Factsheet 48

Pension Credit

April 2025

About this factsheet

This factsheet contains information about Pension Credit, a means-tested benefit for people over State Pension age (currently 66 years of age). It gives information about the eligibility criteria for Pension Credit, how to make a claim, and what to do if you have a change of circumstance.

The information in this factsheet is correct for the period April 2025 to March 2026. Benefit rates are reviewed annually and uprated in April, but rules and figures can sometimes change during the year.

In **Wales**, tenants are now '*contract-holders*' and tenancy agreements are '*occupation contracts*'. References to tenants and tenancies in this factsheet should be read as contract holders and occupation contracts.

The information in this factsheet is applicable in England, Wales and Scotland. In Scotland, disability and carer benefits are being replaced with devolved benefits, see Age Scotland guides, *Pension Credit, Adult Disability Payment, Attendance Allowance and Pension Age Disability Payment and Carer's Allowance and Carer Support Payment.* Contact Age Scotland for more information. If you are in Northern Ireland, please contact Age NI for information. Contact details can be found at the back of this factsheet.

Contact details for any of the organisations mentioned in this factsheet can be found in the *Useful organisations* section.

Contents

Glossary

AA – Attendance Allowance
ADP – Adult Disability Payment (Scotland)
AIP – Assessed Income Period
AFIP – Armed Forces Independence Payment
CA – Carer's Allowance
CDP – Child Disability Payment (Scotland)
CHB – Child Benefit
CSP – Carer Support Payment (Scotland)
CTR – Council Tax Reduction/Support
DLA – Disability Living Allowance
DWP – Department for Work and Pensions
EEA – European Economic Area
ESA – Employment and Support Allowance
HB – Housing Benefit
JSA – Jobseeker's Allowance
PC – Pension Credit
PIP – Personal Independence Payment
QYP – Qualifying young person
SCP - Scottish Child Payment
UC – Universal Credit

1 What is Pension Credit?

Pension Credit (PC) is made up of two parts:

Guarantee Credit provides a guaranteed level of income if you are over State Pension age (currently 66). Guarantee Credit is worked out by comparing your income with an amount the government says you need to live on. If you have a disability, are a carer, have children, or have to pay housing costs, you may be eligible for a higher amount.

Savings Credit is paid if you reached State Pension age before 6 April 2016. You can only make a new claim if you reached State Pension age before this date. Existing claimants can continue to receive it. Savings Credit is worked out by looking at the level of retirement provision you have made. It can be paid as well as Guarantee Credit or on its own.

You do not need to have paid National Insurance contributions to qualify for PC. Some income and capital is taken into account, but some is disregarded. There is no upper capital limit. You can work and receive PC, but most of your earnings are taken into account as income. PC is not taxable. It can be paid to homeowners, tenants, contract holders in Wales, and people in other circumstances such as living with family or friends. It is administered by the Pension Service, part of the DWP.

Note

When the factsheet refers to PC without specifying Guarantee Credit or Savings Credit, the information applies to both. Where the rules are different, this is clearly stated, for example: *'The calculation of Savings Credit is based on your income and there is a cap on the amount you receive'.*

2 Who qualifies for PC?

You claim PC as a single person or jointly as a couple if you have a partner. One partner makes the claim for a couple. Your partner is your husband, wife, civil partner, or someone you live with as though you are married/civil partners. If you have a partner, your joint income and capital is taken into account when the amount of your PC award is calculated.

2.1 Basic requirements

To be entitled to PC, you must:

- have reached State Pension age (if you are a couple, see section 2.2)
- meet the income-related criteria (see section 2.3)
- satisfy residency conditions (see section 2.4).

2.2 Mixed age couples

A mixed age couple is where one person is over State Pension age (66 years) and the other person is under. A mixed age couple cannot usually claim PC until both partners have reached State Pension age. You can usually claim Universal Credit instead until this happens.

State Pension age increases

From 6 May 2026, State Pension age starts increasing and will reach 67 by 6 March 2028 (affecting anyone born between 6 April 1960 and 5 April 1977).

You can find your State Pension age at *www.gov.uk/calculate-state-pension* or phone the Future Pension Centre on 0800 731 0175.

Protection for existing claimants

Existing mixed aged couples continuously entitled to PC since 14 May 2019 can stay on PC, provided there is no break in the claim.

If you were claiming Housing Benefit (HB) under pension age rules on 14 May 2019, you can make a new PC claim providing the HB award has been paid continuously since this date.

Any breaks in entitlement to both PC and HB may mean you lose the protection. Seek advice, as you cannot reclaim until both partners reach State Pension age and may need to claim Universal Credit instead.

Note, if you are part of a mixed-age couple who have continuously claimed HB since 14 May 2019, as well as:

- Income-related Employment and Support Allowance
- Income Support or
- Income-based Jobseeker's Allowance

your HB claim is paid under working-age rules and you can only make a new PC claim when you both reach State Pension age.

2.3 Income-related criteria

Guarantee Credit is calculated by comparing your income with your appropriate minimum guarantee (see section 4).

The calculation of Savings Credit is based on your income and there is a cap on the amount you can receive.

The income rules are described in section 5.

2.4 Residence and immigration requirements

You must be present in Great Britain, habitually resident with a right to reside and not subject to immigration control. See section 2.1 of factsheet 25, *Returning from abroad*, for more information.

EEA citizens

If you are an EEA citizen and have *'settled status'*, you have indefinite leave to remain in the UK and are not subject to immigration control. If you have *'pre-settled status'* or arrived in the UK after 31.12.20, see DWP Guidance in section 10 for more information. This does not apply to Irish citizens.

Residence and immigration conditions can be complex. Contact Age UK Advice, Age Scotland, Age Cymru Advice or a local advice centre for help.

3 Current rates

Guarantee Credit

The maximum weekly amounts for 2025/26 are:

Single people	£227.10
Couples	£346.60

- The additional amount for severe disability is £82.90.
- The additional amount if you are a carer is £46.40.
- The additional amount if you have children depends on your circumstances, see section 4.3.

Section 4 explains the rules for when you are entitled to these extra amounts. Section 5 explains how your entitlement is calculated.

Savings Credit

The maximum weekly amounts for 2025/26 are:

Single people	£17.30
Couples	£19.36

The calculation for Savings Credit entitlement is complex. Contact your local Age UK or call the Age UK Advice Line to check your entitlement. In **Wales**, contact Age Cymru Advice and in **Scotland**, Age Scotland.

4 Appropriate minimum guarantee

Your appropriate minimum guarantee (or '*appropriate amount*') is the amount of money the government thinks you need to live on each week. It is made up of the standard minimum guarantee for a single person (£227.10) or couple (346.60), plus any additions you are entitled to for severe disability, caring responsibilities, children, or housing costs.

4.1 Severe disability

An additional amount for severe disability can be included in your appropriate minimum guarantee if:

- you get AA, PADP, PIP/ADP daily living component, or DLA middle or high rate care component, and
- no one is actually paid Carer's Allowance (CA), or the carer element of Universal Credit (UC) to look after you (if someone only has an '*underlying entitlement*' to CA, they are not paid CA), and
- you live alone or are treated as living alone.

'Living alone'

You can be treated as if you live alone even if you share your home with other people. The following people are ignored:

- someone receiving AA, PADP, PIP/ADP daily living component, DLA middle or high rate care component, or AFIP
- someone registered blind or severely sight impaired
- child or young person under 18 or for whom Child Benefit is being paid
- joint tenant, joint contract holder, or co-owner who is not a close relative
- your landlord if they are not a close relative
- licensee, tenant, contract holder, sub-tenant or sub-holder who is not a close relative
- some live-in helpers.

If you have your own accommodation under the same roof as someone else, for example in a self-contained annexe, you are not sharing a home and you count as living alone.

If you are a single person and you qualify for the severe disability addition, an extra £82.90 a week is included in your appropriate minimum guarantee.

If you are a couple and you both receive AA, PADP, PIP, ADP or DLA and no one else counts as living with you, and neither of you has a carer being paid CA or CSP, a couple rate of £165.80 a week is included.

If you both receive AA, PADP, PIP, ADP or DLA but one of you has a carer who is actually paid CA or CSP, the single rate of £82.90 is included.

If only one of you gets a disability benefit, you only get the severe disability addition if your partner is registered blind or severely sight impaired.

Action
This is a complex area and if you need more information about whether you qualify for the severe disability addition, contact Age UK Advice, Age Cymru Advice, or a local advice service.

4.2 Carers

The additional amount for a carer can be included in your appropriate minimum guarantee if you or your partner:

- are paid CA or CSP, or
- claimed CA or CSP and fulfil the qualifying conditions but it cannot be paid as you get State Pension or another overlapping benefit instead. In this case, you have an '*underlying entitlement*' to CA or CSP.

If you are single and qualify for the carer addition, an extra £46.40 a week is included in your appropriate minimum guarantee. If both you and your partner qualify for the carer addition, an extra £92.80 a week is included. If only one of you is a carer, the single rate is included.

The carer addition continues for eight weeks after you stop looking after someone if, for example, they move into a care home or if they die.

Where CA/CSP is being paid, you can receive an extra £46.40 a week through the carer addition but the person you care for might lose their severe disability addition, which is worth £82.90 a week. If you are not sure whether to claim CA or CSP, seek advice first.

It is possible to receive both the carer and severe disability additional amounts. For example, a disabled couple who provide substantial amounts of care for each other can receive both.

This applies if both CA or CSP claims are not in payment and there is underlying entitlement only. Otherwise, the severe disability additional amounts are not paid. See factsheet 55, *Carer's Allowance*, for more information, in Scotland, see Age Scotland guide *Carer's Allowance and Carer Support Payment*.

Example for single carer
Elsa is 70 and looks after her husband who gets AA. She applies for Carer's Allowance and receives a decision saying she fulfils the conditions but it cannot be paid on top of her State Pension. She has an underlying entitlement only. Her PC award is increased by the carer addition of £46.40 a week.

Example for a couple of carers
John and Lucy are both awarded AA and they claim Carer's Allowance for caring for each other. Both have a State Pension worth more than Carer's Allowance, so they have an underlying entitlement to CA only.

They qualify for two carer additions of £46.40 (£92.80 a week). As Carer's Allowance is not paid to either of them, they also qualify for the couple rate of severe disability addition, £165.80 a week. Their PC increases by a total of £258.60 a week.

4.3 Children

An additional amount can be included in your appropriate minimum guarantee if you are responsible for a child or qualifying young person, and they normally live with you. A qualifying young person is aged 16 to 19 and in full-time education or approved training. The weekly amount included in your appropriate minimum guarantee for each child is:

First child (if born before 6 April 2017)	£76.79
First child (if born on or after 6 April 2017) and subsequent children	£66.29

A '*disabled child*' additional amount can also be included for each applicable child entitled to either:

CDP, DLA, PIP or ADP (at any rate)	£35.93
CDP/DLA (high rate care component), PIP/ADP (enhanced rate daily living component), severely sight impaired or blind	£112.21

If you were receiving Child Tax Credit, the DWP should have sent you a migration notice/invitation to claim the child addition in PC because Tax Credits ended on 5 April 2025. Your rate of benefit should be protected, providing you claim within the deadline in the migration notice.

4.4 Housing costs

If you rent your home, you can apply for Housing Benefit to help with rent and service charges, see factsheet 17, *Housing Benefit*.

If you own your home and pay other housing-related charges, you may be eligible for housing costs in PC. If other adults live with you ('*non-dependants*'), they may be expected to contribute towards costs, even if they do not pay you any money. If you jointly own the property with someone other than your partner, you only get help with your share of the costs.

Action

This is a complex area with many exceptions. You may want to seek further advice from Age UK Advice, Age Cymru Advice, Age Scotland or a local advice service. For more information, see DWP guidance in section 10.

Service charges

If you must pay service charges as a condition of living in your home, your appropriate minimum guarantee can include help towards some of these. Reasonable charges for the following are eligible:

- services for the provision of adequate accommodation including some warden and caretaker services, gardens, lifts, entry phones, portering, rubbish removal, TV and radio relay charges
- laundry facilities like a laundry room in a sheltered housing scheme but not personal laundry services
- cleaning of communal areas and windows
- minor repairs and maintenance (not major repairs and improvements - you may get help with interest on a loan to pay for these, see below)
- home insurance if it must be paid under the terms of the lease.

Service charges for community or emergency alarms, personal care and support services are not covered. You may be able to get help with this support from your local authority.

If you apply for help with service charges, you may be asked to supply documentary evidence, for example accounts, invoices and a breakdown of the charges. The total eligible service charges are converted into a weekly amount and added to your appropriate minimum guarantee.

Example

Phyllis pays £590 a year in service charges, all for eligible services, apart from £70 for an alarm system. The remaining £520 is divided by 52. £10 a week is added to her appropriate minimum guarantee.

Ground rent and other housing costs

You can get help with other housing costs through PC including:

- ground rent if you have a lease of more than 21 years
- payments under a co-ownership scheme
- rent if you are a Crown tenant (minus any water charges)
- payments for a tent and its pitch, if that is your home.

The normal weekly charge for these costs is added to your appropriate minimum guarantee. If the charges are payable annually, the weekly amount is worked out by dividing the annual amount by 52.

Non-dependant deductions

The housing costs included in your appropriate minimum guarantee may be reduced if someone else lives with you other than your partner or dependent children, for example an adult son or daughter. This is called a '*non-dependant*' deduction.

Deductions are made because it is assumed someone living with you contributes towards your housing costs. A fixed amount is deducted regardless of how much they contribute, if at all.

Where a non-dependant deduction must be made the deduction is £19.65 a week, unless the person works 16 hours a week or more, does not get PC, and has a gross income of at least £183 a week, in which case the following rates apply:

Gross weekly income of non-dependant	**Weekly deduction from housing costs**
£183.00–£265.99	£45.15
£266–£347.99	£62.00
£348.00–£462.99	£101.35
£463.00–£576.99	£115.45
£577.00 or more	£126.65

If you have more than one non-dependant, there is a deduction for each of them but only one deduction is made for a couple. The deduction for a couple is the highest that would have been made if they were treated as individuals but based on their joint income.

When assessing the gross income of a non-dependant, most income is counted. However, AA, PADP, PIP, ADP or DLA are disregarded.

If you apply for housing costs and have a non-dependant, you must produce evidence of their income, for example, pay slips or benefit entitlement letters.

If a non-dependant joins your household, or their income changes and this would reduce your PC award, the change should not apply until 26 weeks after the date of change.

No deductions are made if you (or your partner) are registered as blind, or receive AA, PADP, PIP/ADP daily living component, DLA care component, or they are already being made from your Housing Benefit.

No deductions are made for any non-dependant who is:

- a joint owner, joint tenant or joint contract holder with you
- a boarder, sub-tenant, or sub-holder
- receiving Pension Credit
- under 25 receiving Universal Credit and they do not have earned income
- under 25 receiving Income Support, income-based JSA, or income-related ESA without a work-related activity or support component
- a full-time student who is not working in the summer break, and people on some training allowances
- aged under 18 (or under 20 in certain situations) and your dependant
- employed by a charitable or voluntary organisation as a resident carer for you or your partner and who you pay for that service
- staying with you but who normally lives elsewhere
- in hospital for more than 52 weeks
- a prisoner.

Support for mortgage interest and home loans

Help with a mortgage cannot be included as housing costs in your PC appropriate minimum guarantee. Instead, you might be able to apply for a loan, secured on your home.

A charge is placed on your property. You repay the total amount, plus compound interest, when the property is sold or transferred (unless you *'port'* your loan to a new property), or, if you are a couple, when you both die.

You should consider getting financial advice before taking out a loan. For more information, see *www.gov.uk/support-for-mortgage-interest*

5 Working out amount

Guarantee Credit is worked out by comparing your income with your appropriate minimum guarantee. Your income is added up and deducted from your appropriate minimum guarantee. The difference is the amount of Guarantee Credit you are entitled to.

Step 1: Working out your appropriate minimum guarantee

Your appropriate minimum guarantee is made up of:

- standard minimum guarantee for you (and your partner), plus
- any additional amounts you are entitled to (see 4.1 to 4.4).

Example
Sarah is single and aged 67. She has underlying entitlement to Carer's Allowance and looks after her disabled mother who gets AA.

Her standard minimum guarantee is £227.10. She is entitled to the additional carer's amount of £46.40. Her total appropriate minimum guarantee is £273.50 a week.

Step 2: Working out your income

Income for PC is assessed after deductions for tax and National Insurance contributions. If you contribute to an occupational or personal pension scheme, half of your contributions are disregarded as income.

Only defined income (see DWP Guidance in section 10), less any disregarded amounts, is used to calculate your total weekly income. Any income not defined is disregarded. Types of defined income include:

- pensions (state, private, and occupational)
- earnings (see below for partial disregards)
- income from annuities
- most DWP benefits (with some exceptions)
- deemed income from capital
- payments from boarders, sub-tenants or sub-holders
- maintenance payments from a current or former spouse or civil partner
- income from property held in trust (with some exceptions)
- payments under an equity release scheme
- War Disablement or War Widow's/Widower's pension
- income from the Financial Assistance Scheme
- income from the Pension Protection Fund.

Income that is partly disregarded

Some types of weekly income are partially disregarded:

- £5 of earnings from work if you are single (£10 if you have a partner), or
- £20 of earnings in special circumstances. For example, you are a lone parent, you or your partner are a carer, you receive certain disability or sickness benefits, or are registered blind/severely sight impaired
- £10 of War Widow's, Widower's or Surviving Civil Partner's Pension or a War Disablement Pension, a Guaranteed Income Payment made under the Armed Forces Compensation Scheme (AFCS), or pension paid for victims of Nazi persecution
- £10 of Widowed Parent's Allowance
- £20 of the payment from each sub-tenant, sub-holder or lodger in your own home, plus for lodgers, half of any payment made above £20.

Income that is completely disregarded

Some income is completely disregarded for PC, including:

- Attendance Allowance, PADP, and Constant Attendance Allowance
- PIP, ADP, DLA, and Armed Forces Independence Payment
- Carers Allowance Supplement in Scotland
- Social Fund Payments including the Winter Fuel Payment
- Bereavement payments (for one year after the first payment)
- local welfare payments (in Scotland, the Scottish Welfare Fund; in Wales, the Discretionary Assistance Fund)
- payments from social services for personal care – direct payments
- CHB, Guardian's Allowance, maintenance payments, Scottish Child Payment, or increases for child dependants paid on your benefits
- any dependant child's income
- Exceptionally Severe Disablement Allowance paid with Industrial Injuries Disablement Benefit or a War Pension
- adoption or fostering allowances and residence order payments
- voluntary or charitable payments (except for voluntary payments from a spouse/civil partner or former spouse/civil partner which count in full)
- actual income from capital (only deemed income is counted as described in step 3 Capital – interest paid into an account counts as capital)
- supplementary payments to pre-1973 war widows/widowers
- Mobility Supplement paid with a War Pension
- rent from a property other than your home. The property is valued as capital generating '*deemed income*'. Some property can be disregarded.

For more information, see the DWP Guidance in section 10.

Deprivation of income (notional income)

You can be treated as having income that you do not actually have. This is called '*notional income*'.

This happens if you fail to apply for income you are entitled to. For example, you have not claimed your State Pension, occupational or private pension, or have deliberately got rid of income with the intention of increasing your benefit entitlement. Seek advice if this applies to you.

Step 3: Working out your capital

This is all forms of savings and investments, including money saved from your benefits, lump sum payments, investments, land and property. Some forms of capital (including your home if you live in it) are not counted. Capital does not affect PC unless you have more than £10,000.

Example

Sarah's only income is State Pension of £121.25 a week and she has capital of £8,000. Her capital is disregarded because it is less than £10,000. Her total income for Guarantee Credit is £121.25.

Every £500 or part of £500 of capital over £10,000 is assumed to give you a weekly income of £1 a week. This is called *'deemed income'*. The same limits apply for both single people and couples. If you have a partner, their capital is added to yours.

Your capital is usually assessed at the time you make a PC application. If there would be expenses involved in selling a capital asset, 10 per cent of its value is deducted.

Example

Mahindra has a State Pension of £101.50 and £11,026 in capital. As his capital is over £10,000, deemed income applies. Parts of £500 count so the £1,026 excess generates £3 a week deemed income.

Added to his State Pension, he has total weekly income of £104.50 and is entitled to £122.60 a week Guarantee Credit.

Capital owned jointly with people other than your partner is normally divided equally between the joint owners. This could be, for example, if you jointly own a property with a family member. Seek advice if there is a reason why a property should not be valued on an equal share basis.

Example

If you and your son have a joint bank account of £10,000, you are normally assessed as each owning £5,000.

Capital taken into account

Capital counted in full includes:

- cash
- money in bank or building society accounts, including current accounts
- fixed-term investments like National Savings accounts and certificates
- income bonds
- stocks and shares
- the value of any property you own (but not the property you live in)
- premium bonds
- your share of capital jointly owned with someone who is not your partner
- any savings or capital held by another person for you.

Capital that is disregarded

Types of capital that are disregarded include:

- the value of the home where you live if you own it
- the value of a property you own that is not your home in certain specific circumstances – for example, if you are taking steps to sell it, or a close relative who is over State Pension age or incapacitated lives there
- the amount of any debt accrued on a property such as a mortgage or a Deferred Payment Agreement (DPA) used for care home fees
- the surrender value of life insurance policies, including where life insurance is not the only aspect of the policy if the policy states how payment on death is worked out (although, if a policy is cashed in, the money received is normally counted as part of your capital)
- the value of a pre-paid funeral plan
- a lump sum payment received because you put off (‘*deferred*’) claiming your State Pension for a period of time
- personal possessions such as jewellery, furniture or a car
- arrears of some benefits are disregarded for one year after payment. If arrears are £5,000 or more and are as a result of an official error, they are ignored for the duration of your PC award
- compensation payments paid under an insurance policy for damage to, or loss of, your personal possessions, usually disregarded for a year
- personal injury compensation payments to you or your partner
- payments from certain special compensation schemes, e.g. The Windrush Compensation Scheme
- capital belonging to a dependent child
- in some cases, capital in your name that belongs to another person other than your partner.

Deprivation of capital and notional capital

If you deprive yourself of capital in order to qualify for PC or increase the amount of benefit you are paid, the Pension Service can treat you as still having that capital. This is known as '*notional capital*'. This can occur if you give money away to members of your family or buy expensive items to qualify for PC.

You have not deprived yourself of capital if you have paid off debts or used money on '*reasonable*' spending on goods and services. If the Pension Service decides you have notional capital, seek advice and consider challenging the decision.

For more information about treatment of private pensions, see factsheet 12, *Planning for retirement: money and tax* and factsheet 91, *Pension Freedom and benefits.*

For more information, see the DWP Guidance in section 10.

Step 4: Working out your Guarantee Credit

Deduct your total income (step 2), from your appropriate minimum guarantee (step 1) to calculate your Guarantee Credit entitlement.

Example
Sarah's appropriate minimum guarantee is £273.50 and her income for Guarantee Credit is £121.25. Deducting £121.25 from £273.50, gives her a weekly Guarantee Credit entitlement of £152.25.

Savings Credit

This part of Pension Credit can only be claimed if you (and your partner if you have one) reached State Pension age before 6 April 2016. If you are receiving this, it continues for as long as you remain eligible.

Savings Credit is worked out by looking at the level of retirement provision you have made. It can be paid as well as Guarantee Credit or on its own. There is a limit to how much Savings Credit you can receive each week – up to £17.30 for single people and £19.36 for couples.

Action
Working out entitlement to both parts of Pension Credit can be complicated. If you want help, call the Pension Credit Helpline on 0800 99 1234 or contact a local advice agency.

The online calculator at *www.gov.uk/pension-credit-calculator* or the Age UK benefit calculator at *www.ageuk.org.uk/benefits-check* can show your estimated entitlement.

6 How to claim

You can apply for PC by calling the claim line on 0800 99 1234 (text phone 0800 169 0133) to make a claim by phone, or to ask for a claim form to be sent to you. If you have already claimed your State Pension, you can claim online via *www.gov.uk/pension-credit/how-to-claim*

If you claim by phone, you may be able to claim pension age Housing Benefit and Council Tax Reduction/Support at the same time. The Pension Service take the necessary information and contact your local authority, who are responsible for these benefits. You can contact your local authority to confirm this has happened or to make a separate claim for these benefits if necessary.

Many advice agencies can supply copies of the form or help you to complete it. A local advice agency or the Pension Service may be able to arrange for someone to visit you at home to complete the claim form.

Someone acting on your behalf

If you are unable to act for yourself, an appointee can make the claim (and receive payment) on your behalf. This includes corporate appointees, where an organisation such as a local Age UK/Age Cymru, a solicitor, or a local authority acts on behalf of clients. For more information see factsheet 22, *Arranging for someone to make decisions on your behalf.*

6.1 Backdating and advance claims

PC can be backdated for up to three months as long as you have satisfied the entitlement conditions during that period. You should request backdating on the claim form as it is not automatic.

You can submit a claim for PC up to four months in advance if you are approaching State Pension age or are about to become entitled for another reason. This should allow time for the claim to be processed.

If your PC entitlement depends on establishing entitlement to a qualifying disability benefit like Attendance Allowance (AA), make a PC claim at the same time and reclaim PC when the qualifying disability benefit is awarded, as this allows full backdating to the date of the first PC claim.

6.2 Moving to Pension Credit from working age benefits

You can make an advance PC claim up to four months before you reach State Pension age. Existing awards for Universal Credit should continue until you reach State Pension age, when the PC award should start. (Note the rules are different if you are part of a mixed age couple, see section 2.2). If you receive a legacy benefit such as Income Support or income related ESA, you may be *'migrated'* to Universal Credit before you reach State Pension age.

6.3 If the Pension Service needs more information

The Pension Service may ask you to provide evidence or extra information to support your PC claim. You must send it within one month of the request. You can post documents to them or there may be a local office to take them to. This may relate to your identity, capital, pensions, housing costs, immigration status, or people living with you.

6.4 Delays and complaints

If you are unhappy with the way your claim is handled, you can complain and you may be able to claim compensation. If payment is delayed, you may be able to get a short-term advance. This must be repaid from your PC award over a three-month period but it can be extended to six months in exceptional circumstances. See factsheet 49, *The Social Fund*, *Advances of Benefit and Local Welfare Provision,* for more information.

7 Decisions and payment

The Pension Service process your claim and send you a written decision. If PC is awarded, the decision letter usually includes a breakdown of the calculation, which you can check against the guide in section 5. The decision letter sets out your responsibilities for reporting changes in your circumstances to the Pension Service.

7.1 Payday

PC is paid in arrears and your payday is allocated according to the last 2 digits of your NI number.

Last two numbers of NI number	Benefit week	PC payday
00-19	Tues-Mon	Monday
20-39	Weds-Tues	Tuesday
40-59	Thurs-Weds	Wednesday
60-79	Fri-Thurs	Thursday
80-99	Sat-Fri	Friday

If your entitlement starts on the first day of your benefit week, your award starts then. Otherwise, your award starts on the first day of benefit week following the start of your entitlement. If you were entitled to UC, IS, JSA(IB), or ESA(IR) immediately before qualifying for PC, your award begins on the day you reach State Pension age so you can receive a part-week payment.

7.2 Payment

PC is normally paid directly into your bank or building society account. When you claim, you can choose weekly, fortnightly or four-weekly payments in arrears. If your PC is less than £1 a week, you may be paid up to 13 weeks in arrears and if it is less than 10p a week, you may not receive it at all, although you have an underlying entitlement.

It can be paid to someone with power of attorney or an appointee if you are not able to act for yourself. If you cannot open or manage an account, you can use the Payment Exception Service to access PayPoint outlets. If you cannot use these, contact the Pension Service.

7.3 If you disagree with a decision

You must ask the DWP for a mandatory reconsideration of the decision. If you still disagree, you can lodge an appeal with HM Courts and Tribunals Service. It is important to challenge a decision or get advice quickly as there are time limits, you must usually act within one month. Use form SSCS1 or appeal online at *www.gov.uk/appeal-benefit-decision*

See factsheet 74, *Challenging welfare benefit decisions*, for more information.

8 Change of circumstances and assessed income periods

8.1 Assessed income periods

An assessed income period (AIP) limits the change of circumstances you need to report, such as changes to your capital or pensions. New AIPs are no longer being set. If you have an indefinite AIP, this only ends if you report a relevant change of circumstance (see below).

Once an AIP has ended, you are expected to report all change of circumstances, for example, increases to your capital or your private pension, if applicable.

Changes that cause an AIP to end early

An indefinite AIP ends if the following changes occur:

- you become a member of a couple
- you stop being treated as a member of a couple (for example, your partner dies, moves permanently into a care home, or into hospital for more than one year)
- you are no longer entitled to PC
- your PC is reassessed because a pension or annuity you were getting stops temporarily or is paid at a lower rate than you are entitled to.

Changes you do not have to report in an AIP

During an AIP, you do not have to tell the Pension Service about changes in your '*retirement provision'.* This is defined as:

- capital
- occupational, personal, private, stakeholder and overseas pensions
- payments from an equity release scheme
- annuities
- Financial Assistance Scheme or Pension Protection Fund payments.

Note

If you receive HB or CTR (also known as Council Tax Support) and the Savings Credit part of PC only, you must tell the local authority if your savings go over £16,000 – whether or not you have an AIP. You may no longer be entitled to HB or CTR.

Increases in your income and capital in an AIP

During an AIP, adjustments are made for regular increases to State Pension and private pensions. If your occupational pension increases annually in line with inflation, the Pension Service adjusts for this automatically. Other increases in your retirement provision, such as a Premium Bond win or an inheritance, do not affect your PC entitlement while your AIP continues and do not have to be reported.

Reductions in your income or capital in an AIP

If your income or capital decreases during an AIP, you can ask the Pension Service to look at your claim again. For example, if you have capital over £10,000 and you pay a large bill, you may be entitled to more PC and so it might be worth asking for a reassessment. Check how reporting a change will affect your benefit with an advice service. The amounts involved can be very small once changes in other related benefits like HB or CTR are taken into account.

8.2 Change of circumstances with no AIP

If you do not have an AIP, all changes of circumstance must be reported to the Pension Service. This includes changes in:

- capital assets
- occupational, personal, private, stakeholder, and overseas pensions
- payments from an equity release scheme
- annuities
- Financial Assistance Scheme or Pension Protection Fund payments.

8.3 If you go into hospital

Your PC entitlement is not affected if you are admitted to hospital, provided you return home within 52 weeks, and you do not receive an additional amount for severe disability or as a carer.

If you are a single person and you receive an additional amount for severe disability, you normally lose the additional amount after 28 days in hospital, when your AA, PADP, PIP, ADP or DLA award is suspended.

If you are a couple and receive the couple rate for severe disability, you will get the single rate when one of you has been in hospital for 28 days and payment of their AA, PADP, PIP, ADP or DLA award is suspended.

If you receive the additional amount for a carer, this can continue for up to 12 weeks, depending on your circumstances.

If you receive additional amounts for children or housing costs, you are no longer entitled to these after 52 weeks in hospital. If you receive housing costs with a deduction for a non-dependant, the deduction stops if the non-dependant is in hospital for more than 52 weeks. For more, see the DWP Guidance in section 10.

8.4 If you go into a care home

If you live in or move into a care home, you may still be entitled to PC. If you receive PC before moving into a care home, it is important to inform the Pension Service of the change in your circumstances.

Permanent care home residence

If you have a partner, you are assessed as single people for PC purposes if one of you is permanently resident in a care home. You are no longer treated as a couple for PC.

Additional amounts for children and housing costs for your former home are no longer included in your PC if you are a permanent resident in a care home. The additional amount for a carer can continue to be paid if you still satisfy the conditions for it (see section 4.2).

If payment of your AA, PADP, PIP, ADP or DLA stops because you are in a care home, you lose any additional amount for severe disability included in your PC. Whether your disability benefit stops depends on how your care home placement is funded.

If your care home place is paid for by NHS Continuing Healthcare funding, your entitlement to PC is the same as if you were in hospital. (In Scotland, care home fees are not paid for by the NHS, contact Age Scotland for more information).

If the local authority helps to pay care home fees, AA, ADP, DLA care component and PIP daily living component stop 28 days after admission. If you pay your own fees, you are entitled to AA, DLA, or PIP and are eligible for an extra amount for severe disability with your PC.

PC is taken into account as income when your contribution towards the care home fees is calculated but up to £7.05 a week (£10.60 for a couple) of your income is disregarded if you receive Savings Credit. It is not always necessary to receive PC to qualify for this disregard – contact Age UK or Age Cymru Advice for more information. The disregards are different in Scotland, contact Age Scotland for advice. See factsheet 10, *Paying for permanent residential care*. In **Wales**, see Age Cymru factsheet 10w, *Paying for a permanent care home placement in Wales*. In **Scotland**, see Age Scotland guide, *Care Home Guide: Funding*.

Temporary care home residence

If you are a temporary resident in a care home, for respite or a trial period, and your PC includes housing costs, these can usually continue to be paid for up to 13 weeks and sometimes for up to 52 weeks.

Additional amounts for severe disability and a carer can continue if you still satisfy the conditions for them (see section 4.1 – 4.2). However, if payment of AA, PADP, PIP or ADP stops because you are in a care home, you lose any additional amount for severe disability.

If you are in a couple, you continue to be treated as a couple if you are unlikely to be apart for more than 52 weeks. See factsheet 58, *Paying for short-term and temporary care in a care home*. In **Wales**, see Age Cymru factsheet 58w, *Paying for temporary care in a care home in Wales.*

Action

For more information, see factsheet 34, *Attendance Allowance*, or factsheet 87, *Personal Independence Payment and Disability Living Allowance*. In **Scotland**, see *Attendance Allowance and Pension Age Disability Payment,* or *Adult Disability Payment*.

8.5 If you go abroad

If you leave Great Britain temporarily, your PC can continue to be paid as normal, but not for longer than:

- **four weeks**, where the absence is not expected to exceed four weeks
- **eight weeks**, where the absence is not expected to exceed eight weeks and is in connection with the death of your partner or another close relative you normally live with
- **26 weeks**, where the absence is not expected to exceed 26 weeks and is solely in connection with you, your partner or your child receiving medical treatment.

You must intend to return within these periods at the date of departure. If you know you are likely to be away for longer than these periods when you depart, your PC award stops on the day you leave.

8.6 If PC stops for a mixed age couple

If you are part of a mixed age couple (where one partner is under State Pension age) and you lose entitlement to PC, you cannot usually reclaim PC until both of you reach State Pension age. You may have to claim Universal Credit in the meantime.

However, if you remain entitled to pension age Housing Benefit (HB) when your PC ends, you can re-claim PC because you are protected by the *'savings provisions'*, see section 2.2.

8.7 Becoming a mixed-age couple when claiming PC

If you are entitled to PC and you form a couple with a new partner who is below State Pension age, your PC award stops and you cannot reclaim until you both reach State Pension age. You may have to claim Universal Credit instead.

8.8 Equity release

Equity release describes the various ways that homeowners can use their homes to generate income or capital lump sums while continuing to live there. These sums may affect your PC. There are a range of issues you need to take into account and Age UK recommends you take legal and financial advice if you are considering taking out a product.

It is important to consider the impact of equity release on PC and any other benefits now and in the future. For more information, see factsheet 65, *Equity release*.

9 Other benefits if you receive Pension Credit

State Pension

The age limit to claim State Pension is the same as PC. State Pension is based on National Insurance contributions you have paid or been credited with during your life. If you are a mixed age couple claiming PC, you can claim State Pension when you reach State Pension age. See factsheet 19, *State Pension*, for more information.

Housing Benefit and Council Tax Reduction

If you get PC, you may qualify for Housing Benefit (HB) if you pay rent for your home or live in a hotel, guest house, board and lodgings accommodation, or a hostel. You may qualify for Council Tax Reduction/Support (CTR) whether you own your home or pay rent.

When you claim PC, you are asked if you want to claim HB and CTR at the same time. If you are not asked, contact your local authority about making an application.

If you receive PC Guarantee Credit, you can qualify for the maximum eligible amount of HB and CTR. You may not get the full amount if you live with non-dependants or there are restrictions, for example your rent is considered too high.

If you receive Savings Credit without Guarantee Credit, you may still get some help towards rent and Council Tax. See factsheet 17, *Housing Benefit* and factsheet 21, *Council Tax*, for more information. In **Wales**, see Age Cymru factsheet 21w, *Council Tax in Wales*. In **Scotland**, see the Age Scotland *Council Tax and Council Tax Reduction* guide.

Health costs

If you receive PC, you may be entitled to help with health costs, such as dental charges, cost of glasses and hospital travel. If you get Guarantee Credit, you are automatically entitled to the maximum help available.

If you only get Savings Credit, you may be entitled to some help but you must apply for it – see factsheet 61, *Help with health costs*. In **Wales**, see Age Cymru factsheet 61w, *Help with health costs in Wales*. In **Scotland**, see NHS Inform.

If you receive PC, you may be entitled to grants or loans from your local authority or Jobcentre Plus to help with some expenses. Contact Age UK Advice, Age Cymru Advice, Age Scotland or a local advice service for more details.

Winter Fuel Payment

You can qualify for a Winter Fuel Payment of up to £300 if you are entitled to Pension Credit (either Guarantee Credit, Savings Credit or both). In Scotland, Pension Age Winter Heating Payment has replaced Winter Fuel Payment.

For more information see: www.gov.uk/winter-fuel-payment

In Scotland, see: www.mygov.scot/pension-age-winter-heating-payment

TV licence concessions

You can get a free TV licence if:

- you, as the licence holder, are 75 years or older, and
- you, or your partner living at the same address, receive Pension Credit (either Guarantee Credit, Savings Credit or both).

For more information see: *www.tvlicensing.co.uk/check-if-you-need-one/for-your-home*

10 DWP Guidance

DWP provides guidance about benefits which you may find useful. PC guidance is at *www.gov.uk/government/publications/decision-makers-guide-vols-13-and-14-state-pension-credit-staff-guide*

Specific areas of guidance highlighted in this factsheet can be found by using the above link and selecting the appropriate heading:

- ***Settled status*** (section 2.4) – If you are an EEA citizen (except Irish citizens who do not need leave to remain in the UK) and have *'settled status'*, you have indefinite leave to remain in the UK and are not subject to immigration control. You can stay in the UK and be eligible for benefits, subject to satisfying the other conditions.
- ***Pre-settled status*** – If you are an EEA citizen (except Irish citizens) and have *'pre-settled status'* (for example, you have not lived in the UK for at least five years), you can stay in the UK but are not automatically eligible for benefits that require a right to reside such as PC. In order to be eligible, you must normally demonstrate you are exercising a qualifying *right to reside* under the *Immigration (European Economic Area) Regulations 2016*.

  Guidance on *right to reside* can be found within *DMG Vol 2 Ch 7 Part 3: Habitual residence and right to reside,* from paragraph 073492.

  If you have *'pre-settled status'*, you can stay in the UK for up to five years from the date you got your status, but you should apply for *'settled status'* before your pre-settled status expires.

  Started living in the UK after 31 December 2020 – If you moved to the UK after 31 December 2020, the only way you can be eligible for the EU Settlement Scheme is if you are a family member of an EEA or Swiss citizen and that person was living in the UK by 31 December 2020. For more information see: *www.gov.uk/settled-status-eu-citizens-families/join-EU-EEA-Swiss-family-member*

  If the above is not applicable, you are subject to immigration control (and are not eligible for certain benefits like PC) until you have the necessary immigration leave to remain in the UK. For more information see: *www.gov.uk/check-uk-visa*
- **Housing costs** (section 4.4) – *DMG Vol 13 Ch 78: additional amounts and special groups*, from paragraph 78170
- **Defined income** (page 13) – *DMG Vol 14 Ch 85: Income other than earnings*, from paragraph 85004
- **Earnings and disregards** (pages 13–14) – *DMG Vol 14 Ch 86: Earnings*
- **Capital** (page 15) – *DMG Vol 14 Ch 84: deemed weekly income from capital*, from paragraph 84071
- **Deprivation** (page 17) - *DMG Vol 14 Ch 84: deemed weekly income from capital*, from paragraph 84781
- **Assessed Income Periods** (sections 8.1–8.2) – *DMG Vol 14 Ch 83: Assessed income periods*
- **Hospital** (section 8.3) – *DMG Vol 13 Ch 78: additional amounts and special groups*, from paragraph 78700.

Useful organisations

Carers Trust
www.carers.org
Telephone 0300 772 9600

Offers practical help and assistance to carers.

Carers UK
www.carersuk.org
Telephone 0808 808 7777

Information and support for carers, including information about benefits.

Citizens Advice
England go to www.citizensadvice.org.uk
Wales go to www.citizensadvice.org.uk/wales
Scotland go to www.cas.org.uk
In England telephone 0800 144 8848
In Wales telephone 0800 702 2020
In Scotland telephone 0800 028 1456

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Department for Work and Pensions
www.gov.uk/government/organisations/department-for-work-pensions

Government department responsible for administering social security.

Disability Service Centre
www.gov.uk/disability-benefits-helpline

Provides advice or information about claims for Disability Living Allowance, Personal Independence Payment or Attendance Allowance.

Attendance Allowance (AA)
Telephone 0800 731 0122

Disability Living Allowance (DLA)
If you were born on or before 8 April 1948
Telephone 0800 731 0122

If you were born after 8 April 1948
Telephone 0800 121 4600

Personal Independence Payment helpline
Telephone 0800 121 4433

Gov.uk
www.gov.uk

Official website for government information and services. Includes information about State and private pensions.

Pension Service (The)
www.gov.uk/contact-pension-service
Telephone 0800 731 0469
PC claim line 0800 99 1234
Future Pension Centre 0800 731 0175

For details of PC and State Pension, including forecasts and how to claim.

Settled
www.settled.org.uk/en/
Telephone 0330 223 5336 select the language you wish to speak. Alternatively, email (in your preferred language) an explanation of your situation, name and location, and someone will reply as soon as possible.

Organisation for EEA citizens wanting advice and support about the EU Settlement Scheme.

Social Security Scotland
Telephone 0800 182 2222

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice
www.ageuk.org.uk
0800 169 65 65
Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru Advice
www.agecymru.wales
0300 303 4498

In Northern Ireland contact

Age NI
www.ageni.org
0808 808 7575

In Scotland contact

Age Scotland
www.agescotland.org.uk
0800 124 4222

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