

Pension Credit – at a glance



Part of the Department
for Work and Pensions

What is Pension Credit?

Pension Credit is a tax-free weekly payment, which could mean extra money each week for people aged 60 or over living in Great Britain.

People aged 65 or over may be rewarded for having saved for their retirement.

How much is Pension Credit?

Pension Credit currently guarantees a minimum income of at least:

- £109.45 a week for a single person; or
- £167.05 a week for a couple.

These figures may be higher if:

- they are severely disabled and live alone, or with another severely disabled person;
- they are a carer entitled to Carer's Allowance; or
- they have certain housing costs that are not covered by Housing Benefit (for example, mortgage interest payments).

People aged 65 or over who have savings, investments, or income such as an occupational or private pension or an annuity, could get extra money as well – to a maximum of £16.44 for a single person a week, or £21.51 for couples.

People may be entitled to Pension Credit for a period of up to 12 months before they apply. Some people have received as much as £1,000 in backdated money.

How much Pension Credit could people get each week?

The amount people can get depends on:

- their personal circumstances;
- the amount of money they already have coming into the household; and
- the amount of savings and investments they have.

Is there a capital limit for Pension Credit?

No. There is no fixed capital limit. We ignore capital and savings of £6,000 or less (£10,000 for people who live permanently in a care home). We will assume a weekly income of £1 for every £500, or part of £500, people have over these amounts. This is called assumed income from savings.

Who may be entitled?

Single people may be entitled to some Pension Credit if:

- they are aged 60 or over but under 65 and their total weekly income, including assumed income from savings, is less than £109.45;
- they are 65 or over and their total weekly income, including assumed income from savings, is up to around £151.

Couples may be entitled to some Pension Credit if:

- one of them is aged 60 or over but both are under 65 and their total weekly income, including assumed income from savings, is less than £167.05;
- at least one of them is 65 or over and their total weekly income, including assumed income from savings, is up to around £221.

These figures may be higher if they are severely disabled or a carer or they have certain housing costs.

Pension Credit Application Line – 0800 99 1234 (Freephone)

This leaflet gives general guidance and should not be treated as a complete statement of law. The amounts shown in this leaflet are current from 11 April 2005 to April 2006.

What counts as income?

We count State Pension, occupational or private pension, annuities and some other income such as wages, Incapacity Benefit and assumed income from savings. However, we ignore certain types of income, for example, Disability Living Allowance, Attendance Allowance, Council Tax Benefit and Housing Benefit.

How do people apply for Pension Credit?

By phone

It's easy to apply; we can help fill out the application form. Applications can be made over the phone by calling the Pension Credit Application Line on **0800 99 1234 (freephone)** or, for those with speech or hearing difficulties, who use a textphone on 0800 169 0133.

When making an application by telephone people will need the following:

- their National Insurance Number(s) and date of birth;
- bank and savings details;
- information about any occupational or private pensions;
- details of their own or their partner's other income, if applicable; and
- details of housing costs, for example, a mortgage, if applicable.

On the Internet

The Pension Credit application form is available on the Internet. The web address is: www.pensions.gov.uk/pensioncredit

By post

To request a paper application pack please call the Pension Credit Application Line on **0800 99 1234**.

How long does the average phone call to apply for Pension Credit take?

The average application takes 15 to 25 minutes to complete, depending on the person's circumstances.

How is Pension Credit paid?

Pension Credit is paid weekly and can be paid:

- directly into a bank or building society account; or
- directly into a Post Office® card account.

Where these payment options are not suitable we may be able to issue a cheque through the post.

Can people continue to work and apply for Pension Credit?

Yes. People can work as many hours as they like and still apply for Pension Credit. However, the earnings they receive may affect their entitlement.

Rent and Council Tax

People who get Pension Credit may get help with their rent and council tax.

Additional copies of this guide can be obtained through your normal guide/publication ordering route or by telephoning the Pensioners' Guide Orderline on 0845 6 065 065.

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