Benefits for older people

This factsheet gives you information about entitlement to those benefits specifically for people aged over 60:

1. State Pension
2. Pension Credit

For information about other benefits you may be able to claim, see our factsheets and website pages on:

- Benefits for people bringing up a relative’s or friend’s child
- Benefits for people on a low income
- Benefits for people who are sick and disabled, or are caring for others

1. State Pension

State Pension is an entitlement for people of state pension age. The amount you get is based on your National Insurance contributions. It is not affected by your income and savings but it is taxable.

If you are still under state pension age, you might be able to take some action to help maintain your National Insurance record and so protect your entitlement to State Pension.

State pension age used to be 60 for a woman and 65 for a man. However, women’s pension age is gradually increasing and will reach 65 by November 2018. Over subsequent years there will be further increases to pension age for both men and women. You can work out the exact date you will reach state pension age by using the State Pension Age Calculator at www.gov.uk.

The Pension Service should contact you before you reach state pension age and explain how to claim. If they haven’t contacted you three months before you reach state pension age, you should contact the State Pension Claim Line on 0800 731 7898. You can claim your State Pension up to four months before you are due to start receiving it. It is a good idea to claim in advance as it may take a while for your claim to be processed.

You can claim State Pension even if you are still working. Alternatively, you can choose to wait and receive it later, and receive either a lump sum with your normal weekly pension or an increased weekly rate of pension. If you are thinking about deferring your claim make sure you consider the full implications. Seek advice if you are not sure what is right for you. You can download State Pension Deferral - Your Guide from www.gov.uk.

The full basic State Pension for 2013/14 is £110.15 a week. However, the amount you get depends on how much National Insurance you have paid or been credited with over your working life. If you have not paid enough National Insurance contributions yourself, you may be able to get a basic State Pension of up to £66.00 based on your husband, wife or civil partner's National Insurance contributions. If you are aged 80 or over, you may also be entitled to some State...
Benefits for older people

Pension even if you have not paid enough National Insurance contributions.

As well as the basic State Pension you may receive Additional State Pension. This is an extra amount based on your earnings (unless you belong to another pension scheme and have chosen to ‘contract out’ of Additional State Pension). Some carers and long-term sick or disabled people also receive credits towards Additional State Pension.

Between 1978 and April 2010 Home Responsibilities Protection helped people who were bringing up a child or caring for a sick or disabled person to qualify for State Pension. For some people this was awarded automatically, but you may need to make a claim. For more information see www.gov.org.uk.

Since April 2010 parents and carers who are not working should automatically get National Insurance credits if they receive:
- Child Benefit for a child under 12
- Carer’s Allowance
- Income Support due to caring for a sick or disabled person.

If you look after a disabled person for at least 20 hours every week, but don’t receive one of the above benefits, you might be eligible for Carer’s Credit which can help you build up qualifying years for the State Pension. For more information call the Carer’s Allowance Unit on 0845 608 4321 or download application pack CC1 from www.gov.uk.

Foster carers can apply for National Insurance credits on form CF411A which can be obtained by contacting HMRC on 0845 302 1479 or downloaded from www.hmrc.gov.uk.

From the 2011-12 tax year, grandparents and others who are caring for a family member aged under 12 whilst their parents are at work, can claim National Insurance credits. These Specified Adult Childcare credits count towards the basic State Pension and certain bereavement benefits.

You can get more information on these credits at www.gov.uk or download an application form (CA9176) from www.hmrc.gov.uk.

Q. How can I find out whether I’m going to get a full State Pension when I retire?

A. If you are more than 30 days away from State Pension age you can check whether you have paid enough contributions to get a full State Pension. Contact the Future Pension Centre on 0845 3000 168.

If the forecast shows that your National Insurance contributions record is not sufficient for a full State Pension you may want to contact the National Insurance Helpline on 0845 302 1479, and ask for a copy of your National Insurance record. You can check it against your own records and query any missing contributions or credits. You may also want to consider paying voluntary National Insurance contributions to make up for gaps in your record (certain time limits apply).

When deciding whether to make additional voluntary contributions, you need to weigh up the cost against the potential gains in entitlement. You also need to consider whether you might lose out on means-tested benefits like Pension Credit.

The Pension Service has a special helpline about voluntary contributions – call 0845 604 2931. You may also want to get independent advice.

For free independent information or advice on any aspect of pensions, including state, company, personal and stakeholder schemes, contact The Pensions Advisory Service (TPAS). Call 0845 601 2923 or visit www.pensionsadvisoryservice.org.uk.

2. Pension Credit

Pension Credit is made up of two parts, a Guarantee Credit and a Savings Credit. You may be entitled to either part, 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.

Pension Credit is means-tested, so your income is taken into account when it is worked out. Savings under £10,000 are disregarded. Every £500 of savings above this amount is assumed to give you a weekly income of £1 a week. The same limits apply for both single people and couples.

Guarantee Credit. This is designed to ensure a minimum income for older people. To be eligible, you or your partner must be aged above the Pension Credit qualifying age. This was previously 60 years, but over time it is gradually increasing in line with the women’s state pension. To find out when you will reach Pension Credit age, you can use the pension calculator at www.gov.uk.

The basic Guarantee Credit for 2013/14 is £145.40 a week for a single person and £222.05 a week for a couple. Additional amounts may be added if you have a severe disability, caring responsibilities and/or housing costs. This is known as your ‘appropriate minimum guarantee’.

Your income is compared to your ‘appropriate minimum guarantee’ and if it is less you are entitled to the difference in Pension Credit. Some types of income are completely or partially disregarded for Pension Credit calculations. Child Benefit and Child Tax Credit are completely disregarded as are foster payments, Special Guardianship allowances and Residence Order allowances.

Savings Credit. The Savings Credit is for people who have a small amount of their own income or savings. To be eligible, you or your partner must be at least 65 years of age.

Advice & Information Call: 0300 123 7015 (Telephone lines open 10am-3pm Monday-Friday)
Email: advice@grandparentsplus.org.uk Visit: www.grandparentsplus.org.uk/advice
The Savings Credit calculation is more complicated than the one for Guarantee Credit. The award is based on how much weekly income you have above a threshold of £115.30 for a single person and £183.90 for a couple. The maximum payment is £18.06 if you are single and £22.89 for a couple.

You may be eligible for some savings credit if your weekly income is below about £188 if you are single or £277 for a couple. If your income is higher you may still qualify if you are a carer or severely disabled or have certain housing costs.

For a detailed breakdown of how Pension Credit is calculated, see Factsheet 48 Pension Credit on the Age UK website at www.ageuk.org.uk. You can also contact our advice service or use the Pension Credit Calculator at www.gov.uk to find out if you qualify.

Q. I’m due to reach Pension Credit qualifying age next month. I live with my 14-year-old granddaughter for whom I receive Child Benefit and Child Tax Credit. I currently receive income-related Employment and Support Allowance (ESA) and the middle rate of Disability Living Allowance (DLA) component due to bad arthritis. I have savings of £5,000. I know that I will be able to claim Pension Credit instead of ESA, but how much can I expect to receive?

A. The basic Guarantee Credit is currently £145.40 a week for a single person. However, an amount of £59.50 for severe disability is added to this if you meet all of the following criteria: - you get the middle or highest rate of DLA care component or Attendance Allowance - no-one gets Carer’s Allowance for looking after you - you live alone (or only with a child aged under 18) or you live with a partner who also receives the middle or highest rate of DLA care component or Attendance Allowance.

As you fulfil these conditions your appropriate minimum guarantee is £145.40 + £59.50 = £204.90 a week.

When your Pension Credit entitlement is calculated your savings will be ignored because they are below £10,000. Child Benefit, Child Tax Credit and DLA will also be disregarded. As you have no other income you are entitled to Guarantee Pension Credit of £204.90 a week.

To claim Pension Credit phone 0800 99 1234 or go to www.gov.uk. You can claim up to four months before you are due to qualify – this allows time for the claim to be processed.

Pension Credit can be backdated by up to three months as long as you were eligible during that period. You need to request backdating on the claim form as it is not automatic.

If you disagree with a decision about Pension Credit you can ask for the decision to be reconsidered or appeal against it. You should act as quickly as possible as time limits apply which usually mean you must take action within one month.

It is worth claiming Pension Credit even if you are only entitled to a small amount, as it can help you qualify for other benefits. If you are a homeowner you may also be able to get help with the interest payments on your mortgage/home loan and with certain service charges.

If you receive Guarantee Credit you can get maximum Housing Benefit (although this may not cover your full rent) and Council Tax Support. Your family will be entitled to help with health costs including free prescriptions, sight tests and dental treatment. In England and Wales you can get free school meals for any child you are bringing up. In Scotland, you may qualify if you receive Child Tax Credit.

If you receive Savings Credit only, you may qualify for Housing Benefit and Council Tax Support but this will depend on your income and savings. Certain health costs are free to everyone over 60. You and your family may be entitled to some additional help with health costs, but you will have to apply for it on form HC1, available from GPs, hospitals, dentists and opticians. Further information about help with health costs is available at www.nhsbsa.nhs.uk or the Low Income Scheme Helpline on 0300 330 1343.

Q. I’ve heard about a new benefit called Universal Credit. Is this going to replace Pension Credit?

A. Universal Credit is a new benefit for people of working age. It will be rolled out across the UK between October 2013 and 2017. It will eventually replace:

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

At present, if you have a partner, you can claim Pension Credit if at least one of you has reached Pension Credit age. Under the new benefit system, you will be expected to claim Universal Credit until you both reach Pension Credit age. Universal Credit will be paid at a much lower rate than Pension Credit and the working-age partner is also likely to have to meet certain work-related conditions in order to get Universal Credit.

If you think you might qualify for Pension Credit but aren’t getting it, you might want to think about whether to apply for it now. If you are already getting Pension Credit at the time Universal Credit is introduced, you can continue to receive it even if your partner has not yet reached the qualifying age.

To find out when you will reach Pension Credit age, you...
can use the calculator at  www.gov.uk/calculate-state-pension.

As Universal Credit replaces Housing Benefit and Child Tax Credit, and is only for working-age people, pensioners who have to pay rent and/or have dependent children will need to be supported in a different way. Therefore there will be some changes to Pension Credit so that it includes support for rent and an additional amount for those pensioners with dependent children.

Please note: If you have come from abroad to live in the UK, you should check that your immigration status does not prevent you applying for benefits. If in any doubt, you should get advice from an immigration solicitor or your local Citizens Advice Bureau, as a claim can sometimes affect your right to remain in the UK.