60) with the exception of Carol's IB (£55.90) which does not count as QI.

Example 2

Winston, who has no partner, is entitled to RP of £79.60 a week. He also gets a WDisP of £20 and £10 of that is disregarded in the calculation of his income. Winston's QI is £89.60. That is the total of his income with the exception of the £10 disregarded from his WDisP (£79.60 + £20 - £10).

Maintenance payments

77177 Maintenance payments should not be treated as QI if they are made

1. towards the maintenance of children. This is because there are no provisions for children in SPC and child maintenance payments are disregarded in full (see DMG Chapter 85)
2. by a spouse, civil partner, former spouse or former civil partner towards the maintenance of the claimant or their partner¹.

1 SPC Regs, reg 9(f) & 15(5)(d)

Qualifying income exceeds savings credit threshold

77178 If the claimant's QI exceeds the SCT, the next step for the DM is to decide the

1. level of income (see DMG Chapter 85 and 86) **and**
2. appropriate MSC **and**
3. amount of the AMG (see DMG 77151).

Maximum savings credit

77179 The MSC is¹ a fixed percentage of the difference between the

1. SMG **and**
2. SCT.

Note: See Appendix 1 to this Chapter for details of the rates.

1 SPC Act 02, s 3(7); SPC Regs, reg 7(1)(a)

Example 1 - Claimant who has a partner

Edna, who is aged 65, claims SPC for herself and her partner Paul. At the time of her claim, the appropriate SMG is £160.95, the SCT is £127.25 and the fixed percentage is 60%. The MSC for Edna is **£20.22** (£160.95 SMG - £127.25 SCT = £33.70 x 60% = £20.22).

Example 2 - Claimant who has no partner

Finlay is aged 67 and has no partner. At the time of his SPC claim, the appropriate SMG is £105.45, the SCT is £79.60 and the fixed percentage is 60%. The MSC for Finlay is **£15.51** (£105.45 SMG - £79.60 SCT = £23.85 x 60% = £15.51).

77180 - 77183

Amount payable

77184 Where the claimant is entitled to an SC, the amount payable is the amount by which **Amount A** exceeds **Amount B**¹.

1 SPC Act 02, s 3(3)

Amount A

77185 In the calculation of the amount payable, **Amount A** is¹ the smaller of

1. the MSC (see DMG 77179) **and**
2. a fixed percentage of the amount by which the claimant's QI (see DMG 77176) exceeds the SCT (see DMG 77173).

Note: See Appendix 1 to this Chapter for details of the rates and percentage to be used.

1 SPC Act 02, s 3(4); SPC Regs, reg 7(1)(b)

Example 1

Kyle has no partner and has QI of £89.60. At the time of his claim, the MSC for him is £15.51, the SCT is £79.60 and the fixed percentage for **Amount A** is 60%. Kyle's QI (£89.60) exceeds the SCT (£79.60) by £10 and 60% of £10 is £6. This is less than the MSC of £15.51. So **Amount A** in Kyle's case is £6.

Example 2

Linus has no partner and has QI of £110. At the time of his claim, the MSC for him is £15.51, the SCT is £79.60 and the fixed percentage for **Amount A** is 60%. Linus' QI (£110) exceeds the SCT (£79.60) by £30.40 and 60% of £30.40 is £18.24. This is more than the MSC of £15.51. So **Amount A** in Linus' case is £15.51.

77186 See Appendix 2 to this Chapter for more examples of how **Amount A** is calculated.

Amount B

77187 In the calculation of the amount payable, **Amount B** is¹

1. a fixed percentage of the amount (if any) by which the claimant's income exceeds the AMG **or**
2. nil, if the claimant's income does not exceed the AMG.

Note: See Appendix 1 to this Chapter for details of the percentage in **1.** above.

1 SPC Act 02, s 3(4); SPC Regs, reg 7(1)(c)

77188 DMs should note that

1. in all cases where a GC is payable, **Amount B** will be nil **and**
2. a calculation will only be needed as in DMG 77187 **1.** if the claimant is entitled to SC only.

This is because to be entitled to a GC, the claimant's income must not exceed the AMG (see DMG 77041).

Example 1

Maria has no partner and has income of £95 a week. The AMG for her is £105.45 and at the time of her claim, the fixed percentage for **Amount B** is 40%. Maria's income (£95) does not exceed the AMG (£105.45). So **Amount B** in Maria's case is nil.

Example 2

Noel, who is aged 68, lives with his partner Olive. Noel and Olive have income totalling £190.95 a week and the AMG for them is £160.95. Noel is not entitled to GC but is entitled to SC. At the time of his claim the fixed percentage for **Amount B** is 40%. Noel's income (£190.95) exceeds the AMG (£160.95) by £30 and 40% of that is £12. So **Amount B** in Noel's case is £12.

77189 The following examples show how the amount of SC payable is generally worked out. DMs should see

1. Appendix 2 to this Chapter and Appendix 6 to Chapter 78, for more detailed examples **and**
2. Appendix 1 to this Chapter for details of the rates and percentages to be used.

Example 1

Iain is aged 65 and has no partner. When working out the amount of SC payable, **Amount A** = £15.51 and **Amount B** = nil. The amount of SC payable to Iain is £15.51. That is the amount by which **Amount A** (£15.51) exceeds **Amount B** (nil).

Example 2

George, who is aged 68, claims SPC for himself and his partner Hilda. When working out the amount of SC payable, **Amount A** = £20.22 and **Amount B** = £11.40. The amount of SC payable to George is £8.82. That is the amount by which **Amount A** (£20.22) exceeds **Amount B** (£11.40).

Example 3

Jackie claims SPC. Her level of income means that when working out the amount of any SC, **Amount A** = £15.51 and **Amount B** = £15.51. SC is not payable to Jackie. This is because **Amount A** (£15.51) does not exceed **Amount B** (£15.51).

Rounding of fractions

77190 Where the calculation of **Amount A** or **Amount B** results in a fraction of a penny, it should be rounded in the claimant's favour¹. So when calculating

1. **Amount A** (as in DMG 77185), any fraction should be rounded up to the next whole penny, if in the claimant's favour **and**
2. **Amount B** (as in DMG 77187), any fraction should be rounded down to the next whole penny, if in the claimant's favour.

1 SPC Regs, reg 7(4);

77191 - 77999

Appendix 1

Amounts to be used in the calculation of entitlement

- 1 This Appendix gives details of the rates and percentages to be used in the calculation of entitlement to SPC.

Guarantee credit from 6.10.03

Standard minimum guarantee (see DMG 77151)

2	Amount of SMG from	6.10.03
	1. Claimant who has no partner	£102.10
	2. Claimant and one partner (if appropriate)	£155.80
	3. Each additional spouse in a polygamous marriage case	£53.70
	4. Prisoners	Nil
	5. Members of religious orders fully maintained by their order	Nil
	6. People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

3	Prescribed additional amounts from	6.10.03
	1. Severely disabled	
	1.1 lower rate	£42.95
	1.2 higher rate	£85.90
	2. Carer	£25.10
	3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
	4. Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

4	Amount of SCT from	6.10.03
	1. Claimant who has no partner	£77.45
	2. Claimant who has a partner	£123.80
	3. Polygamous marriage cases	£123.80

Prescribed percentages

5	Prescribed percentages from	6.10.03
	For the purposes of determining	
	1. the MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 6.10.03

6	The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 12.4.04, that percentage is 60% (see para 5.1 above). So from 12.4.04 the amount of the MSC is as follows	
	1. claimant with no partner £102.10 SMG - £77.45 SCT x 60% =	£14.79
	2. claimant with a partner £155.80 SMG - £123.80 SCT x 60% =	£19.20
	3. polygamous marriages £155.80 SMG - £123.80 SCT x 60% =	£19.20
	4. prisoners	Nil
	5. members of religious orders fully maintained by their order (see DMG 78680)	Nil
	6. people in hospital - see DMG 78700.	

Guarantee credit from 12.4.04

Standard minimum guarantee (see DMG 77151)

7	Amount of SMG from	12.4.04
	1. Claimant who has no partner	£105.45
	2. Claimant and one partner (if appropriate)	£160.95
	3. Each additional spouse in a polygamous marriage case	£55.50
	4. Prisoners	Nil
	5. Members of religious orders fully maintained by their order	Nil
	6. People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

8	Prescribed additional amounts from	12.4.04
	1. Severely disabled	
	1.1 lower rate	£44.15
	1.2 higher rate	£88.30
	2. Carer	£25.55
	3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
	4. Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

9	Amount of SCT from	12.04.04
	1. Claimant who has no partner	£79.60
	2. Claimant who has a partner	£127.25
	3. Polygamous marriage cases	£127.25

Prescribed percentages

10	Prescribed percentages from	12.04.04
	For the purposes of determining	
	1. the MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 12.04.04

11 The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 12.04.04, that percentage is 60% (see para 10.1 above). So from 12.04.04 the amount of the MSC is as follows

1. claimant with no partner £105.45 SMG - £79.60 SCT x 60% = **£15.51**
2. claimant with a partner £160.95 SMG - £127.25 SCT x 60% = **£20.22**
3. polygamous marriages £160.95 SMG - £127.25 SCT x 60% = **£20.22**
4. prisoners **Nil**
5. members of religious orders fully maintained by their order (see DMG 78680) **Nil**
6. people in hospital - see DMG 78700.

Guarantee credit from 11.04.05

Standard minimum guarantee (see DMG 77151)

12	Amount of SMG from	11.04.05
	1. Claimant who has no partner	£109.45
	2. Claimant and one partner (if appropriate)	£167.05
	3. Each additional spouse in a polygamous marriage case	£58.60
	4. Prisoners	Nil
	5. Members of religious orders fully maintained by their order	Nil
	6. People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

13	Prescribed additional amounts from	11.04.05
	1. Severely disabled	
	1.1 lower rate	£45.00
	1.2 higher rate	£91.00
	2. Carer	£25.80
	3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
	4. Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

14	Amount of SCT from	11.04.05
	1. Claimant who has no partner	£82.05
	2. Claimant who has a partner	£131.20
	3. Polygamous marriage cases	£131.20

Prescribed percentages

15	Prescribed percentages from	11.04.05
	For the purposes of determining	
	1. the MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 11.04.05

16	The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 11.04.05, that percentage is 60% (see para 15.1 above). So from 11.04.05 the amount of the MSC is as follows	
	1. claimant with no partner £109.45 SMG - £82.05 SCT x 60% =	£16.44
	2. claimant with a partner £167.05 SMG - £131.20 SCT x 60% =	£21.51
	3. polygamous marriages £167.05 SMG - £131.20 SCT x 60% =	£21.51
	4. prisoners	Nil
	5. members of religious orders fully maintained by their order (see DMG 78680)	Nil
	6. people in hospital - see DMG 78700.	

Guarantee credit from 10.04.06

Standard minimum guarantee (see DMG 77151)

17	Amount of SMG from	10.04.06
	1. Claimant who has no partner	£114.05
	2. Claimant and one partner (if appropriate)	£174.05
	3. Each additional spouse in a polygamous marriage case	£60.00

- | | | |
|----|---|-----|
| 4. | Prisoners | Nil |
| 5. | Members of religious orders fully maintained by their order | Nil |
| 6. | People in hospital - see DMG 78700 et seq. | |

Additional amounts (see DMG Chapter 78)

18	Prescribed additional amounts from	10.04.06
	1. Severely disabled	
	1.1 lower rate	£46.75
	1.2 higher rate	£93.50
	2. Carer	£26.35
	3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
	4. Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

19	Amount of SCT from	10.04.06
	1. Claimant who has no partner	£84.25
	2. Claimant who has a partner	£134.75
	3. Polygamous marriage cases	£134.75

Prescribed percentages

20	Prescribed percentages from	10.04.06
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 10.04.06

21	The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 10.04.06, that percentage is 60% (see para 20.1 above). So from 10.04.06 the amount of the MSC is as follows	
	1. claimant with no partner £114.05 SMG - £84.25 SCT x 60% =	£17.88
	2. claimant with a partner £174.05 SMG - £134.75 SCT x 60% =	£23.58

3.	polygamous marriages £174.05 SMG - £134.75 SCT x 60% =	£23.58
4.	prisoners	Nil
5.	members of religious orders fully maintained by their order (see DMG 78680)	Nil
6.	people in hospital - see DMG 78700.	

Guarantee credit from 9.04.07

Standard minimum guarantee (see DMG 77151)

22	Amount of SMG from	9.04.07
1.	Claimant who has no partner	£119.05
2.	Claimant and one partner (if appropriate)	£181.70
3.	Each additional spouse in a polygamous marriage case	£62.65
4.	Prisoners	Nil
5.	Members of religious orders fully maintained by their order	Nil
6.	People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

23	Prescribed additional amounts from	9.04.07
1.	Severely disabled	
1.1	lower rate	£48.45
1.2	higher rate	£96.90
2.	Carer	£27.15
3.	Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
4.	Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

24	Amount of SCT from	9.04.07
1.	Claimant who has no partner	£87.30
2.	Claimant who has a partner	£139.60
3.	Polygamous marriage cases	£139.60

Prescribed percentages

25	Prescribed percentages from	9.04.07
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 9.04.07

26 The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 9.4.07 that percentage is 60% (see para **25.1** above).

So from 9.04.07 the amount of the MSC is as follows

1.	claimant with no partner £119.05 SMG - £87.30 SCT x 60% =	£19.02
2.	claimant with a partner £181.70 SMG - £139.60 SCT x 60% =	£25.26
3.	polygamous marriages £181.70 SMG - £139.60 SCT x 60% =	£25.26
4.	prisoners	Nil
5.	members of religious orders fully maintained by their order (see DMG 78680)	Nil
6.	people in hospital - see DMG 78700.	

Guarantee credit from 7.04.08

Standard minimum guarantee (see DMG 77151)

27	Amount of SMG from	7.04.08
	1. Claimant who has no partner	£124.05
	2. Claimant and one partner (if appropriate)	£189.35
	3. Each additional spouse in a polygamous marriage case	£65.30
	4. Prisoners	Nil
	5. Members of religious orders fully maintained by their order	Nil
	6. People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

28	Prescribed additional amounts from	7.04.08
	1. Severely disabled	
	1.1 lower rate	£50.35

- | | | |
|-----|--|---------|
| 1.2 | higher rate | £100.70 |
| 2. | Carer | £27.75 |
| 3. | Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120 | |
| 4. | Housing costs - see DMG 78170 et seq. | |

Savings credit

Savings credit threshold (see DMG 77173)

29	Amount of SCT from	7.04.08
	1. Claimant who has no partner	£91.20
	2. Claimant who has a partner	£145.80
	3. Polygamous marriage cases	£145.80

Prescribed percentages

30	Prescribed percentages from	7.04.08
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 07.04.08

31	The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 07.04.08, that percentage is 60% (see para 30.1 above). So from 7.04.08 the amount of the MSC is as follows	
	1. claimant with no partner £124.05 SMG - £91.20 SCT x 60% =	£19.71
	2. claimant with a partner £189.35 SMG - £145.80 SCT x 60% =	£26.13
	3. polygamous marriages £189.35 SMG - £145.80 SCT x 60% =	£26.13
	4. prisoners	Nil
	5. members of religious orders fully maintained by their order (see DMG 78680)	Nil
	6. people in hospital - see DMG 78700.	

Guarantee credit from 6.04.09

Standard minimum guarantee (see DMG 77151)

32	Amount of SMG from	6.04.09
	1. Claimant who has no partner	£130.00
	2. Claimant and one partner (if appropriate)	£198.45
	3. Each additional spouse in a polygamous marriage case	£68.45
	4. Prisoners	Nil
	5. Members of religious orders fully maintained by their order	Nil
	6. People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

33	Prescribed additional amounts from	6.04.09
	1. Severely disabled	
	1.1 lower rate	£52.85
	1.2 higher rate	£105.70
	2. Carer	£29.50
	3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
	4. Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

34	Amount of SCT from	6.04.09
	1. Claimant who has no partner	£96.00
	2. Claimant who has a partner	£153.40
	3. Polygamous marriage cases	£153.40

Prescribed percentages

35	Prescribed percentages from	6.04.09
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%

3. Amount B (see DMG 77187 1.) 40%

Maximum savings credit from 6.04.09

36 The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 6.4.09, that percentage is 60% (see para 35.1 above).

So from 6.04.09 the amount of the MSC is as follows

- | | | |
|----|--|---------------|
| 1. | claimant with no partner £130.00 SMG - £96.00 SCT x 60% = | £20.40 |
| 2. | claimant with a partner £198.45 SMG - £153.40 SCT x 60% = | £27.03 |
| 3. | polygamous marriages £198.45 SMG - £153.40 SCT x 60% = | £27.03 |
| 4. | prisoners | Nil |
| 5. | members of religious orders fully maintained by their order
(see DMG 78680) | Nil |
| 6. | people in hospital - see DMG 78700. | |

Guarantee credit from 12.04.10

Standard minimum guarantee (see DMG 77151)

- | | | |
|----|---|-----------------|
| 37 | Amount of SMG from | 12.04.10 |
| 1. | Claimant who has no partner | £132.60 |
| 2. | Claimant and one partner (if appropriate) | £202.40 |
| 3. | Each additional spouse in a polygamous marriage case | £69.80 |
| 4. | Prisoners | Nil |
| 5. | Members of religious orders fully maintained by their order | Nil |
| 6. | People in hospital - see DMG 78700 et seq. | |

Additional amounts (see DMG Chapter 78)

- | | | |
|----|--|-----------------|
| 38 | Prescribed additional amounts from | 12.04.10 |
| 1. | Severely disabled | |
| | 1.1 lower rate | £53.65 |
| | 1.2 higher rate | £107.30 |
| 2. | Carer | £30.05 |
| 3. | Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120 | |
| 4. | Housing costs - see DMG 78170 et seq. | |

Savings credit

Savings credit threshold (see DMG 77173)

39	Amount of SCT from	12.04.10
	1. Claimant who has no partner	£98.40
	2. Claimant who has a partner	£157.25
	3. Polygamous marriage cases	£157.25

Prescribed percentages

40	Prescribed percentages from	12.04.10
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 12.04.10

41	The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 12.4.10, that percentage is 60% (see para 40.1 above). So from 12.04.10 the amount of the MSC is as follows	
	1. claimant with no partner £132.60 SMG - £98.40 SCT x 60% =	£20.52
	2. claimant with a partner £202.40 SMG - £157.25 SCT x 60% =	£27.09
	3. polygamous marriages £202.40 SMG - £157.25 SCT x 60% =	£27.09
	4. prisoners	Nil
	5. members of religious orders fully maintained by their order (see DMG 78680)	Nil
	6. people in hospital - see DMG 78700.	

Guarantee credit from 11.04.11

Standard minimum guarantee (see DMG 77151)

42	Amount of SMG from	11.04.11
	1. Claimant who has no partner	£137.35
	2. Claimant and one partner (if appropriate)	£209.70

- | | | |
|----|---|--------|
| 3. | Each additional spouse in a polygamous marriage case | £72.35 |
| 4. | Prisoners | Nil |
| 5. | Members of religious orders fully maintained by their order | Nil |
| 6. | People in hospital - see DMG 78700 et seq. | |

Additional amounts (see DMG Chapter 78)

- | | | |
|----|---|-----------------|
| 43 | Prescribed additional amounts from | 11.04.11 |
| | 1. Severely disabled | |
| | 1.1 lower rate | £55.30 |
| | 1.2 higher rate | £110.60 |
| | 2. Carer | £31.00 |
| | 3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120 | |
| | 4. Housing costs - see DMG 78170 et seq. | |

Savings credit

Savings credit threshold (see DMG 77173)

- | | | |
|----|--------------------------------|-----------------|
| 44 | Amount of SCT from | 11.04.11 |
| | 1. Claimant who has no partner | £103.15 |
| | 2. Claimant who has a partner | £164.55 |
| | 3. Polygamous marriage cases | £164.55 |

Prescribed percentages

- | | | |
|----|------------------------------------|-----------------|
| 45 | Prescribed percentages from | 11.04.11 |
| | For the purposes of determining | |
| | 1. The MSC (see DMG 77179) | 60% |
| | 2. Amount A (see DMG 77185 2.) | 60% |
| | 3. Amount B (see DMG 77187 1.) | 40% |

Maximum savings credit from 11.04.11

- | | |
|----|--|
| 46 | The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 11.4.11, that percentage is 60% (see para 40.1 above).

So from 11.04.11 the amount of the MSC is as follows |
|----|--|

1.	claimant with no partner £137.35 SMG - £103.15 SCT x 60% =	£20.52
2.	claimant with a partner £217.90 SMG - £164.55 SCT x 60% =	£32.01
3.	polygamous marriages £217.90 SMG - £164.55 SCT x 60% =	£32.01
4.	prisoners	Nil
5.	members of religious orders fully maintained by their order (see DMG 78680)	Nil
6.	people in hospital - see DMG 78700.	

Guarantee credit from 9.04.12

Standard minimum guarantee (see DMG 77151)

47	Amount of SMG from	9.04.12
1.	Claimant who has no partner	£142.70
2.	Claimant and one partner (if appropriate)	£217.90
3.	Each additional spouse in a polygamous marriage case	£75.20
4.	Prisoners	Nil
5.	Members of religious orders fully maintained by their order	Nil
6.	People in hospital - see DMG 78700 et seq.	

Additional amounts (see DMG Chapter 78)

48	Prescribed additional amounts from	9.04.12
1.	Severely disabled	
	1.1 lower rate	£58.20
	1.2 higher rate	£116.40
2.	Carer	£32.60
3.	Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
4.	Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

49	Amount of SCT from	9.04.12
	1. Claimant who has no partner	£111.80
	2. Claimant who has a partner	£178.35
	3. Polygamous marriage cases	£178.35

Prescribed percentages

50	Prescribed percentages from	9.04.12
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 9.04.12

51	The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 9.04.12, that percentage is 60% (see para 40.1 above).	
	So from 9.04.12 the amount of the MSC is as follows	
	1. claimant with no partner £142.70 SMG - £111.80 SCT x 60% =	£18.54
	2. claimant with a partner £217.90 SMG - £178.35 SCT x 60% =	£23.73
	3. polygamous marriages £217.90 SMG - £178.35 SCT x 60% =	£23.73
	4. prisoners	Nil
	5. members of religious orders fully maintained by their order (see DMG 78680)	Nil
	6. people in hospital - see DMG 78700.	

Guarantee credit from 8.04.13

Standard minimum guarantee (see DMG 77151)

52	Amount of SMG from	8.04.13
	1. Claimant who has no partner	£145.40
	2. Claimant and one partner (if appropriate)	£222.05
	3. Each additional spouse in a polygamous marriage case	£76.65

- | | | |
|----|---|-----|
| 4. | Prisoners | Nil |
| 5. | Members of religious orders fully maintained by their order | Nil |
| 6. | People in hospital - see DMG 78700 et seq. | |

Additional amounts (see DMG Chapter 78)

53	Prescribed additional amounts from	8.04.13
	1. Severely disabled	
	1.1 lower rate	£59.50
	1.2 higher rate	£119.00
	2. Carer	£33.30
	3. Transitional amount for former claimants of IS/JSA(IB) - see DMG 78120	
	4. Housing costs - see DMG 78170 et seq.	

Savings credit

Savings credit threshold (see DMG 77173)

54	Amount of SCT from	8.04.13
	1. Claimant who has no partner	£115.30
	2. Claimant who has a partner	£183.90
	3. Polygamous marriage cases	£183.90

Prescribed percentages

55	Prescribed percentages from	8.04.13
	For the purposes of determining	
	1. The MSC (see DMG 77179)	60%
	2. Amount A (see DMG 77185 2.)	60%
	3. Amount B (see DMG 77187 1.)	40%

Maximum savings credit from 8.04.13

56 The MSC is a fixed percentage of the difference between the SMG and the SCT (see DMG 77179). From 9.04.12, that percentage is 60% (see para 40.1 above).

So from 8.04.13 the amount of the MSC is as follows

1.	claimant with no partner £145.40 SMG - £115.30 SCT x 60% =	£18.06
2.	claimant with a partner £222.05 SMG - £183.90 SCT x 60% =	£22.89

- | | | |
|----|--|---------------|
| 3. | polygamous marriages £222.05 SMG - £183.90 SCT x 60% = | £22.89 |
| 4. | prisoners | Nil |
| 5. | members of religious orders fully maintained by their order
(see DMG 78680) | Nil |
| 6. | people in hospital - see DMG 78700. | |

Appendix 2

Examples of calculation of amounts of SPC payable (based on figures applicable at 12.04.04)

This Appendix contains examples of how the amount of SPC payable is worked out in normal circumstances. DMs should note that these examples

1. are for illustrative purposes only
2. are based on the rates and percentages applicable as from 6.10.03
3. do not include any cases where the claimant is a member of a polygamous marriage or is in any other special group.

Appendix 6 to DMG Chapter 78 gives examples of cases involving members of polygamous marriages and other special groups.

Examples with no additional amounts

- Example 1** Single - Income equal to the SCT
- Example 2** Single - Reduced rate RP in payment
- Example 3** Single - Income subject to a disregard
- Example 4** Claimant with a partner - Income equal to the AMG
- Example 5** Claimant with a partner - Income exceeds AMG

Examples with additional amounts

- Example 6** Single - Income between the SCT and AMG
- Example 7** Single - Income less than the AMG
- Example 8** Single - Income equal to SMG
- Example 9** Single - Income between SMG and AMG
- Example 10** Single - Income exceeds AMG
- Example 11** Claimant with a partner - Part of claimant's income is not QI
- Example 12** Claimant with a partner - Mixed income types in payment

Example 1: Single - Income equal to the SCT

Tom is aged 65 and has no partner. He is entitled to RP of £79.60 a week and has no other income. Tom does not qualify for any additional amounts.

Calculation of GC:

SMG	£105.45
Additional amounts	nil
AMG	£105.45
Less income	£79.60
Amount of GC	£25.85

Calculation of SC:

SCT	£79.60
QI	£79.60
Amount of SC	Nil

Total SPC payable **£25.85**

Calculation of total weekly income:

RP	£79.60
SPC	£25.85
Total weekly income is	£105.45

Example 2: Single - Reduced rate RP in payment

Vincent is aged 67 and lives alone. He is entitled to reduced rate RP of £70 and S2P of £10 a week. Vincent does not qualify for any additional amounts.

Calculation of GC:

SMG	£105.45
Additional amounts	nil
AMG	£105.45
Less income (£70 + £10)	£80
Amount of GC	£25.45

Calculation of SC:

SCT	£79.60
QI	£80
QI exceeds SCT by	£0.40
60% x £0.40	£0.24
MSC	£15.51
Amount A	£0.24
Amount B (income does not exceed AMG)	Nil
Amount of SC	£0.24

Total SPC payable **£25.69**

Calculation of total weekly income:

RP	£70
S2P	£10
SPC	£25.69
Total weekly income is	£105.69

Example 3: Single - Income subject to a disregard

Winston, who is 70, lives alone and has RP of £79.60 a week. He also gets WDisP of £20 a week and £10 of that is disregarded in the calculation of his income (see DMG Chapter 85). Winston does not qualify for any additional amounts.

Calculation of GC:

SMG	£105.45
Additional amounts	nil
AMG	£105.45
Less income (£79.60 + £20 - £10)	£89.60
Amount of GC	£15.85

Calculation of SC:

SCT	£79.60
QI	£89.60
QI exceeds SCT by	£10
60% x £10	£6
MSC	£15.51
Amount A	£6
Amount B (income does not exceed AMG)	Nil
Amount of SC	£6

Total SPC payable £21.85

Calculation of total weekly income:

RP	£79.60
WDisP	£2-
SPC	£21.85
Total weekly income is	£121.45

Example 4: Claimant with a partner - Income equal to AMG

Younis, who is aged 68, lives with his partner Fatima. Younis is entitled to RP of £127.25 and Fatima gets an occupational pension of £33.70 a week. They do not qualify for any additional amounts.

Calculation of GC:

SMG	£160.95
Additional amounts	Nil
AMG	£160.95
Less income (£127.25 + £33.70)	£160.95
Amount of GC	Nil

Calculation of SC:

SCT	£127.25
QI	£160.95
QI exceeds SCT by	£33.70
60% x £33.70	£20.22
MSC	£20.22
Amount A	£20.22
Amount B (income does not exceed AMG)	Nil
Amount of SC	£20.22

Total SPC payable **£20.22**

Calculation of total weekly income:

RP	£127.25
Occupational pension	£33.70
SPC	£20.22
Total weekly income is	£181.17

Example 5: Claimant with a partner - Income exceeds AMG

Agnes, who is aged 69, lives with her partner Bernard. Their only income is RP of £127.25 a week and S2P of £60 a week. They do not qualify for any additional amounts.

Calculation of GC:

SMG	£160.95
Additional amounts	nil
AMG	£160.95
Less income (£127.25 + £60)	£187.25
Amount of GC	Nil

Calculation of SC:

SCT	£127.25
QI	£187.25
QI exceeds SCT by	£60
60% x £60	£36
MSC	£20.22
Amount A	£20.22
Income exceeds AMG by	£26.30
Amount B (40% x £26.30)	£10.52
Amount A (£20.22) - Amount B (£10.52)	£9.70
Amount of SC	£9.70

Total SPC payable £9.70

Calculation of total weekly income:

RP	£127.25
S2P	£60
SPC	£9.70
Total weekly income is	£196.95

Example 6: Single - Income between SCT and AMG

Ulrika is aged 66 and lives alone. She is entitled to RP of £79.60 a week and S2P of £10. Ulrika qualifies for an additional amount of £44.15 a week because she is severely disabled (see DMG 78040 et seq).

Calculation of GC:

SMG	£105.45
Additional amounts	£44.15
AMG	£149.60
Less income (£79.60 + £10)	£89.60
Amount of GC	£60.00

Calculation of SC:

SCT	£79.60
QI	£89.60
QI exceeds SCT by	£10
60% x £10	£6
MSC	£15.511
Amount A	£6
Amount B (income does not exceed AMG)	Nil
Amount of SC	£6

Total SPC payable £66.00

Calculation of total weekly income:

RP	£79.60
S2P	£10
SPC	£66.00
Total weekly income is	£144.60

Example 7: Single - Income less than AMG

Carlos, who is aged 70, is severely disabled and lives alone. He is entitled to basic RP of £79.60 and has £3 a week assumed income from capital (see DMG Chapter 84). Carlos qualifies for an additional amount of £44.15 a week because he is severely disabled (see DMG 78040 et seq).

Calculation of GC:

SMG	£105.45
Additional amounts	£44.15
AMG	£149.60
Less income (£79.60 + £3)	£82.60
Amount of GC	£67.00

Calculation of SC:

SCT	£79.60
QI	£82.60
QI exceeds SCT by	£3
60% x £3	£1.80
MSC	£15.51
Amount A	£1.80
Amount B (income does not exceed AMG)	Nil
Amount of SC	£1.80

Total SPC payable **£68.80**

Calculation of total weekly income:

RP	£79.60
Assumed income from capital	£3
SPC	£68.80
Total weekly income is	£151.40

Example 8: Single - Income equal to SMG

Dorothy is aged 65 and lives alone. She is entitled to basic rate RP of £79.60 and S2P of £22.85 a week. Dorothy also has £3 a week assumed income from capital (see DMG Chapter 84). She qualifies for an additional amount of £44.15 a week because she is severely disabled (see DMG 78040 et seq).

Calculation of GC:

SMG	£105.45
Additional amounts	£44.15
AMG	£149.60
Less income (£79.60 + £22.85 + £3)	£105.45
Amount of GC	£44.15

Calculation of SC:

SCT	£79.60
QI	£105.45
QI exceeds SCT by	£25.85
60% x £25.85	£15.51
MSC	£15.51
Amount A	£15.51
Amount B (income does not exceed AMG)	Nil
Amount of SC	£15.51

Total SPC payable **£59.66**

Calculation of total weekly income:

RP	£79.60
S2P	£22.85
Assumed income from capital	£3
SPC	£59.66
Total weekly income is	£165.11

Example 9: Single - Income between SMG and AMG

Eric is aged 70 and lives alone. He gets basic rate RP of £79.60 and a personal pension of £53 a week. Eric qualifies for an additional amount of £44.15 a week because he is severely disabled (see DMG 78040 et seq).

Calculation of GC:

SMG	£105.45
Additional amount	£44.15
AMG	£149.60
Less income (£79.60 + £53)	£132.60
Amount of GC	£17.00

Calculation of SC:

SCT	£79.60
QI	£132.60
QI exceeds SCT by	£53
60% x £53	£31.80
MSC	£15.51
Amount A	£15.51
Amount B (income does not exceed AMG)	Nil
Amount of SC	£15.51

Total SPC payable **£32.51**

Calculation of total weekly income:

RP	£79.60
Personal pension	£53
SPC	£32.51
Total weekly income is	£165.11

Example 10: Single - Income exceeds AMG

Freda, who is aged 69, lives alone in a flat on which she has an outstanding mortgage. She has RP of £79.60 and an occupational pension of £60 a week. Freda qualifies for an additional amount for housing costs of £30 a week.

Calculation of GC:

SMG	£105.45
Additional amounts	£30
AMG	£135.45
Income (£79.60 + £60)	£139.60
Amount of GC	Nil

Calculation of SC:

SCT	£79.60
QI	£139.60
QI exceeds SCT by	£60
60% x £60	£36
MSC	£15.51
Amount A	£15.51
Income exceeds AMG by	£4.15
Amount B (40% x £4.15)	£1.66
Amount A (15.51 - Amount B (£1.66))	£13.85
Amount of SC	£13.85

Total SPC payable **£13.85**

Calculation of total weekly income:

RP	£79.60
Occupational pension	£60
SPC	£13.85
Total weekly income is	£153.45

Example 11: Claimant with a partner - Income not QI

Gordon is 65 and gets RP of £79.60 plus a personal pension of £70 a week. His partner Hazel gets IB of £55.90. Hazel's IB is not QI (see DMG 77176). Gordon qualifies for an additional amount for housing costs of £30 a week.

Calculation of GC:

SMG	£160.95
Additional amounts	£30
AMG	£190.95
Less income (£79.60 + £70 + £55.90)	£205.50
Amount of GC	Nil

Calculation of SC:

SCT	£127.25
QI (£79.60 + £70)	£149.60
QI exceeds SCT by	£22.35
60% x £22.35	£13.41
MSC	£20.22
Amount A	£13.41
Total income exceeds AMG by	£14.55
Amount B (40% x £14.55)	£5.82
Amount A (13.41) - Amount B (£5.82)	£7.59
Amount of SC	£7.59

Total SPC payable **£7.59**

Calculation of total weekly income:

RP	£79.60
Personal pension	£70
IB	£55.90
SPC	£7.59
Total weekly income is	£213.09

Example 12: Couple - Mixed income types in payment

Ina, who is 70, has RP of £79.60 and a personal pension of £40. Her partner Jamie gets IB of £55.90 and WDisP of £30. Jamie's IB is not QI and £10 of his WDisP is disregarded in the calculation of income (see DMG Chapter 85). Ina qualifies for an additional amount for housing costs (see DMG Chapter 78) of £30.

Calculation of GC:

SMG	£160.95
Additional amount	£30
AMG	£190.95
Income [$£79.60 + £40 + £55.90 + (£30 - £10)$]	£195.50
Amount of GC	Nil

Calculation of SC:

SCT	£27.25
QI [$£79.60 + £40 + (£30 - £10)$]	£139.60
QI exceeds SCT by	£12.35
60% x £12.35	£7.41
MSC	£20.22
Amount A	£7.41
Total income exceeds AMG by	£4.55
Amount B (40% x £4.55)	£1.82
Amount A (£7.41) - Amount B (£1.82)	£5.59
Amount of SC	£5.59

Total SPC payable £5.59

Calculation of total weekly income:

Income ($£79.60 + £40 + £55.90 + £30$)	£205.50
SPC	£5.59
Total weekly income is	£211.09

The content of the examples in this document (including use of imagery) is for illustrative purposes only