

Benefits for people of retirement age

About this factsheet and who it is for

Every year in the United Kingdom over five billion pounds in benefit income goes unclaimed by older people. This factsheet identifies the main benefits that may be available for older people and provides details on the eligibility criteria and how to apply.



The artwork on the front of this factsheet was done by an older artist for EAC's over 60s Art Awards.



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State Pension

The State Pension is the main source of income for older people, depending on when you reached pensionable age; the full basic amount is either £122.30 or £159.55 per week.

State Pension age for men is currently 65 years, whilst the age for women is rising from 60 to 65 by November 2018. There are then additional planned increases in age to 66 by October 2020 and to 67 by 2028.

The amount of State Pension you will be entitled to will depend on the number of years for which you have either paid National Insurance (NI) or received National Insurance Credits (NIC).

For you to be considered as having made NI contributions, at least one of the following must apply to you:

- you were working and paying National Insurance
- you were getting certain benefits, eg for unemployment, sickness
- you were a parent or carer and claiming certain benefits or credits
- you have a spouse or civil partner whose NI contributions cover you
- you were paying voluntary National Insurance contributions

Claiming your State Pension

If you are not going to defer your State Pension then it is important that you claim it, many people think they will receive it automatically once they reach their State Pension age but this is not true. You can claim your State Pension on the following number:

State Pension Claim Line

Tel: 0800 731 7898

Monday to Friday, 8am to 6pm

Payment

Your State Pension is taxable and usually paid 4 weekly in arrears into an account of your choice. Your first payment is made at the end of the first full week after you reach State Pension age. It won't include the time between reaching State Pension age and your normal payment day if that's less than 1 week.

Working past State Pension age

If you continue to work once you reach State Pension age then you will no longer have to make national insurance contributions, unless you are self-employed. In order to ensure that this is applied to you, you will need to show one of the following to your employer:

- Birth certificate
- Passport

Alternatively you may be given a 'certificate of age exception' from the Pension Service if you inform them when you claim your State Pension that you are continuing in employment. This certificate can then be shown to your employer.

If you reach State Pension age on or after 6 April 2016

From 6 April 2016, those who reach State Pension age and have reached the minimum number of National Insurance (NI) contributions will qualify for the new, single-tier, flat rate State Pension.

The new State Pension makes the following changes:

- The introduction of a single-tier flat rate payment of £159.55 per week.
- Your State Pension entitlement is based solely on your NI contributions.
- You will require 35 years of NI contributions to receive the full payment and a minimum of 10 years NI contributions to receive a proportion.
- Additional State Pensions, such as SERPS and the State Second Pension, will end. However, transitional arrangements will

protect those who have paid into such schemes where State Pension payments would have exceeded the £159.55 flat rate.

Checking your current entitlement

If you are 55 or over then you can require a State Pension Statement which will give you a breakdown of how much your State Pension will be. It is important to request this information once you reach the age of 55 so that you can begin to plan for your retirement and if your statement suggests that you are going to receive less than you had anticipated then you may be able to improve your pension forecast by increasing your National Insurance (NI) contributions.

You can request a State Pension Statement by contacting the Future Pensions Centre on 0845 3000 168

Increasing your entitlement

If you are not on course to receive the full rate of State Pension then there are several ways in which you can try to increase your National Insurance contribution record:

- If you have not yet reached your State Pension age then you can continue to work and pay NI contributions

- Paying voluntary NI contributions
- Identifying any National Insurance Credits that you are entitled to now, or were eligible for previously (for example; Carer's Credits)

Deferring your State Pension

If you are in a position where you do not need to claim your State Pension as soon as you reach the qualifying age then you may wish to consider deferring it in order to accrue a lump sum or increase your payments. You must defer your pension for at least nine weeks after which time your State Pension will increase by 1% and will continue to do so for every additional nine week period you defer.

Inheriting National Insurance contributions

If you reached State Pension age after 6 April 2016 then you will not be able to inherit the National Insurance contributions of your spouse or civil partner in order to increase your entitlement.

However, if your spouse or civil partner had an entitlement to an Additional State Pension, qualified for a 'protected payment' or were deferring their State pension then you may be entitled to a proportion of this.

Protected payments

If you reach your State Pension age before 6 April 2016 and, due to Additional State Pensions, you would have been entitled to more than £159.55 under the older system, then you will receive a 'protected payment' which will sit on top of the flat rate amount to ensure that you do not lose out under the new rules.

Increasing your State Pension based on the NI contributions of your spouse

As the new State Pension rules are based solely on your entitlements, those who reach State Pension age on or after 6 April 2016 will no longer be entitled to a Category B pension based on the NI contributions of your spouse or civil partner.

The largest group of people that will be affected by this change are women who took a reduced-rate of NI contributions whilst they were working (commonly known as a 'married women's stamp'). In order to protect those who took the reduced rate, the Government has pledged to continue making payments that are the equivalent of the Category B pension (£73.30 per week) for those women who paid reduced-rate NI contributions whilst they were employed.

If you divorce your spouse or civil partner

It may be possible to claim a share of a former spouse or civil partner's protected pension through a pension sharing order.

If you reached State Pension age on or before 5 April 2016

If you reached your State Pension qualifying age on or before the 5th of April 2016 then you will continue to receive your pension under the old system, regardless of whether or not you began claiming your State Pension before the 6th of April.

For 2016/17 the full basic State Pension rate is £122.30 and the Category B pension, for those reliant on their spouse or civil partner's contributions, is £73.30 per week.

If you chose to defer your State Pension

Once you reach your State Pension age you can choose to defer your State Pension. When you eventually claim, you may be given the option of either taking a lump sum payment or increasing the amount you receive through your State Pension.

If you choose to defer in order to increase the amount you receive, then your State

Pension will increase by 1% for every 5 weeks you put off claiming.

If you defer for at least 12 months then you will have the option of taking a lump sum in addition to your basic pension, this will include interest of 2% above the Bank of England base rate.

Inheriting National Insurance contributions

You may be able to increase your basic State Pension up to £122.30 a week if:

- your own basic State Pension is less than £122.30 a week
- your late spouse or civil partner had enough National Insurance contributions

You may also inherit a portion of their Additional State-Pension.

If you divorce your spouse or civil partner

You may be able to increase your basic State Pension up to £122.30 a week if:

- your own basic State Pension is less than £122.30 a week
- your late spouse or civil partner had enough National Insurance contributions (up to the point at which your marriage or civil partnership ended)

You will not be entitled to claim a State Pension based on your National Insurance contributions of your former partner if you remarry or form a new civil partnership.

Pension Credit

Pension Credit is a means-tested, non-taxable benefit with two components, **Guarantee Credit** and **Savings Credit**.

Eligibility criteria for Pension Credit

To qualify for Guarantee Credit:

- you must live in Great Britain
- you or your partner must have reached Pension Credit qualifying age
- you must satisfy the relevant means test

Pension Credit Guarantee Credit

If you are eligible then this will increase your income to a minimum amount of £159.35 if you're a single person and £243.25 if you're a couple.

As with the ages for basic State Pension, the minimum age to qualify for Guarantee Credit is gradually rising from age 60 to 65. This will be followed by further increases to 66 and then 67.

Assessing income and capital

In order to determine your eligibility and entitlement to Pension Credit, you will need to demonstrate that your assessed income is below a certain threshold.

Capital

There is no capital limit for Pension Credit as the calculation is based on the income you are assumed as having.

If your total capital is valued at under £10,000 then it will be disregarded entirely, if you having capital over this value then an income will be assumed from it at a rate of £1 for every £500 or part of £500 that you have.

Most forms of capital are taken into account but the following are disregarded indefinitely:

- The value of the property that you currently live in, if you own it.
- The value of a property which is lived in by a family member over the age of 60 or a family member under the age of 60 who is considered 'incapacitated'.
- Personal injury compensation payments.
- The lump-sum state retirement pension if you deferred your pension.

The following are disregarded for a set amount of time

- 52 weeks – Any amounts deposited to you for the sole purpose of buying a home for you to live in.
- 26 weeks – Property that is either up for sale or where steps have been taken to sell it.
- 26 weeks – Property if you are carrying out essential repairs or alterations needed for you to be able to live there.

Income

Most forms of income are taken into account in calculating Pension Credit, but some are disregarded, including:

- Attendance Allowance and Constant Attendance Allowance
- Disability Living Allowance / Personal Independence Payment
- Voluntary or charitable payments
- War Widows Pension for ‘pre-1973 widows’
- Social fund payments
- Rent from a property other than your home (however the capital value of the property will be considered)

Appropriate Minimum Guarantee

Once your weekly income figure has been calculated from your capital and income

then this will be compared to your Appropriate Minimum Guarantee (AMG), the amount the Government say you need to live on each week.

The basic weekly figures are **£159.35** for a single person and **£243.25** for a couple.

This figure can be increased in the following circumstances:

- Those with a ‘severe disability’ could receive a premium of £62.45
- Those who are carers could receive a premium of £34.95
- Those with eligible housing costs

Severe disability premium

This may be available to anybody who:

- Lives alone (no non-dependents over the age of 18); and
- Receives the middle or higher rate of DLA care component, PIP care component or Attendance Allowance; and
- Has nobody receiving carer’s allowance for looking after them (but a person with an underlying entitlement will be disregarded).

You can be treated as living alone if you are a member of a couple and the other person receives Attendance Allowance, any rate of the care component for Personal Independent Payment (PIP) or

the middle or higher rate of Disability Living Allowance (DLA) care component.

If you are a couple, both of you must be eligible for the severe disability premium for you to be eligible; if only one of you is eligible it will not affect your Appropriate Minimum Guarantee.

Example

Jenny has an income from pensions of £150 per week; she also receives Attendance Allowance and lives alone.

Jenny's AMG will be £159.35 + £62.45 (disability premium) = **£221.80**

Carer's premium

In order you receive the carer's premium you must be either;

- In receipt of Carer's Allowance
- Have an underlying entitlement to Carer's Allowance

You may have an underlying entitlement to Carer's Allowance if you make a claim and meet all the criteria but are not eligible to receive any financial assistance due to you receiving another work replacement benefit, such as the State Pension.

Housing costs

You may be entitled to the following help with housing costs:

- The interest on your mortgage
- Service charges
- Ground rent
- Home loans

Pension Credit Savings Credit

Following on from the introduction of the 2014 Pensions Act and the introduction of the new State Pension, the Savings Credit component of Pension Credit will be abolished from April 2016.

If you or your partner reached State Pension age before 6 April 2016 then you can continue to apply for Pension Credit Savings Credit, for 2016/17 the maximum amounts you can receive are:

- Single £13.20
- Couple £14.90

To qualify for Pension Credit Savings Credit you or your partner must be over the age of 65 and satisfy a means-test based on your income and savings.

Assessed Income Periods (AIP)

Prior to April 2016, if you or your partner were over 65 and in receipt of Pension Credit Guarantee Credit, then you may have been awarded an Assessed Income Period (AIP). During this period, any increases in retirement income or capital were ignored by the Pension Service. An AIP would have come to an end if you:

- started to be treated as a member of a couple
- stopped being treated as a member of a couple
- moved permanently into a care home
- temporarily stopped getting a pension or annuity, or the amount you get goes down temporarily and you ask for your Pension Credit to be recalculated

Since April 2016 no new AIPs will be set. If you are already in an AIP that is due to end between 6 April 2016 and 31 March 2019 then it will end on the date stated on your Pension Credit award letter, unless your circumstances change (see the bullet points above) and cause it to come to an end early. If your AIP is indefinite, or due to end on or after 1 April 2019, then you will be contacted by the Pension Service and advised of a new end date for your AIP, which will be before 31 March 2019.

How to claim

Pension Credit claim line

Tel: 0800 99 1234

Monday to Friday, 8am to 6pm

'Passport benefits'

Pension Credit Guarantee Credit is often referred to as a 'passport benefit' as eligibility means that you will be entitled to various other forms of assistance including full Housing Benefit and help with your Council Tax.

When you apply for Pension Credit Guarantee Credit, you should be asked if you want to apply for Housing Benefit and Council Tax Reduction, meaning that you do not have to contact your local authority separately.

Recent and future reforms

Universal Credit is a new benefit for people of working age and combines a number of previous benefits into one monthly payment. Universal Credit is being rolled out in various stages.

Once Universal Credit is available in your area, couples where only one partner has reached women's State Pension age will be required to make a claim for Universal Credit, rather than Pension Credit.

Existing mixed age Pension Credit claimants will be unaffected.

Council Tax Reduction

Council Tax Benefit was abolished from 1st April 2013 in England. Local councils now have individual support schemes. It will therefore depend on your local council's scheme as to how much reduction in your Council Tax bill you will be entitled to.

If you are entitled to Pension Credit Guarantee Credit then you will still be entitled to help with the full cost of your Council Tax bill, regardless of regional differences in policy.

Certain rules are set by Government and must be following by all local authorities, these include:

- Single person discount of 25%
- Reduction scheme for disabled people
- 100% exemptions for unoccupied properties where the owner is in hospital or a care home

If you are of State Pension age and you were receiving Council Tax Benefit under the previous system, you should not be any worse off now.

For further information on the Council Tax Reduction Scheme in your area, you may wish to contact your council or a local advice agency such as an *Age UK* or *Citizens Advice Bureau*.

Housing Benefit

Housing Benefit is a benefit to help people living in the UK who are on a low income pay their rent. To be eligible, you must:

- Be a tenant and responsible for paying rent to a private landlord or to the council, or to a hostel or guesthouse
- Have savings under £16,000, unless you are receiving the guaranteed credit part of Pension Credit.
- Not live with a close relative in a home owned by them.
- The maximum amount of Housing Benefit that can be received is the same as the 'eligible' rent. Eligible rent can include some or all of the charged rent and also charges for some services, such as lifts. Housing Benefit does not normally pay for charges like food, water and personal laundry that may be part of your rent agreement.

The amount of Housing Benefit that is available depends on your and your partner's personal and financial circumstances. To work out your entitlement, the local council will:

- Assess your and your partner's combined savings and income, including earnings, benefits, tax credits and pension.

- Look at your family circumstances; for example, whether the amount of rent you pay is reasonable for the size of your family and the area you live in.

How to apply for Housing Benefit

If you are already receiving Pension Credit, you will have received a form with those claim packs; this can be completed and returned to the Pension credit office and they will deal with your application. If you are not claiming other benefits, you can get a Housing Benefit application form from the local council. Again, you should complete and return the form to the council.

Local Housing Allowance

If you are renting a property or room from a private landlord, the Local Housing Allowance (LHA) is used to work out how much Housing Benefit you get. The amount of Housing Benefit you get will depend on where you live, who lives with you and how many rooms you are entitled to. LHA rates are set for different types of accommodation in each area.

The rates range from a single room in a shared house up to properties with four bedrooms. If you have been getting Housing Benefit since before 7 April 2008, the Local Housing Allowance will only apply to you if you change address or

have a break in your claim. Contact your local council for information.

Discretionary Housing Payments (DHPs)

If you get some Housing Benefit but the benefit does not cover all of your housing costs it may be possible to get Discretionary Housing Payments. Payments are made at the discretion of the local council. Although there are no rules the local housing benefit departments usually take into account any special circumstances that might affect your ability to meet your housing costs.

To apply for Discretionary Housing Payments you should get a claim form from your local council's housing benefit department. Contact your local council for information.

DHPs can also be used for other costs such as meeting the cost of a deposit for a rented property or help with moving expenses.

Under occupancy in social housing (also known as the Bedroom Tax)

If you are of working age and live in social housing (owned by either a Housing Association or the Council) then your Housing Benefit may be reduced if you

are assessed as having more bedrooms than you require.

Your Housing Benefit may be reduced by:

- 14% if you have one additional bedroom
- 25% if you have two additional bedrooms

If you are of State Pension age you will not be affected by the 'Bedroom Tax'

Attendance Allowance

This is a non-means tested, non-taxable allowance for people aged 65 years or over who are physically or mentally disabled and have care or supervision needs.

There are two rates:

- lower rate £55.65 per week is for people who need help by day or night.
- higher rate £83.10 per week is for people who need help by both day and night.

Eligibility criteria

You can get Attendance Allowance if you're 65 or over and the following apply:

- you have a physical disability (including sensory disability, eg blindness), a mental disability (including learning difficulties), or both

- your disability is severe enough for you to need help caring for yourself or someone to supervise you, for your own or someone else's safety
- you satisfy the disability tests and have done so for at least 6 months

Additional criteria:

- be in Great Britain when you claim - there are some exceptions, eg members and family members of the Armed Forces
- have been in the Great Britain for at least 2 of the last 3 years
- be habitually resident in the UK, Ireland, Isle of Man or the Channel Islands
- not be subject to immigration control (unless you're a sponsored immigrant)

Disability tests

You can claim Attendance Allowance if you need help with personal care, supervision or watching over because of physical or mental disability. It does not matter whether you are actually getting any support, what's important is that you need it. You can spend your allowance however you see fit, for example you may use it to meet the cost of social outings or care fees.

When applying for Attendance Allowance it is often wise to seek support from a

local advice agency who have experience in making claims. Your local Age UK, Citizens Advice Bureau or Disability Advice Service (DIAL) may be able to assist.

How to Claim

Attendance Allowance Helpline

Tel: 0345 605 6055

Monday – Friday, 8am – 6pm

Disability Living Allowance

DLA is no longer available to new claimants. It is being replaced by Personal Independent Payments (PIP).

DLA is a non-means tested, non-taxable, allowance for people under 65 years, who are physically or mentally disabled and need either personal care or help with mobility or both.

It is made up of 2 components:

Care component

- Lowest rate £22.00 per week
- Middle rate £55.65 per week
- Highest rate £83.10 per week

Mobility component

- Lower rate £22.00 per week
- Higher rate £58.00 per week

Change of circumstances over 65

You are not able to make a new claim for DLA/PIP if you are over 65, but existing claimants can continue to receive it.

It is generally not possible to receive the lowest rate of the care component or any rate of the mobility component after the age of 65. However, you may still be entitled if you are already in receipt of one of the components and you can show that you met the conditions for the other component before the age of 65.

Moving over to PIP

Most people receiving DLA will need to change to Personal Independence Payments this changeover is expected to start in 2015.

Personal Independence Payments (PIP)

Personal Independence Payments is a non-means tested, non-taxable allowance for people aged 16 to 64 with a long term health condition or disability that affects their daily living and/or mobility. You must have had these conditions for 3 months and expect them to last for at least 9 months. You may also qualify if you are terminally ill (not expected to live more than 6 months).

It is made up of 2 components:

Daily living component

- Standard rate £55.65 per week
- Enhanced rate £83.10 per week

Mobility component

- Standard rate £22.00 per week
- Enhanced rate £58.00 per week

Your disability

Daily living difficulties

You may get the daily living component of PIP if you need help with things like:

- preparing or eating food
- washing, bathing and using the toilet
- dressing and undressing
- reading and communicating
- managing your medicines or treatments

Mobility difficulties

You may get the mobility component of PIP if you need help with going out or moving around.

How to claim

Personal Independence Payment claims

Tel: 0800 917 2222

Monday to Friday, 8am to 6pm

Carer's Allowance

This is a non-means tested, taxable benefit paid at a rate of £62.70 per week to people who regularly care for someone who is severely disabled, living at home and in receipt of:

- Attendance Allowance, or
- the middle or highest rate of the care component of Disability Living Allowance, or
- the daily living component of Personal Independence Payments.

To qualify for Carer's Allowance you must be 16 years of age or over and spend at least 35 hours a week caring for the person. You may not get Carer's Allowance if you earn over £116 per week after tax. The benefit is reduced by the amount of certain other benefits you receive, including State Pension.

Therefore, Carer's Allowance will not be paid if you receive certain other benefits of £62.70 or more a week.

You may be informed that you have an 'underlying entitlement' to Carer's Allowance if you receive work replacement benefits, such as the State Pension. This is an important status to have as an 'underlying entitlement' can increase your entitlements to other benefits such as Pension Credit.

How to claim

Carer's Allowance Unit

Tel: 0345 608 4321

Monday to Thursday 8:30am to 5pm

Friday 8:30am to 4:30pm

Winter Fuel Payment

You were eligible for the Winter Fuel Payment in 2016/17 if you were born on or before 5 May 1953. It is paid by the Social Fund through the Department of Work and Pensions (DWP). It is not means tested and how much you get depends on your circumstances during the qualifying week. For winter 2016 to 2017 this is 19th to the 25th September 2015.

If you are in receipt of certain qualifying benefits, then you may be entitled to an increase in your Winter Fuel Payment, these benefits include: Pension Credit, income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA), Income Support

For information on the current rates of payment for the Winter Fuel Payment, please see the following table:

Circumstance	Born on or before 5 May 1953	Aged 80 or over in the qualifying week
You qualify and live alone (or none of the people you live with qualify)	£200	£300
You qualify and receive a qualifying benefit	£200	£300
You live with someone under 80 who also qualifies	£100	£200
You live with someone 80 or over who also qualifies	£100	£150
You qualify but live in a care home and don't get one of the qualifying benefits	£100	£150

Claiming the Winter Fuel Payment

You would only need to make a claim if you are not receiving any state benefits, in which case, you should contact the Pension Service Winter Fuel Payments Team.

Winter Fuel Payment Helpline

Tel: 03459 15 15 15

Monday to Friday, 8:30pm - 4:30pm

Useful contacts

Attendance Allowance helpline

Telephone: 0345 605 6055

Textphone: 0845 604 5312

Monday to Friday, 8am to 6pm

Carer's Allowance Unit – For information on eligibility and how to make a claim.

Telephone: 0345 608 4321

Textphone: 0845 604 5312

Monday to Thursday 8:30am to 5pm,
Friday 8:30am to 4:30pm

Citizens Advice Bureau (CAB)

Telephone: 03444 111 444

www.citizensadvice.org.uk

Disability Benefits Centre - For advice about an existing DLA claim.

Telephone: 0345 712 3456

Textphone: 0845 722 4433

Monday to Friday, 8am to 6pm

Personal Independent Payment claims

Telephone: 0800 917 2222

Textphone: 0800 917 7777

Monday to Friday, 8am to 6pm.

GOV.UK – The official Government website that provides information on public services such as benefits, jobs and health **Website:** www.gov.uk

About FirstStop Advice

FirstStop is a free information and advice service designed to help older people decide how best to meet their needs for support, care and suitable housing. It is provided jointly by a growing number of national and local organisations and it is led by the charity, Elderly Accommodation Counsel (EAC).

About FirstStop Financial Advice

Working together, EAC and its partners in FirstStop Advice provide comprehensive information and guidance to help you afford the care, accommodation or services you need.

FirstStop's national Advisors are trained to advise on:

- What you may be entitled to in state benefits and financial help from your local authority;
- Whether you may be entitled to help with your care costs;
- Ways of making your income and capital go further;
- Services that are provided free by local and national voluntary organisations;
- Homesharing, co-housing and other mutual support networks.

A key FirstStop partner organisation is the *Society of Later Life Advisers (SOLLA)*.

SOLLA's members are regulated Financial

Advisers who specialise in providing financial advice to older people, they also adhere to the Society's Code of Best Practice.

If you decide, after speaking to us, that you would like advice from a SOLLA member, we can provide local details to you.

(Neither EAC or FirstStop has any financial interest in SOLLA or its member IFAs)

Contact us

- Visit us online: www.housingcare.org

The information contained in this factsheet is intended to be, and should be regarded as, a brief summary and is based on our understanding of present legislation, regulations and guidance. No responsibility can be accepted for action based on this information.

April 2017