

Understanding Pensions & Savings Credit



If you're aged 60 or over you may be entitled to Pension Credit known as the 'Guarantee Credit'. From Age 65 you may also be entitled to the 'Savings Credit'. These are weekly benefits designed to bring your income up to these minimum levels.

WHO IS ELIGIBLE ?

Age 60 or over

If you are aged 60 or over and living in Great Britain, you may be entitled to 'Guarantee Credit' which guarantees a minimum income for people aged 60 or over by topping up your weekly income to:

- £130.00 if you are single
- £198.45 if you have a partner

These amounts may be more if you are severely disabled, have caring responsibilities or housing costs.

The word 'partner' is used to refer to a husband, wife or civil partner, or a person you live with as if they were your husband, wife or civil partner.

From 6 April 2010 the age from which you can get Pension Credit will rise in line with the increase in women's State Pension age which is changing from 60 to 65 by 2020.

Age 65 or over

If you or your partner are aged 65 or over and have made some provision towards your retirement, such as savings or a second pension, you may be entitled to Savings Credit if you have income below:

- £181 a week if you are single
- £266 a week if you have a partner

These amounts may be more if you are severely disabled, have caring responsibilities or housing costs.

WHAT COUNTS AS INCOME ?

Income that's taken into account includes:

- State Pension
- Occupational and Private Pensions
- Most Social Security benefits like Carer's Allowance
- An 'assumed income' of £1 a week for every £500 (or part of £500) of 'capital' you have over £6,000 or over £10,000 if you live permanently in a care home (capital includes savings and investments, and property that's not your main home)
- Earnings after tax and expenses from employment or self-employment, less half of any Occupational or Personal Pension contribution you make
- Working Tax Credit

Income that's ignored includes:

- Attendance Allowance
- Christmas Bonus
- Exceptionally Severe Disablement Allowance
- War Widow's Supplementary Pension

HOW MUCH DO YOU GET ?

Age 60 or over - Guarantee Credit element

- If you're single, you'll get the difference between your total weekly income and £130.00.
- If you live with a partner, you'll get the difference between your joint total weekly income and £198.45.

You may get more money if you have caring responsibilities, are severely disabled or have certain housing costs.

Age 65 or over - Savings Credit element

If you or your partner are aged 65 or over, you may be entitled to the guarantee credit, the savings credit or both.

The savings credit is a maximum of:

- £20.40 a week if you're single
- £27.03 a week if you have a partner

HOW IS PENSION CREDIT AND SAVINGS CREDIT PAID ?

Pension Credit is paid into a bank, building society, Post Office® or National Savings account that accepts Direct Payment.

EFFECT ON OTHER BENEFITS

If you're getting Pension Credit you may also qualify for:

- Housing Benefit
- Council Tax Benefit
- Cold Weather Payment
- Funeral Payments
- Community Care Grant
- Budgeting Loans
- Crisis Loans
- Winter Fuel Payments
- Sure Start Maternity Grant
- Free school meals

If you're getting Housing Benefit or Council Tax Benefit, the amount may be reduced when you get Pension Credit. However you should still be better off claiming Pension Credit.

HOW TO APPLY

Over the telephone

You can call the Pension Service 0800 99 1234 or textphone 0800 169 0133 (lines are open 8.00 am to 8.00 pm Monday to Friday). An adviser will help you apply for Pension Credit and let you know what happens next.

Housing Benefit and Council Tax Benefit

If you receive Pension Credit the Pension Service can also help you apply for Housing Benefit and Council Tax Benefit at the same time as your application for Pension Credit.

Source: www.direct.gov.uk - 210709

No responsibility can be accepted for the accuracy of the information in this facts sheet and no action should be taken in reliance on it without advice.
Please remember that past performance is not necessarily a guide to future returns.

The value of units and the income from them may fall, as well as rise. Investors may not get back the amount originally invested

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