

Pension Credit Guide



True or false?

1. If you own your house you don't qualify for Pension Credit
2. If you have savings you don't qualify for Pension Credit
3. You have to pay it back like a credit card
4. If you get a small amount there's no point claiming

They are all... FALSE.

In the UK there are up to 1.3 million Pensioner Households who are entitled to Pension Credit but are Missing Out (PHoMO). This is made up of up to 670,000 single females, up to 410,000 couples, up to 280,000 single males and an unknown number of people living in care homes. This means PHoMO's are missing out on up to £3.5 billion every year, of money that is earmarked for them. This equates to an average of £49 per week that people are missing.

Less than 6 in 10 pensioner households eligible for Pension Credit are receiving it.

The Role of Pension Credit

Pension Credit is a means-tested benefit available to people who have reached State Pension age. It was introduced in 2003 to ensure that all older people receive a minimum amount of income which has played a major role in previous reductions in poverty for people in this age group.

How does it work?

There are two parts to Pension Credit.

Guarantee Credit tops up an older person's income if it is below a set amount. Most Pension Credit payments fall under this element.

Savings Credit is an extra payment for people who have saved towards their retirement. This is only available to people who reached State Pension age before 6 April 2016.

There are also added premiums for those who have a disability or who are carers.

Overview

Pension credit gives you extra money to help with your living costs if you're over State Pension age and on a low income. Pension Credit can also help with housing costs such as ground rent or service charges.

You might also be eligible for extra help if you're a carer, severely disabled, or responsible for a child or young person.

Pension Credit is separate from your State Pension.

You can get Pension Credit even if you have another income, savings or own your own home.

If you get pension credit you can also get other help, such as:

- Housing benefit if you rent the property you live in
- Support for Mortgage Interest if you own the property you live in
- A Council Tax discount
- A free TV licence if you're aged 75 or over
- Help with NHS dental treatment, glasses and transport costs for hospital appointments
- Help with your heating costs through the Warm Home Discount Scheme
- A discount on the Royal Mail redirection service if you're moving house

Eligibility

To qualify for pension credit you must live in England, Scotland or Wales and have reached State Pension age to qualify for pension credit.

If you're from the EU, Switzerland, Norway, Iceland or Liechtenstein, you and your family usually also need settled or pre-settled status under the EU Settlement Scheme to get Pension Credit. The deadline to apply to the scheme was 30 June 2021 for most people, but you might still be able to apply.

If you have a partner

You must include your partner on your application.



You'll be eligible if either:

- You and your partner have both reached State Pension age
- One of you is getting Housing Benefit for people over State Pension age

A partner is either:

- Your husband, wife or civil partner – if you live with them
- Someone you live with as a couple, without being married or in a civil partnership

Your Income

When you apply for Pension Credit your income is calculated. If you have a partner, your income is calculated together.

Pension Credit tops up:

- Your weekly income to £182.60 if you're single
- Your joint weekly income to £278.70 if you have a partner

If your income is higher, you might still be eligible for Pension Credit if you have a disability, you care for someone, you have savings or you have housing costs.

What counts as income?

Your income includes:

- State Pension
- Other pensions
- Earnings from employment and self-employment
- Most social security benefits, for example Carer's Allowance

What does not count as income?

Not all benefits are counted as income.

For example, the following are not counted:

- Adult Disability Payment
- Attendance Allowance
- Christmas Bonus
- Child Benefit
- Disability Living Allowance
- Personal Independence Payment
- Social fund payments like Winter Fuel Allowance
- Housing Benefit
- Council Tax Reduction

If you've deferred your pension

If you're entitled to a personal or workplace pension and you have not claimed it yet, the amount you'd expect to get still counts as income. If you've deferred your State Pension, the amount of State Pension you would get is counted as income.

You cannot build up extra amounts for deferring your State Pension if you or your partner are getting Pension Credit.

Your savings and investments

If you have £10,000 or less in savings and investments this will not affect your Pension Credit. If you have more than £10,000, every £500 over £10,000 counts as £1 income a week. For example, if you have £11,000 in savings, this counts as £2 income a week.

What you'll get

Pension Credit tops up:

- Your weekly income to £182.60 if you're single
- Your joint weekly income to £278.70 if you have a partner

If they're in education, it must be for more than 12 hours a week on average.

If you get Tax Credits, you cannot get this extra amount of Pension Credit for carrying for a child. But you might be eligible for Child Tax Credits.

If you have a severe disability

You could get an extra £69.40 a week if you get any of the following:

- Attendance Allowance
- The middle or highest rate from the care component of Disability Living Allowance (DLA)
- The daily living component of Personal Independence Payment (PIP)
- Armed Forces Independence Payment
- The daily living component of Adult Disability Payment (ADP)

If the child or young person is disabled

If the child or young person is disabled, you could also get an extra amount of either:

- £30.58 a week if they get DLA, PIP or ADP
- £95.48 a week if they're blind or they get the highest rate care component of DLA or CDP, or the enhanced daily living component of PIP or ADP

If you care for another adult:

You could get an extra £38.85 a week if:

- You get Carer's Allowance
- You've claimed Carer's Allowance but are not being paid because you already get another benefit paying a higher amount

If you have housing costs

You could get an extra amount to cover your housing costs, such as:

- Ground rent is your property is a leasehold
- Some service charges
- Charges for tents and site rents

The amount you could get depends on your housing costs.

If you get pension credit, you could also be eligible for:

- Council Tax Reduction
- Housing Benefit if you rent the property you live in
- Support for Mortgage Interest if you own the property you live in

If you and your partner have both claimed or are getting Carer's Allowance, you can both get this extra amount.

If you're responsible for children or young people

You could get an extra £56.35 a week for each child or young person you're responsible for. This is increased to £66.85 a week for the first child if they were born before 6 April 2017.

The child or young person must normally live with you and be under the age of 20.

If they're 16 or over and under 20, they must be in (or accepted for):

- Approved training, such as Foundation Apprenticeships
- A course of non-advanced education (for example, they're studying for GCSEs or A Levels)



If you have savings or a second pension

You could get the 'Savings Credit' part of Pension Credit if both of the following apply:

- You reached the State Pension age before 6 April 2016
- You saved some money for retirement, for example a personal or workplace pension

You'll get up to £14.48 Savings Credit a week if you're single. If you have a partner, you'll get up to £16.20 a week.

You might still get some Savings Credit even if you do not get the Guarantee Credit part of Pension Credit.

Other help if you get Pension Credit

If you get Pension Credit you'll automatically get cold weather payments.

You'll also be eligible to:

- Get help with NHS costs, such as prescriptions, dental treatment, glasses and transport costs for hospital appointments
- Apply for a free TV licence if you're aged 75 or over

Find out how much you could get

Use the Pension Credit Calculator to work out how much you might get.

Contact the Pension Service helpline if you're not sure whether you're eligible for extra amounts



How you're paid

All benefits, pensions and allowances are usually paid into an account, for example a bank account.

How to claim

You can start your application up to 4 months before you reach State Pension age.

You can apply any time after you reach State Pension age but your application can only be backdated by 3 months. This means you can get up to 3 months of Pension Credit in your first payment if you were eligible during that time.

Information you'll need

You'll need the following information about you and your partner if you have one:

- National Insurance Number
- Information about any income, savings and investments you have
- Information about your income, savings and investments on the date you want to backdate your application to (usually 3 months ago or the date you reached State Pension age)

You'll also need your bank account details. Depending on how you apply, you may also be asked for your bank or building society name, sort code and account number.

Apply online

You can use the online service if you have already applied for your State Pension.

Pension Service Helpline

Telephone: 0800 731 0469

Textphone: 0800 169 0133

Relay UK (if you cannot hear or speak on the phone): 18001 then 0800 731 0469

British Sign Language (BSL) video relay service if you're on a computer – find out how to use the service on mobile or tablet

Monday to Friday, 8am to 5pm

Find out about call charges

Apply by phone

A friend or family member can call for you if you cannot use the phone

Pension Credit Claim Line

Telephone: 0800 99 1234

Textphone: 0800 169 0133

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

Monday to Friday, 8am to 6pm

Find out about call charges

Apply by post

To apply by post, print out and fill in the Pension Credit claim form or call the claim line to request a form.

Send the claim form to the Pension Service, or ask someone to do it for you.

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



If you disagree with a decision

You can challenge a decision about your Pension Credit application. This is called asking for mandatory reconsideration.

Report a change of circumstances

You need to report changes to you and your partner's personal and financial circumstances.

Your claim might be stopped or reduced if you do not report a change straight away. Some changes will increase the amount of Pension Credit you could get.

Changes to your personal circumstances

A change of personal circumstances can include:

- Moving to a new address
- Starting or stopping living with a partner
- The death of a partner who is named on your claim
- Starting or stopping work
- Going into hospital or a care home
- People moving in or out of your house
- Changing your name
- Switching your bank account
- Changes to your Post Office card account
- Leaving England, Scotland and Wales for any period (for example, going on holiday)
- You start or stop looking after a child or young person under the age of 20
- Changes to your immigration status, if you're not a British citizen

Changes to your financial circumstances

You also need to report if your income or expenses change. This can include changes to:

- Housing costs, for example ground rent or service charges
- Benefits that anyone living in your home gets – including getting a new benefit or a benefit being stopped
- Occupational or personal pensions – including if you start to get a new pension or take a lump sum out of your pension pot
- Other income, for example foreign pensions or Working Tax Credits
- Savings, investments or property

Call the Pension Credit helpline if you're not sure if you need to report a change.

 **You could be taken to court or have to pay a penalty if you give wrong information or do not report a change in your circumstances.**

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You can also report by post. The address is on the letters you get about your Pension Credit.

Living with a partner under State Pension age

You will stop getting Pension Credit if you start living with a partner who is under State Pension age. You can start getting it again when your partner reaches State Pension age.

If you were living with a partner under State Pension age before 15 May 2019 and getting Pension Credit, you'll keep getting it unless you stop being eligible. If this happens, you usually won't be able to get Pension Credit again until you and your partner are both eligible.

If you cannot get Pension Credit, you might be entitled to Universal Credit instead, but you and your partner cannot get both at the same time. If one of you starts getting Universal Credit you'll stop being eligible for Pension Credit.

If you have an Assessed Income Period (AIP)

An AIP is a period of time when you do not have to report changes to your pensions, savings and investments.

If you have an AIP you must still report all other changes to your personal circumstances.

Your Pension Credit award letter will tell you if you have AIP. You may have one if you're aged 75 or over and you started getting Pension Credit before 6 April 2016.

Your AIP will end if your household circumstances change, for example if you move into a care home or if you become a member of a couple.

You'll get a letter saying your AIP has ended. From then on, you must report all changes to your circumstances, including changes to your pensions, savings or investments.

Call the Pension Service helpline if you're not sure if you need to report a change.

If you've been paid too much

You may have to repay the money if you:

- Do not report a change straight away
- Gave wrong information
- Were overpaid by mistake

Find out how to repay the money you owe from benefit overpayment.

BT Here For You

At BT we live by our values – Personal, Simple & Brilliant. We're committed to treating all our customers fairly and with respect. We know that there's lots of different factors and life events that can cause vulnerability, whether it be long-term or on a temporary basis. It could be because of age, a physical or learning disability or difficulty in communicating.

Our focus is always to make sure that our customers get the best possible service and support when they need it most.

We'll do our best to offer you the right level of help and the most appropriate products and services to support you.

To learn more about the ways we can help you, please visit www.bt.com/hereforyou. Here you will find out about the products and services we offer,

how we can support you and further information to equip you with the skills needed to get the very best out of your services.

If you qualify or are in receipt of Pension Credit, one way we can support you is through **BT Home Essentials**.

BT Home Essentials is our low-cost broadband and phone plan available if you're on specific benefits and is perfect for everything from accessing services to video calls and streaming TV.

Who can get BT Home Essentials?

New or existing BT customers can apply.

You'll also need to be receiving one of these benefits to qualify:

- Universal Credit (All Claimants)
- Pension Credit (Guarantee Credit)
- Employment and Support Allowance
(Eligibility Rules Apply)
- Jobseekers Allowance (Eligibility Rules Apply)
- Income Support

We'll need your National Insurance number when you order, so we can check you're eligible.

To find out more, check if you're eligible or place an order please visit

➤ [BT Home Essentials](#)

bt.com/skillsfortomorrow

Now that you're online why not check out the **helping others** page on the BT Skills For Tomorrow site. You'll find more creative and fun ways to make the most of being online.