

Benefits Fact Sheet: Pension Credit

Pension Credit is a benefit for older people. It is based on the amount of money that you have coming in and is made up of:

- **guarantee credit** - which tops up your weekly income to a guaranteed level; and
- **savings credit** - which is for people who have a small amount of their own income or savings.

You may be entitled to the guarantee credit or the savings credit, or both.

You can claim Pension Credit whether or not you are still working. You do not need to have paid any national insurance contributions.

Who can get Pension Credit?

If you're a **woman**, to claim pension credit you must be over **state pension age**.

If you're a **man** you can claim pension credit when you reach the state pension age of a woman with the same date of birth as you.

State pension age is the age when people can choose to start getting their State Pension.

State pension age used to always be 60 for a woman and 65 for a man. However, state pension age is changing for most people. If you are a woman or man born on or after 6 April 1950, you will need to check with the pension service if you have reached the minimum age.

You claim Pension Credit for yourself if you are single and if you have a partner who lives with you then you claim as a couple.

If you, your partner, or both of you are living permanently in a care home, you will usually each have to claim Pension Credit as single people.

Who can get the guarantee credit?

- If you're a woman, you can claim guarantee credit when you reach state pension age
- If you're a man, you can claim guarantee credit when you reach the state pension age of a woman with the same date of birth as you. It does not matter what age your partner is.
- You must live in Northern Ireland and not have any immigration controls on your stay here that would stop you claiming benefits.
- You must not have income below a certain amount. The amount depends on your circumstances. There is no limit on how much capital - that is savings and property - you can have, but you will be treated as having income from any of your capital above £10,000.

Who can get the savings credit?

You can get the savings credit if:

- you or your partner are 65 or over (it does not matter which of you makes the claim for Pension Credit)
- you live in Northern Ireland and are not subject to any immigration controls on your stay here that would stop you claiming benefits
- you must have income between certain limits

How much Pension Credit can you get?

When you apply for Pension Credit, the Pension Service will first work out if you are entitled to any guarantee credit, and if so how much. Then they will look at whether you can get any savings credit.

How much is your guarantee credit?

Your weekly income (which includes your partner's income if you live with your partner) is compared to a fixed weekly amount called the '**appropriate minimum guarantee**'. The '**appropriate minimum guarantee**' will vary for each person because it is made up of different elements which depend on your circumstances. The rates of the different elements are fixed and are usually increased every April. You will only be entitled to guarantee credit if your income is less than the '**appropriate minimum guarantee**'.

Only certain types of income count for Pension Credit and not all your income will be taken into account, which means it does not affect your Pension Credit. Other income is partially disregarded, which means you can get a certain amount each week before it affects your Pension Credit. For example, Disability Living Allowance and Attendance Allowance are all fully disregarded. Savings above £10,000 will add to your income by £1 a week for every extra £500 (or part of £500).

The amount of your guarantee credit is the difference between your '**appropriate minimum guarantee**' and your income. If your income is more than your '**appropriate minimum guarantee**', you will not get any guarantee credit, but you may still get some savings credit.

Your '**appropriate minimum guarantee**' includes a standard minimum guarantee which is a set amount for a single person and a set amount for a couple. If you have additional needs, for example, because you are disabled, additional amounts will be added to your '**appropriate minimum guarantee**'. There are additional amounts for severe disability and for caring for a disabled person.

If you want more information about the additional amounts in guarantee credit, you should consult an experienced adviser; for example, at a Citizens Advice Bureau (see further help at the end of this fact sheet).

Guarantee credit and housing costs

If you have a mortgage or home loan, you may be able to get an extra amount to help with your mortgage interest. In most circumstances, if you rent your home you cannot get any guarantee credit for housing costs and you should claim Housing Benefit instead.

If there are other adults living in your home apart from your partner, your landlord, or a joint owner, tenant or lodger, a deduction may be made from the housing costs. This might apply, for example, if you have an adult son or daughter living with you.

If you want more information about the guarantee credit, you can go to www.nidirect.gov.uk, or you can consult an experienced adviser, for example, at a Citizens Advice Bureau.

How much savings credit?

The amount of savings credit you can get depends on whether you have more or less weekly income than the 'savings credit threshold'. This is a rate which is set each year and depends on whether you are a single person or a member of a couple. If your income is less than or equal to the savings credit threshold, you will not get any savings credit. If your income is more than the savings credit threshold, you may get some savings credit. However, if your income is greater than your 'appropriate minimum income guarantee' (see under *How much guarantee credit*, above), it may be too high to get any savings credit.

Working out savings credit is complicated. If you want more information about the calculation at www.nidirect.gov.uk, or you can consult an experienced adviser, for example, at a Citizens Advice Bureau.

How to claim Pension Credit?

You will have to make a claim for Pension Credit. You should claim Pension Credit on form PC1. You can get this by telephone. The Pension Service application line number is 0808 100 6165 (textphone 0808 100 1165). You can also download an application form if you go to www.nidirect.gov.uk.

If you telephone, the Pension Service staff can fill in an application form over the telephone and send it to you to check, sign and return.

To make a valid claim for Pension Credit, you must provide certain information, usually within one month of making your claim. For example, you will need your national insurance number, proof of your identity (such as a driving licence, birth, marriage or civil partnership certificate, or a passport) and evidence of your income (such as, pension payslips and proof of any other money you receive).

You have to send or show the Pension Service original documents, not photocopies. They will be returned to you as soon as possible.

If you want further help with your claim, you can call the Pension Service Enquiry Line on 0845 601 8821 (textphone 0845 601 8841) or you could consult an experienced adviser, for example, at a Citizens Advice Bureau.

Getting Pension Credit backdated

Usually you get Pension Credit from the day that you first get in touch with the Pension Service to tell them you want to claim. You will have to supply all the required information to support your claim within one month. However, you may be able to get Pension Credit for a period of up to three months before you make your claim. This is called backdating. You do not have to give a reason for making a late claim, as long as you explain on your claim form when you first became entitled to Pension Credit.

How is Pension Credit paid

Pension Credit will usually be paid directly into your bank, building society or post office account. You do not have to be paid this way if it is a problem for you. It is possible for Pension Credit to be paid by sending you a cheque in the post that can be cashed at the Post Office. If you are not able to collect your Pension Credit in person, you may be able to arrange for someone else to do this for you.

Pension Credit and other help

If you are getting any guarantee credit (on its own or with savings credit), you will automatically get the maximum amount of help when you apply for other benefits, and you will get help with certain costs. If you are getting savings credit on its own, you may still be able to get help with some of these costs.

Being on guarantee credit means you will get maximum Housing Benefit and help with your rates. You will also get help with health costs, for example, dental treatment, and help with the cost of court fees. Being on savings credit or guarantee credit means you can apply for help from the social fund, for example, budgeting loans, community care grants and funeral payments.

Problems with Pension Credit

If you have made a claim for Pension Credit and been refused, or think that the amount you have been awarded is wrong, you can ask the Pension Service to look at the decision again, or you can appeal. You should do this within one month of the decision.

Further help

Citizens Advice Bureau

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB visit www.citizensadvice.co.uk or look under C in your phone book.

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Contact Details:

Citizens Advice, 46 Donegall Pass, Belfast, BT7 1BS

Telephone: (028) 9023 1120 Fax: (028) 9023 6522 E-mail: info@citizensadvice.co.uk Website: www.citizensadvice.co.uk