PC10S – A detailed guide to Pension Credit for advisers and others (September 2024)

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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 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.

There are two parts to Pension Credit: Guarantee Credit and (for customers who reached State Pension age before 6 April 2016) Savings Credit

Guarantee Credit

Guarantee Credit provides financial help for people who have reached the 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 who reached State Pension age before 6 April 2016 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'.

Who can qualify for 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 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 rules that applied before April 2016. However, if they are a member of a couple and the other member reaches the qualifying 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.

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 linked to the State Pension age and is currently 66. It will increase in line with the increase in the State Pension age to 67 between April 2026 and March 2028.

Any future changes to the State Pension age will affect the Pension Credit qualifying age in the same way.

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.

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. Calculate the appropriate amount
2. Establish the customer's weekly income.
3. Establish the weekly (deemed) income from any capital over the £10,000 threshold. (Deemed income from capital)
4. Make allowance for any income or capital disregards.
5. 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:

- we calculate the 'appropriate amount' for your customer
- 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
- the individual elements – Guarantee and Savings Credit - are calculated.

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 service charges)– to cover certain accommodation costs that are not met by Housing Benefit
    - extra amount for children. [Reference 12]
    - transitional additional amount – for some people who were getting Child Tax Credit 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:

- £ 218.15 a week for single people
- £ 332.95 a week for couples

These rates, and those quoted in the sections that follow are the rates that apply from April 2024. Current rates can be found at Benefit and pension rates 2023 to 2024 - GOV.UK (www.gov.uk)

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

The extra amount for carers
[Legislation 44]

Your customer may be able to get this extra amount of £45.60 a week if:

- they (or their partner if they have one) are getting Carer's Allowance, or in Scotland, Carer Support Payment
- they (or their partner if they have one) has claimed Carer's Allowance or Carer Support Payment 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 or Carer Support Payment stops or underlying entitlement ceases, the Pension Credit extra amount for carers is paid for a further eight weeks. (If however Carer's Allowance or Carer Support Payment 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 £81.50 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, the Adult Disability Payment (Scotland) or Armed Forces Independence Payment, and

- no-one is paid Carer's Allowance, or in Scotland, Carer Support Payment for looking after them.

If your customer has a partner they may get the higher rate of £163.00 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, the Adult Disability Payment (Scotland) 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, or in Scotand, Carer Support Payment for looking after either of them.

If your customer has a partner they may get the lower rate of £81.50 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, the Adult Disability Payment (Scotland) or Armed Forces Independence Payment and someone gets Carer's Allowance or Carer Support Payment 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, the Adult Disability Payment (Scotland) or Armed Forces Independence Payment and no-one is paid Carer's Allowance or Carer Support Payment 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:

- 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.

From April 2018 a loan will be offered in respect of the following housing cost:

[Legislation 75]

- 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.

The transitional additional amount
[Legislation 45]

Your customer's 'appropriate amount' may include a transitional additional amount to make sure they do not lose money as a result of rule changes, if they were getting Child Tax Credit immediately before they started to get Pension Credit, or they were already getting Pension Credit when their Tax Credit award was closed.

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

It will stop if your customer:

- becomes a member of a couple
- ceases to be, or ceases to be treated as, a member of a couple
- is no longer treated as responsible for any child or young person for whom they were previously receiving Child Tax Credit
- ceases to be entitled to Pension Credit.

For more information, including on how the transitional additional amount is calculated, see Pension Credit: closure of Tax Credits for people over State Pension age - GOV.UK (www.gov.uk)

The extra amount for children
[Legislation 79]

Your customer may be able to get an extra amount for children in their Pension Credit.

If your customer meets the following criteria they may be entitled to this additional amount as part of their Guarantee Credit:

- your customer has main responsibility for a child under 16 years of age or a Qualifying Young Person (QYP) - a QYP is a person who has reached the age of 16 but not the age of 20, and has enrolled or been accepted in full-time, non-advanced education or approved training before the age of 19.
- the child or QYP must be normally living with your customer
- your customer must not have an ongoing award or be treated as having an ongoing award of tax credits.

Your customer must contact the Pension Credit helpline to inform us that they have become responsible for a child or QYP.

The additional amount for a child or QYP is paid as part of the PC applicable amount. There are four payable amounts (the rates shown are the rates that apply from April 2024):

- a higher amount for the first child or QYP born before 6 April 2017 - the rate for this amount is £76.79

- a standard amount for each additional child or QYP, or those born on or after 6 April 2017 - the rate for this amount is £66.29

- an extra amount for each disabled child or QYP - in receipt of DLA or PIP or in Scotland, Child Disability Payment or Adult Disability Payment - the rate for this amount is £35.93

- a higher extra amount for each disabled child or QYP – who is blind or in receipt of the highest rate care component of DLA or Child Disability Payment, or the enhanced daily living component of PIP or Adult Disability Payment - the rate for this amount is £112.21

If your customer is claiming or has claimed tax credits in the previous year they must first contact HMRC to see if they can continue their support for children through Child Tax Credit.

Savings Credit

[Legislation 60]

Savings Credit is extra money for people who reached State Pension age before 6 April 2016 and whose qualifying income is above the Savings Credit starting point. This is called the Savings Credit threshold in the legislation.

Qualifying conditions 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.

Couples in this position can still be entitled to Savings Credit from 6 April 2016 if one member of the couple satisfies all the following conditions:

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

The Savings Credit starting point is:

- £189.80 for a single person

- £301.22 for a couple

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

- £17.01 for a single person
- £19.04 for a couple

The maximum amount is 60% of the difference between the standard amount (£218.15 for a single person and £332.95 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 2024. Current rates can be found at Benefit and pension rates 2024 to 2025 - GOV.UK (www.gov.uk)

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 £17.01 for a single person and £19.04 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.

Calculating Pension Credit: some examples

These examples show how Pension Credit is worked out, based on the rates that apply from April 2024.

The rates used in these examples are:

Standard amount:

- single person: £218.15

- couple: £332.95

Savings Credit starting point:

- single person: £189.80
- couple: £301.22

Savings Credit maximum:

- single person: £17.01
- couple: £19.04

This maximum is 60% of the difference between the standard amount (£218.15 for a single person and £332.95 for a couple) and the Savings Credit starting point.

Example 1

Andrew is 66. He gets £164.00 per week State Pension and £28.25 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 £218.15. His income is £192.25, so he is entitled to Guarantee Credit of £25.90 a week. He is not entitled to Savings Credit because he reached State Pension age after April 2016.

Andrew’s weekly Pension Credit is £25.90.

Example 2

Joyce is 74. Her State Pension is £169.50 per week. She also gets Attendance Allowance of £108.55 per week and has savings of £8,000.

Joyce’s ‘appropriate amount’ is £299.65 which includes the extra amount of £81.50 for severe disability, as she lives alone and no-one receives Carer’s Allowance in respect of her. Her Attendance Allowance does not count as income and her savings are less than £10,000.01 [Reference 5a]. Her only income to be deducted from Pension Credit is £169.50 State Pension. She is entitled to Guarantee Credit of £130.15 a week.

Joyce reached State Pension age before 6 April 2016, but as her qualifying income is below the Savings Credit threshold of £189.80 she is not entitled to Savings Credit.

Joyce’s total Pension Credit is £130.15.

Example 3

Cathy is 77. She is single. Her State Pension is £201.50 a week 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 £234.50, which includes an extra amount for housing costs of £16.35. Her income is £204.50 (including £3 deemed income from capital), so she is entitled to Guarantee Credit of £30.00 a week.

All Cathy’s income is qualifying income and is more than the Savings Credit starting point. Amount A is therefore £8.82 (qualifying income of £204.50 less £189.80 Savings Credit starting point x 60%). As Cathy’s income is less than her ‘appropriate amount’, her Savings Credit can be awarded in full.

Cathy’s total Pension Credit is £38.82 which is made up of £30.00 Guarantee Credit plus Savings Credit of £8.82.

Example 4

Jean and Howard are both 75. Their weekly income comprises Jean’s State Pension of £103.55 and Howard’s State Pension of £197.15. 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 £332.95. Their income is £350.70 including £50 deemed income from their capital. They are not entitled to Guarantee Credit.

All their income is qualifying income and comes to £49.48 more than the Savings Credit starting point of £301.22. 60% of £49.48 gives £29.69, which is more than the maximum Savings Credit for a couple. Amount A is therefore capped at the maximum of £19.04.

Their income is £17.75 more than their ‘appropriate amount’, so Amount B (40% of the excess, which is £7.10) is taken away from Amount A, giving Savings Credit of £11.94.

Jean and Howard’s Pension Credit is therefore £11.94 per week, comprising Savings Credit only.

Who is eligible for Pension Credit?

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

Age:

Single claimants:

- your customer can only get Pension Credit if they have reached the qualifying age – see Pension Credit qualifying age.

Couples:

- if both partners have reached the qualifying age, either partner can apply for Pension Credit
- from 15 May 2019, if only one partner has reached the qualifying age, they will not be eligible for Pension Credit unless they were entitled to either
    - Pension Credit or
    - Pension Age Housing Benefit

  before that date and have remained continuously entitled to either benefit as a couple since then. See below for more detail on this change.

Find out how we define couples

Mixed-age couples: changes from 15 May 2019

Before 15 May 2019, a person who had reached the qualifying age and was a member of a “mixed-age” couple (a couple where only one partner has reached the qualifying age) could qualify for Pension Credit for themselves and their partner.

From 15 May 2019, a person who is a member of a couple cannot qualify for Pension Credit unless their partner has also reached the qualifying age, except in certain circumstances. (See below)

This change to the entitlement conditions for couples was introduced by the Welfare Reform Act 2012 and implemented from 15 May 2019 by Commencement Order [Legislation 76]

This change also applies to Housing Benefit for people who have reached the qualifying age (referred to in this guide as “Pension Age Housing Benefit”).

Exceptions

Mixed-age couples who were entitled to

- Pension Credit or
- pension age Housing Benefit or
- Pension Credit and pension age Housing Benefit

on 14th May 2019 are exempt from the change provided they remain entitled to either benefit as part of the same couple. If this condition ceases to be met after that date for any reason, or for any length of time, the new rules will apply, meaning that the couple will not then be eligible for Pension Credit or pension age Housing Benefit until both partners have reached the qualifying age.

An exception applies to mixed-age couples who were entitled to Working Tax Credit and pension-age Housing Benefit and whose Housing Benefit award ended because they were sent a migration notice to apply for Universal Credit. They will still be able to re-claim pension-age Housing Benefit and claim Pension Credit provided they do so within three months of the end of their Universal Credit award, or, if they did not claim Universal Credit or were not entitled to it, within three months of the end of the Housing Benefit award.

For more information see Pension Credit: closure of Tax Credits for people over State Pension age - GOV.UK (www.gov.uk)

Where a mixed-age couple is eligible to claim Pension Credit after 14th May 2019, the partner who has reached the qualifying age must be the one who applies.

The following examples explain this in more detail.

Example 1

Brian and his partner Jill, who are a mixed-age couple, have been receiving pension age Housing Benefit since Brian reached State Pension age in 2018. They do not get Pension Credit as their income including the Carer’s Allowance Jill gets for caring for her elderly mother exceeds the rate of Guarantee Credit that would apply to them.

In January 2024, Jill's Carer's Allowance ends following her mother's death. Their income is now below the standard rate of Guarantee Credit for a couple. Although Jill is still under State Pension age, Brian can apply for Pension Credit because they have remained continuously entitled to pension age Housing Benefit since 14th May 2019.

Example 2

Sandra has been claiming Pension Credit for herself and her husband Derek, who is 5 years younger, since she reached State Pension age in November 2018.

In November 2020, they moved into rented accommodation. As there had been no break in Sandra's Pension Credit award since 14th May 2019, they could apply for pension age Housing Benefit.

In February 2024, Derek gets a temporary part-time job. The increase in their joint income ends Sandra's Pension Credit award, but they continue to qualify for Housing Benefit at a reduced rate.

When Derek's temporary job ends after 6 months, Sandra will be able to re-claim Pension Credit as they have either been entitled to Pension Credit, pension age Housing Benefit or both at all times since 14th May 2019.

Example 3

Jane and her husband Paul, who are a mixed age couple, have been in continuous receipt of pension age Housing Benefit since February 2019. In May 2023, they move address to be nearer Paul's father. As their new address is in a different local authority area, their award of Housing Benefit ends.

Jane was not claiming Pension Credit at the time they moved, although she would have been entitled to it if she had applied.

Jane can still qualify for Pension Credit if she backdates her claim to before their entitlement to pension age Housing Benefit at their previous address ended, provided she does this within 3 months of the date from which she wants to start getting Pension Credit [see When to apply].

If her claim for Pension Credit is successful, they will also be able to re-apply for Housing Benefit at their new address. Claims for Housing Benefit can also be backdated for up to 3 months.

Example 4

Paul has been claiming Pension Credit for himself and his partner Ann, who is under State Pension age, since 2016. They are also getting pension age Housing Benefit.

In January 2024, their son pays for them to go and visit him in Australia for a family holiday. The maximum period for which Pension Credit and pension age Housing Benefit can be paid during an absence from GB is 4 weeks, in most circumstances. They are away for 5 weeks. As a result, their entitlement to both benefits ends.

On their return, they cannot requalify for either Pension Credit or pension age Housing Benefit until Ann reaches State Pension age as there has been a break in their entitlement to both benefits after 14th May 2019.

Example 5

Mike is a single pensioner who had been claiming Pension Credit and pension age Housing Benefit since January 2019. In September 2019, his partner Gemma, who is under the qualifying age, moved in with him.

As Mike had become a member of a mixed-age couple after 14th May, the new rules apply to him and he ceased to be entitled to both Pension Credit and Pension Age Housing Benefit.

Example 6

Steve and Liz started claiming Pension Credit as a couple in December 2018. In September 2023, they split up and Liz went to live with their daughter while she looked for somewhere to rent on her own.

Steve continued to receive Pension Credit as a single person. However, in February 2024, they were reconciled, and Liz moved back in with him.

Although Steve is again living with the same partner as before, as his award as a couple had not been continuous since 14th May 2019, the new rules apply and he ceased to be entitled to Pension Credit from February 2024.

Other income-related benefits that mixed-age couples may get

Universal Credit

Mixed-age couples who are not eligible for Pension Credit or pension age Housing Benefit may be able to get Universal Credit, if they meet the relevant entitlement conditions.

If they claim Universal Credit, both partners will need to apply together, but the partner who has reached the qualifying age for Pension Credit will not have any work-related conditions applied to them.

Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance and "working age" Housing Benefit

Universal Credit has replaced these "legacy" benefits for most people making a new claim, but in the cases set out below, a mixed-age couple may be able to receive a legacy benefit instead of claiming Universal Credit.

Case 1: The younger partner is receiving a legacy benefit for both of them

Where the younger partner is claiming for the couple, the younger partner's legacy benefit award may continue when the older partner reaches the qualifying age.

This does not apply if the younger partner is only claiming "working age" Housing Benefit. In this situation their Housing Benefit will stop when the older partner reaches the qualifying age, and the couple would need to apply for Universal Credit. The only exception is where the award began before 27 January 2021 and included the Severe Disability Premium (SDP) – see Case 4.

Case 2: Both partners are claiming income-based Jobseeker's Allowance as a joint-claim couple

When the older partner reaches the qualifying age, the couple cannot continue receiving Jobseeker's Allowance on a joint-claim basis, but the younger partner may continue to receive Jobseeker's Allowance for both of them.

Case 3: The older partner is over the qualifying age when they form a couple with a younger partner claiming a legacy benefit as a single person

The younger partner may be able to add the older partner to their claim and continue receiving their existing benefit for the couple.

This will not apply if forming a couple ends the younger partner's entitlement to the legacy benefit; for example, where:

- they were claiming Income Support on the basis of being a lone parent
- they were claiming only "working age" Housing Benefit (or they were claiming Housing Benefit with another legacy benefit that ceased when they became a couple)

If the younger partner is no longer entitled to their existing benefit, the couple would need to apply for Universal Credit.

Case 4: the legacy benefit award includes the Severe Disability Premium (SDP)

From 16 January 2019 to 26 January 2021, single people or couples could not claim Universal Credit if:

- they were (or their partner was) entitled to an award of a legacy benefit that included the SDP; or
- their (or their partner's) entitlement to a legacy benefit that included the SDP had ended within the past month and since the award ended they had continued to meet the entitlement conditions for the SDP.

Where these conditions (the "SDP conditions") were met they could remain on, or make a new claim for, a legacy benefit.
Where the older partner in a couple was claiming for the couple and reached the qualifying age, they were treated as not having reached that age in order to enable them to remain on the legacy benefit.

From 27 January 2021, the restrictions on claiming UC for people whose legacy awards include the SDP were removed. For couples, this means that where the older partner is claiming a legacy benefit for the couple and reaches the qualifying age on or after that date, the award will end.

Those with an existing award at 26 January 2021 can remain on the legacy benefit until the award ends, or can choose to claim Universal Credit.

When a legacy benefit award may end

Where a mixed-age couple is receiving a legacy benefit in place of Universal Credit, it may continue until whichever of the following occurs first:

- they no longer meet the entitlement conditions for that benefit (if they need to make a subsequent claim for benefit and one partner is still under the qualifying age they will only be able to claim Universal Credit,)
- they need to claim another legacy benefit in addition to their existing benefit (they will only be able to claim Universal Credit, which will mean their existing benefit award will be ended)
- they are required to claim Universal Credit under the “managed migration” arrangements (when their existing rate of benefit will be protected at the point of change)
- the younger partner also reaches the qualifying age (when they will be able to claim Pension Credit and/ or pension age Housing Benefit).

Tax Credits

From 1 February 2019, Universal Credit replaced tax credits (Working Tax Credit and Child Tax Credit) for most people making a new claim.

As there is no upper age limit for entitlement to tax credits, an existing award can continue when one member of a couple reaches the qualifying age for Pension Credit. Where a mixed-age couple has an existing award of tax credits, it may continue until whichever of the following occurs first:

- they no longer meet the entitlement conditions
- they need to claim another benefit that has been replaced by Universal Credit in addition to tax credits (they will only be able to claim Universal Credit, which will mean their existing tax credits award will be ended)
- their award is ended under the arrangements for migrating tax credit customers to Universal Credit or Pension Credit.

For more information, see Pension Credit: closure of Tax Credits for people over State Pension age - GOV.UK (www.gov.uk)

A tax credits award for a single person ends if they form a couple. New mixed-age couples will normally only be able to claim Universal Credit. However, if the younger partner had been claiming a legacy benefit as a single person they may be able to add the older partner to their claim instead (see case 3, above).

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, they can probably get Pension Credit if the money they have coming in is less than:

- £218.15 a week if they are single
- £332.95 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 qualifies for Savings Credit (see Savings Credit for details on this), and has 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. If they qualify this element could be up to:

- £17.01 a week for single people
- £19.04 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:

- £260.67 a week if they are single
- £380.54 a week if they have a partner

These are the figures that apply from April 2024 The rates normally change each April. Current rates can be found here: Benefit and pension rates 2024 to 2025 - GOV.UK (www.gov.uk)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
- they have responsibility for a child or qualifying young person

The sections on the extra amount for severe disability, the extra amount for carers, the extra amount for housing costs and on the extra amount for children 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. See [People living apart from their partner for situations where partners can be treated separately]

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.

Once both partners have reached the qualifying age either of them can apply for Pension Credit for the couple. 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.

See also - Mixed-age couples: changes from 15 May 2019

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 gross 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. Find out more about 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 wholly, or partially, disregarded. 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

Notional income from unclaimed State Pension or non-State Pension is ignored for up to 52 weeks where a customer who was previously in receipt of Child Tax Credit claimed Pension Credit after being sent a tax credit closure notice, provided they were deferring their pension income at the time the notice was sent.

For more information see Pension Credit: closure of Tax Credits for people over State Pension age - GOV.UK (www.gov.uk)

If your customer had put off claiming their State Pension and had chosen to receive weekly extra State Pension when they finally claimed, they are not treated as having given up their rights to an income if they changed their mind and chose to take a lump-sum payment.

Important information if your customer or their partner puts off, or is 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 a lump sum for the days they are in receipt of Pension Credit from 6 April 2011.

This rule also applies to people who receive Income Support, Jobseeker's Allowance (Income Based) or Employment and Support Allowance (Income Related), or who claim Universal Credit.

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 Support 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.
- Universal Credit
- The following benefits available in Scotland only:
    - Adult Disability Payment
    - Carer's Allowance Supplement
    - Early Years Assistance
    - Funeral Support Payment
    - Child Payment

    - Child Disability Payment
    - Young Carer's Grant
    - Short-term assistance
    - Winter Heating Payment

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

- In Scotland, any amount of Carer Support Payment that exceeds the rate of Carer'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
    - Adult Disability 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.

See also **Mixed-age couples: changes from 15 May 2019**

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.

Second World War Compensation Payments
[Legislation 29]

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 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)) or who have been affected by terrorist attacks or an emergency (for example, the London Emergencies Trust, We Love Manchester Emergency Fund, the Victims of Overseas Terrorism Compensation Scheme and the National Emergencies Trust).

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, income-based Jobseeker's Allowance and income-related Employment and Support Allowance).

If your customer or their partner received a payment out of the estate of a person which derived from a payment which was to meet the recommendation of the Infected Blood Inquiry in its interim report published on 29 July 2022 then that payment is disregarded indefinitely. Your customer has to have been the infected person's son, daughter, step-son or step-daughter.

Other compensation payments

The following compensation payments are also fully disregarded:

- Grenfell Tower payments
- Child abuse payments
- Windrush payments
- payments made by the Child Migrants Trust to former British child migrants
- payments made to those affected by the failings of the Post Office Horizon accounting system
- Vaccine damage payments

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.

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;
- Constant Attendance Allowance;

- Disability Living Allowance;
- Personal Independence Payment;
- Exceptionally Severe Disablement Allowance;
- 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);
- Bereavement Support Payment (including an amount paid for survivors of a cohabiting relationship)
- Early Years Assistance (available in Scotland only)
- Funeral Support Payment (available in Scotland only)
- Maternity Allowance
- Scottish Child Payment
- Young Carer's Grant (available in Scotland only)
- Scottish Short-Term Assistance
- Winter Heating Payment (available in Scotland only)
- Scottish Adult Disability Payment
- Widowed Parent's Allowance for survivors of a cohabiting relationship

Official error arrears and compensation

[Legislation 32]

There are special rules if the amount of arrears of, or compensation for late payment of, a benefit listed in the previous paragraph is £5,000 or more and is to put right an earlier official error:

- 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 6 April 2016 and defer their State Pension. However, a person who reaches State Pension age on or after that date whose deceased spouse or civil partner had reached State Pension age before 6 April 2016 and died while deferring their State Pension will still have the choice of taking an inheritable deferral payment in the form of an increase or lump sum payment.

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. The table below shows the weekly amount of deemed income from capital of up to £25,000.

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 or a loan 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

Support For Mortgage Interest loan

If your customer is a homeowner, they might be able to get help towards interest payments on:

- their mortgage
- loans that they have taken out for certain repairs and improvements to their home

This help is called Support for Mortgage Interest (SMI) and is paid as a loan.

The SMI loan can only help to pay the interest on your customers' mortgage, and will not cover the amount borrowed, insurance policies that they may have or any missed mortgage payments (arrears).

If your customer does qualify they will be offered a loan to help with paying the interest on up to £100,000 of their loan or mortgage. The amount they can get as an SMI loan is calculated using a standard interest rate (SIR).

The loan is then repayable with interest once they sell or transfer ownership of their home.

Repaying SMI loans

The interest on SMI loans can go up or down, but the rate won't change more than twice a year. The current rate can be found here.

Your customer won't have to repay the loan until they sell the property or transfer it to someone else.

If there isn't enough money from the sale of the home to repay the SMI loan in full, the rest of the loan will be written off and your customer won't have to repay it, unless it was sold or disposed of for less than the market value.

Your customer can choose to repay the loan more quickly, by making voluntary repayments. The minimum voluntary repayment is £100 or the outstanding balance if it's less than £100. Your customer will need to contact DWP Loan Repayment if they have any queries about repayment.

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 a loan or an extra amount for housing costs. [Legislation 46c]

More than one home

[Legislation 46b]

These extra amounts or loans 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, a loan could be offered to 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 loan would not include interest on that part of the new mortgage or loan. [Legislation 46d]

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 SMI loan [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.

Standard rate of interest
[Legislation 51]

To calculate the amount of Support for Mortgage Interest Loan your customer might get 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 current interest rate used to calculate the amount of support for mortgage interest can be found at Support for Mortgage Interest (SMI): What you'll get - GOV.UK (www.gov.uk)

Interest on loans for repairs and improvements
[Legislation 52]

A loan could be offered to 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, a loan for housing costs could 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

An extra amount for housing may be paid to include help for 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 for housing 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 for housing 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 for housing 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.

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 for housing 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

Non dependant deductions may apply to your extra amount for housing costs and to your loan for housing costs.

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 Employment and Support Allowance (Income Related) assessment phase rate, (their Employment and Support Allowance 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 and/or any support for mortgage interest loan 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 or loan 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 or loan 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 a budgeting loan to help with the costs of moving home, including with rent in advance.

More than one home

[Legislation 57]

Housing costs usually only include 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.

How to apply

Apply online

Your customer can use the online service on GOV.UK at Apply for Pension Credit if they have already applied for their State Pension

Apply by telephone

Your customer can also apply by telephone.
Customers can call on:

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

Lines are open Monday to Friday from 8am to 6pm.
Find out more about call charges.

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 or 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 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

Apply by post

Your customer – or their friend or family member – can also get a postal application form to fill in by:

• going to Pension Credit claim form - GOV.UK (www.gov.uk) (the form can be printed off and then completed, or completed on screen before printing)

• phoning 0800 99 1234 and asking for an application form

Letters and forms must be sent to :

The Pension Service 8
Post Handling Site B
Wolverhampton
WV99 1AN

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.

If your customer has a partner, the earliest they will normally be able to apply is four months before the younger partner reaches the qualifying age. This does not apply if they are already claiming pension age Housing Benefit when they apply for Pension Credit – see Mixed-age couples: changes from 15 May 2019

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 November 1958 they would reach the qualifying age on 10 November 2024. If they want to start getting Pension Credit from that date, they can apply at any time from 10 July 2024 (4 months in advance) up to and including 9 February 2025 (which is 3 months after your customer reached the qualifying age).

If your customer wants Pension Credit to start from a past or future date they must tell us when they apply. If they apply online, the earliest date they could apply from is automatically generated and they are asked if they want their claim to be considered from that date. If they phone to apply, we can go through this with them. If they complete an application form they will find information about when to claim from in the booklet that comes with it.

To find out when your customer can get Pension Credit you can use the Pension Credit calculator

Customers who moved to Pension Credit from tax credits under the migration arrangements are not able to backdate their Pension Credit claim to a date before the last date of their tax credit award.

For more information see Pension Credit: closure of Tax Credits for people over State Pension age - GOV.UK (www.gov.uk)

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

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.

The decision notice will also explain what your customer should do if they disagree with 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 in 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 can use form SSCS1 Notice of appeal against a decision of the Department for Work and Pensions

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.

For those customers who are unable to open or operate a bank, building society or credit union account, the Payment Exception Service provides an alternative.

The Payment Exception Service should only be used when the customer has confirmed that they are unable to open or operate any other type of account. Customers can collect their payments at most Paypoint retailers.

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 at their local Post Office®.

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, deputies and third parties: staff 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 State Pension age on or after 6 April 2010

If your customer reaches State Pension 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.

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 may be entitled to a part week payment of Pension Credit at the start of their Pension Credit entitlement.

Paydays

The Pension Credit payday for customers who reach State Pension age on or after 6 April 2010 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 male customers who qualified for Pension Credit before 6 April 2010 while they were still under State Pension age will continue to be paid in advance unless their Pension Credit entitlement ended before they reached State Pension age.

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 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

Paying Support For Mortgage Interest (SMI)

Your customer may be offered a loan for housing costs to cover mortgage interest.

If your customer is getting Guarantee Credit this loan 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.

Arrears deductions

If your customer’s mortgage lender is not in the mortgage interest direct scheme, we cannot normally pay any mortgage interest direct to the lender.

More than one mortgage

If your customer has more than one mortgage which qualifies for help, we will offer loans in respect of 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 loan that they are offered does not cover the full mortgage payment – for example, because they are also repaying capital

There's more guidance on GOV.UK about getting help with housing costs.

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 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 overpayments are 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.

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 or Adult Disability Payment 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:

- 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.

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
- From February1st 2019 if they become responsible for a child or qualifying young person

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 leave Great Britain 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 leaves Great Britain 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

Your customer must also tell us if they become responsible for a child or qualifying young person, as they may be able to receive an additional amount in their guarantee credit. See About children

See also **Mixed-age couples: changes from 15 May 2019** for information on how your customer's Pension Credit will be affected if they start (or resume) living with a partner who has not reached the qualifying age.

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

An assessed income period (AIP) is a period during which your customer does 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.

Section 28 of the Pensions Act 2014 provided for the abolition of the AIP. Since 6 April 2016, no new AIPs have been set, and all AIPs with a specified end-date have now been phased out.

If your customer was aged 75 or over when the AIP was set, it will have been set indefinitely. Your customer may have an indefinite AIP if they were aged 75 or over at 6 April 2016.

Indefinite AIPs already in place at 6 April 2016 will only end if one of the circumstances described under When the assessed income period ends early applies.

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 AIP. 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 AIP. 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]

An indefinite AIP will end 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) or the amount they get goes down and they ask for their Pension Credit to be recalculated
- is no longer entitled to Pension Credit

When the period ends

When an AIP 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 AIP 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.

This does not mean that they have been overpaid Pension Credit during the time the AIP applied, 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 AIP.

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 AIP, 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).

General rules

[Legislation 69]

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 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
- 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 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 Great Britain 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 who 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.

See also Mixed-age couples: changes from 15 May 2019. These changes mean that if, at the time they reapply, one partner is still below the Pension Credit qualifying age, they will not be able to requalify for Pension Credit. They may be able to get Universal Credit instead.

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 qualifying age 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 qualifying age, they may be eligible for Universal Credit. If your customer is away for longer than their Pension Credit can be paid under the temporary absence rules, they will not be able to re-apply for it for themselves and their partner when they return unless their partner was claiming pension age Housing Benefit for the couple and has remained entitled to it during their absence (see Mixed-age couples: changes from 15 May 2019) (Note that a claim for Universal Credit will terminate the Housing Benefit award.)

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.

If your customer is receiving Pension Credit as if they were single, when their partner returns and rejoins the household they will not be able to continue receiving Pension Credit if the partner is under the qualifying age unless your customer was claiming pension age Housing Benefit for the couple and has remained entitled to it during their partner's absence (see Mixed-age couples: changes from 15 May 2019)

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, Personal Independence Payment or Adult Disability 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 each 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. If they are under the qualifying age they may be eligible for Universal Credit.

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, Personal Independence Payment or Adult Disability 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, Personal Independence Payment or Adult Disability 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.

If they are under the qualifying age they may be eligible for Universal Credit.

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, Personal Independence Payment or Adult Disability 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.

If they are under the qualifying age they may be eligible for Universal Credit.

See also Mixed-age couples: changes from 15 May 2019

Housing costs while in hospital

If your customer goes into hospital they will continue to get any Pension Credit and housing cost payments including loans in respect of mortgage interest 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. In Scotland they are registered with the Care Inspectorate. In Wales they are registered with the Care and Social Services Inspectorate Wales.

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 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. Adult Disability 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, Adult Disability 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:

- NHS - care homes
- Welsh Government - thinking about a care home
- Care Information Scotland - care homes

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 qualifying age the partner should apply for Pension Credit. (If they are under the qualifying age they may be eligible for Universal Credit.)

See also Mixed-age couples: changes from 15 May 2019

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 and loans in respect of their 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 detained under the Mental Health Acts

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 or civil partners

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

See also Mixed-age couples: changes from 15 May 2019

What we mean by 'living together as if married or civil partners'

'Living together as if married or civil partners', means that two people live together and share their lives in the same way as if they were married or in a civil partnership.

How we decide whether people are living as if married or civil partners

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 or civil partners.

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 or in a civil partnership.

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 civil partnership 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 or civil partnership. If so, we will look at their situation again at a later date. We will write to your customer again about this.

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.

If your customer's partner is under the qualifying age the partner may be eligible for Universal Credit.

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.

Your customer can also apply for Pension Credit as a single person if their partner is under the qualifying age for Pension Credit and:

- they were claiming Universal Credit as a couple, but are treated as single claimants because one partner has been, or is expected to be, temporarily absent from the home for more than 6 months; or
- their partner is not eligible for Universal Credit because they are under 18, does not satisfy the habitual residence test, they are not in GB, they are a prisoner, a member of a religious order or they are a person subject to immigration control.

See also Mixed-age couples: changes from 15th May 2019.

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 £301.22

The Savings Credit maximum is the same as for a couple £19.04

From 15 May 2019, where a customer over the qualifying age is living with more than one spouse and one or more of the spouses is under the qualifying age, in these circumstances, the customer and spouse from the earliest extant marriage will be treated as a couple. The additional partner or partners will be treated as single claimants.

Example: The customer and first spouse have both reached the qualifying age. The second spouse has not.

- The customer can claim Pension Credit for himself and his first spouse.
- The second spouse will not be included in the Pension Credit claim but will be eligible to claim Universal Credit as a single claimant.
- When the second spouse reaches the qualifying age, they will cease to be treated as a single claimant and will be included in the customer's Pension Credit claim.

Example: The customer has reached Pension Credit qualifying age but both his first and second spouses are under the qualifying age.

- As the first spouse has not reached the qualifying age, the rules applicable to couples where only one partner has reached that age will apply – see Mixed-age couples: changes from 15 May 2019
- The second spouse will be eligible to claim Universal Credit as a single claimant.

- If the first spouse reaches the qualifying age first, the customer will be able to claim Pension Credit for the couple.
- If the second spouse reaches the qualifying age first, they will be able to claim Pension Credit as a single claimant until the first spouse has also reached the qualifying age, when the customer will be able to claim Pension Credit for himself and both spouses.

This change will not apply to customers entitled to Pension Credit or pension age Housing Benefit as a polygamous marriage on 14 May 2019 for as long as they remain entitled as part of that marriage to either benefit. If this condition ceases to be met for any reason or for any length of time the new rules described above will apply to any subsequent claim.

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 is guidance available about each of these benefits on GOV.UK

Information about benefits provided by the Scottish Government is available on Benefits and grants - mygov.scot

Housing Benefit

Housing Benefit is a social security benefit administered by local authorities. Housing Benefit is to help people on low incomes pay some or all of their rent. If your customer is getting the Guarantee Credit part of Pension Credit, they will qualify for maximum eligible Housing Benefit.

If your customer is entitled only to the Savings Credit part of Pension Credit, or is not entitled to Pension Credit, and does 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 is also guidance on GOV.UK about Housing Benefit

Local Council Tax Support

Local council tax support (also called Council Tax Reduction) is to help people on low incomes who are liable to pay Council Tax, by reducing the amount they are liable to pay. Each local authority runs its own scheme. You can get more information about Council Tax Support from the local authority.

If your customer is getting the Guarantee Credit part of Pension Credit they will qualify for maximum help with their Council Tax. If your customer is entitled only to the Savings Credit part of Pension Credit, or is not entitled to Pension Credit, and does not have more than £16,000 capital, they may still qualify for some help with their Council Tax.

Cold Weather Payments

Cold Weather Payments (England and Wales) are payments to help towards extra heating costs during a week of extremely cold weather. If your customer is getting Pension Credit they will qualify automatically without the need to make a claim but if they have any queries about the payment they should contact The Pension Service. More information can be found at GOV.UK at Cold Weather Payment.

For information about the **Winter Heating Payment** for customers in Scotland, see Winter Heating Payment - mygov.scot

Winter Fuel Payments

These are annual lump sum payments to help towards winter fuel bills paid to people who have reached State Pension age in or before the "qualifying week" (the week beginning on the third Monday in September in the relevant year). From winter 2024/25, people must also be entitled to Pension Credit or another qualifying means-tested benefit for at least one day in the qualifying week to be eligible for a payment. The Winter Fuel Payment will normally be paid automatically.

Read more information about Winter Fuel Payment, including when a claim is needed and how to apply.

Funeral Expenses Payments

If your customer or their partner is getting Pension Credit, Housing Benefit, Child Tax Credit or the disability or severe disability element of Working Tax Credit and are responsible for arranging a funeral they may get help towards the costs. More information can be found on GOV>UK at Funeral Expenses Payments. For information about **Funeral Support Payments** for customers in Scotland, see Funeral Support Payment - mygov.scot

Budgeting Loans

Budgeting Loans are interest-free loans to help people, with intermittent expenses that are considered difficult to budget for. Pensioners who have been getting Pension Credit for at least six months can apply.

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 advance 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.

Attendance Allowance

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

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.

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 after State Pension age 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

Personal Independence Payment has replaced Disability Living Allowance for new claims from people who are 16 and over but under State Pension age who have a long-term health condition or disability.

If Personal Independence Payment is being paid when someone reaches State Pension age it can continue to be paid for as long as they meet the qualifying conditions.

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).

Adult Disability Payment (Scotland only)

Adult Disability Payment is extra money for people aged between 16 and State Pension age who have a disability or long-term health condition that affects their everyday life. It is replacing Personal Independence Payment and Disability Living Allowance for customers in Scotland.

If Adult Disability Payment is being paid when someone reaches State Pension age it can continue to be paid for as long as they meet the qualifying conditions

Adult Disability 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 Adult Disability Payment (for example, if they qualify for the extra amount for severe disability).

For more information see Adult Disability Payment - mygov.scot

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..

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).

Carer’s Allowance

Carer's Allowance is available for people spending at least 35 hours a week providing care to 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, Adult Disability 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.

In **Scotland**, Carer's Allowance is being replaced by Carer Support Payment and similar, although not identical, rules will apply. The effect on Pension Credit will be the same as with Carer's Allowance in England and Wales.

See more information for carers.

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.

Find out more information about Universal Credit,

Universal Credit can be claimed by a person over the qualifying age for Pension Credit if they have a partner who is below that age. Where a couple in this position claims Universal Credit only the younger partner may be subject to work-related requirements. A person cannot get Pension Credit and Universal Credit at the same time. If they qualify for Universal Credit any existing award of Pension Credit or pension age Housing Benefit will stop, and they will not be able to start getting either benefit again until both partners have reached State Pension age. See also Mixed-age couples: changes from 15 May 2019

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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

Pension Credit customers are automatically considered for the discount. From 2022-23, the discount will be £150. Your customer may qualify for this energy discount if on the qualifying date they were either:

- getting the Guarantee Credit part of Pension Credit, (even if they get Savings Credit as well) or
- getting just the Savings Credit part of Pension Credit and living in a high energy cost home

and all the following applied:

- their name, or their partner's name was on their electricity bill
- they got their 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 your customer may get.

From 2022-23 a separate Warm Home Discount scheme applies in Scotland.

See The Warm Home Discount scheme for more information.

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
See the Energy Saving Trust website

Scotland
See the Energy Saving Trust website

Wales
See the Nest website

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.

The NHS provide more information on Leaflet HC11.available from help with health costs.

Free TV licence for over 75s

If your customer or their partner is aged 75 or over and they are getting Pension Credit they will qualify for a free TV licence.
For more information, see Get a free or discounted TV licence - GOV.UK (www.gov.uk)

Help for people who care for children

Sure Start Maternity Grants

These grants help pay for the immediate needs of a new baby where there are no other children aged less than 16 in the family (in most cases). You can get more information at GOV.UK at Sure Start Maternity Grants

Best Start Grant and Best Start Foods (Scotland only)

Best Start Grant and Best Start Foods are payments that help towards the costs of being pregnant or looking after a child. See Best Start Grant and Best Start Foods - mygov.scot for more information.

Healthy Start vouchers and vitamins

Pregnant women and families including a child under four can apply for the Healthy Start scheme if they get one of a range of qualifying benefits or tax credits. From 4 June 2019, Pension Credit is a qualifying benefit for Healthy Start. If your customer's family includes a pregnant woman or child under four then they may be eligible for the scheme. [Legislation 78]

Healthy Start provides a payment card with money on it to put towards fruit and vegetables, plain cow's milk and infant formula milk. :

Healthy Start also provides vitamins vouchers that can be exchanged for women's vitamin tablets and children's vitamin drops.

Customers can get more information, including how to apply, from the Healthy Start website or by calling the Healthy Start helpline on 0300 330 7010.

For customers in **Scotland**, see Best Start Grant and Best Start Foods - mygov.scot

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.

Customers can get more information from Child Maintenance Options on 0800 171 2345 or Child Maintenance Options website. 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)Relay UK (if you cannot hear or speak on the phone): 18001 then 0800 99 1234
- British Sign Language (BSL) video relay service if you're on a computer - find out how to use the service on mobile or tablet

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

Find out more about call charges.

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.

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

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, Para 20 – (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 IIB – (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)

46c Sch 3 Part 2 S.I. 2017/725 (back to Temporary absence from home Legislation 46c)

46d S.I. 2017/725 Sch 1 Part 1 para 3 (back to Mortgage interest Legislation 46d)

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. Reg 11 & 12 SI 2017/725 – (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. S.I. 2017/725, Sch1, Part 1, para 2(3) – (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)

75. The Loans for Mortgage Interest Regulations 2017 (S.I. 2017/725) – (back to The extra amount for housing costs – Legislation 75)

76. Welfare Reform Act 2012,Schedule 2, paragraph 64, commenced with savings and other provisions from 15 May 2019 by S.I. 2019 / 37 The Welfare Reform Act 2012 (Commencement No. 31 and Savings and Transitional Provisions and Commencement No. 21 and 23 and Savings and Transitory Provisions (Amendment)) Order 2019. (back to Mixed-age couples: changes from 15 May 2019 – Legislation 76)

77. The Universal Credit (Transitional Provisions) (SDP Gateway) Amendment Regulations 2019 (SI 2019 / 10) (back to Mixed-age couples: changes from 15 May 2019 – Legislation 77)

78. The Healthy Start Scheme and Welfare Food (Amendment) (England and Wales) Regulations 2019

79.The State Pension Credit (Additional Amount for Child or Qualifying Young Person) (Amendment) Regulations 2018

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)

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 Small amounts - 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)