



# Can You Claim It?

11 April 2011 – 8 April 2012



**Can You Claim It?** was written for Saga Magazine  
by freelance financial journalist Paul Lewis

**Up to five billion pounds is left unclaimed by people aged 60 or more. This money is to help with day-to-day expenses, Council Tax, housing costs and healthcare, but around two million people over 60 fail to claim it. Every year more people can claim these benefits. So even if you have not been able to get extra money before, you may be able to get help now.**

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If you live in England, Wales or Scotland, claims for Pension Credit are dealt with by The Pension Service (**0800 99 1234 or 0845 60 60 265**). In Northern Ireland, The Pension Service comes under the Social Security Agency. Claim on **0808 100 6165** or call the Pension Service Enquiry Line on **0845 601 8821**.

You can check your entitlement to Pension Credit and other means-tested benefits online at [www.entitledto.com](http://www.entitledto.com) and [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

**This leaflet is for men and women who have reached the State Pension Age for women.**

The rules about benefits are different for those under that age. State pension age for women depends on date of birth and is shown in the Appendix on page 25. Although it is called 'state pension age for women' it is also the age at which men can claim pension credit.

**This leaflet does not apply to people in care or nursing homes.**

The rules about pension credit and other benefits are different for them.

**Note:** The details in this leaflet should be correct from 11 April 2011 to 8 April 2012. It includes changes announced in the Budget on 23 March 2011. However, things may alter during the year so it is always a good idea to seek expert advice on your personal situation. Details of how to do that are given later in this leaflet.

## Can you claim Pension Credit?

Up to one and a half million people who could claim Pension Credit don't.

Pension Credit tops up your weekly income. It is paid in two parts – one part is called **guarantee credit**. The other part is called **savings credit**. You must be aged at least state pension age for women to get guarantee credit and once you reach 65 you may be able to get savings credit as well. For couples, it is the age of the older partner that counts. State pension age for women is used as the qualifying age for Pension Credit for men and women. It depends on your date of birth and is set out in the Appendix on page 25.

If you have been unable to get extra help in the past, you may still qualify this year. Pension Credit rates go up each year. So even if you could not get it last year, you may qualify this year.

Even if you have savings or a pension from a past job, you may still be able to get Pension Credit.

### Guarantee credit – state pension age for women or more

If you are over state pension age for women, you may qualify for the **guarantee credit** part of Pension Credit. Guarantee credit is extra money each week to bring your income up to the minimum amount the Government considers you need to live on.

You can normally get guarantee credit if your weekly income is less than:

- **£137.35** if you are single; or
- **£209.70** between you if you are married, in a civil partnership or live as a couple. That includes two men or two women who live together as a couple.

Guarantee credit should bring your income up to these amounts.

For example, a single person with a weekly income of £100 will get a guarantee credit of £37.35 a week to make £137.35 altogether. And a couple living on £160 a week will get an extra £49.70 to make £209.70.

If you are severely disabled or a carer, you may get more guarantee credit. If you have more than £10,000 in what the Government calls 'capital', you will get less. Capital is normally your savings, money in the bank, and any investments you may have. There is **no upper limit** to the amount of capital you can have. But if the total is in the tens of thousands of pounds you will get much less Pension Credit, maybe none at all. But it is always worth applying. Even quite large savings may not stop you getting Pension Credit. Table 1 on page 4 shows how much capital you can have at various income levels and still get a small amount of Pension Credit. The figures surprise some people – not least officials at the Department for Work and Pensions! This table applies if you are over state pension age for women but under 65 and your partner – if you have one – is less than 65. If you, or your partner if you have one, is aged 65 or more, see Table 2 on page 5.

**Table 1**  
**MAXIMUM CAPITAL TO GET PENSION CREDIT**  
**OF AT LEAST 35p A WEEK (single) OR 70p (couple)**  
**State pension age to 64**

11 April 2011 to 8 April 2012

<b>Single</b>		<b>Couple</b>	
<b>Weekly income</b>	<b>Capital</b>	<b>Weekly income</b>	<b>Capital</b>
£0	£78,500	£0	£114,500
£25	£66,000	£50	£89,500
£50	£53,500	£100	£64,500
£75	£41,000	£120	£54,500
£100	£28,500	£130	£49,500
£110	£23,500	£150	£39,500
£120	£18,500	£170	£29,500
£130	£13,500	£190	£19,500
£135	£11,000	£205	£12,000

### **Savings credit – aged 65 or more**

If you are 65 or more, you may get the **savings credit** part of Pension Credit. Savings credit is extra money each week for people who have an income which is more than about £1.20 above the basic State Retirement Pension or have modest capital – see page 5.

You may get savings credit by itself if your income is too high to get guarantee credit. Or you may get some savings credit paid on top of guarantee credit. If you are married or a civil partner – or live with someone as if you are – then only one of you has to be aged 65 or more.

You can normally get some savings credit if your weekly income is less than:

- **£188** if you are single; or
- **£277** between you if you are married or live as a couple.

If your income is close to these amounts, you will get very little each week but it will mean you are entitled to other things such as cold weather payments (see page 23)

If you are severely disabled, add £55.30 to these amounts. If you are a carer, add £31.

Savings credit is not a fixed amount – it will boost your income if you have less than these amounts.

For example, a single person aged 67 with a weekly income of £150 will normally get an extra £15.46 a week to make £165.46 altogether. And a couple living on £230 a week will normally get an extra £18.97 to make a total income of £248.97.

The maximum amount of savings credit you can get is £20.52 if you are single or £27.09 between you if you are a couple.

If your capital is more than £10,000, you will get less savings credit. There is **no upper limit** to the amount of capital you can have, but if your total capital is in the tens of thousands of pounds you will get much less Pension Credit, maybe none at all. However, it is always worth applying.

It is important to remember that even quite a lot of capital may not stop you getting Pension Credit. Table 2 shows how much capital you can have at various income levels and still get a small amount of Pension Credit. The figures surprise some people – not least officials at the Department for Work and Pensions! This table applies if you, or your partner if you have one, is aged 65 or more.

If you are under 65 and your partner, if you have one, is also less than 65, see Table 1 on page 4.

**Table 2**  
**MAXIMUM CAPITAL TO GET PENSION CREDIT**  
**OF AT LEAST 26p A WEEK (single)**  
**or 17p (couple)**  
**Aged 65 or more**

11 April 2011 to 8 April 2012

**Single**

Weekly income	Capital
£0	£104,000
£25	£91,500
£50	£79,000
£75	£66,500
£100	£54,000
£120	£44,000
£130	£39,000
£140	£34,000
£150	£29,000
£160	£24,000
£175	£16,500
£185	£11,500

**Couple**

Weekly income	Capital
£0	£148,500
£25	£136,000
£50	£123,500
£75	£111,000
£100	£98,500
£125	£86,000
£150	£73,500
£175	£61,000
£200	£48,500
£225	£36,000
£250	£23,500
£275	£11,000

## How to claim Pension Credit

We explain in detail how to work out if you can get Pension Credit and how much it will be on pages 6-12 of this leaflet. But if you do not want to do all the calculations, why not claim anyway?

The easiest way to claim Pension Credit is over the phone. You do not have to fill in a form yourself or visit an office. You just ring a free number **0800 99 1234** (or **0808 100 6165** in Northern Ireland) and the form will be filled in for you. When you call it will speed things up if you have your National Insurance number and details of your income and savings to hand.

If you need someone to visit you to help with claiming, then you can request that by contacting your local benefits office.

If you prefer, you can go to The Pension Service website and fill in the form online and print it out and post it.

If you are asked to send documents, it is best to keep a photocopy of everything you send and write down the date you sent them. Pension Credit is backdated three months from the date of your claim.

Normally, The Pension Service will want to pay your Pension Credit directly into a bank account or a Post Office Card Account. If you can't manage an account, you can ask to have your Pension Credit paid by a cheque you can cash at the post office. But you will have to rely on the post to get your payment, so it's usually better to have the money paid directly into an account if you can.

When you claim Pension Credit on the phone, that will automatically make a claim for you to get a big reduction in your Council Tax (or your rates in Northern Ireland). **If you get the guarantee credit part of Pension Credit, you will normally get the whole lot paid.** You will also get some or all of your rent paid. You may also be able to get free dental treatment and help with the cost of glasses, and help with some other expenses.

Even if you are only entitled to a small amount of Pension Credit, it is worth claiming. It will help you get money off your Council Tax or rent. And you will also become entitled to an extra £25 for each complete week the temperature is freezing or below. There is more information about these things later.

Remember, if you are refused Pension Credit the rules change when you reach age 65. So even if you are turned down, you may be able to claim at a later date.

Once you have successfully claimed Pension Credit, you do not have to tell the Pension Service about any changes in your income or capital for a period of five years. Once you reach 80 you never have to tell them. However, if your claim has to be reassessed because you get married or divorced, live with someone or stop living with them, or you are widowed, then your claim will be reassessed using your changed income or capital.

If your income or capital falls, then you can always ask for your Pension Credit to be reassessed.

Your capital is measured in chunks of £500 each. So every time it falls by £500 you should ask for your benefit to be increased.

### **Guarantee credit – how to work it out**

Before you claim you may want to see roughly what you will get. To see if you can get guarantee credit, you have to work out two figures – your **minimum guarantee** and your **weekly income**. Your minimum guarantee is the minimum amount the Government thinks you need to live on. If this is more than your weekly income, you should get some guarantee credit.

If you have savings, the interest they earn is ignored. But if you have more than £10,000 in capital, an amount is added to your weekly income when the calculation is done – we explain how that works later. If you are married, or live with someone as if you are, you must add together both your incomes and add up capital owned by both of you.

## Your minimum guarantee

The basic minimum guarantees are shown in Table 3. Remember that if you live as a couple, only one of you needs to be state pension age for women or more. Information on how you count as a carer or as severely disabled is given after the table.

**Table 3**  
**Minimum guarantees at state pension age for women or older**  
**11 April 2011 to 8 April 2012**

	Standard	Carer	Severely Disabled
Single	£137.35	£168.35	£192.65
Couple	£209.70	£240.70* £271.70**	£265.00+ £320.30++

\* One of you is a carer.

\*\* Both of you are carers.

+ Someone gets Carer's Allowance to look after one of you.

++ No-one gets Carer's Allowance to look after either of you.

**To count as a carer** you must normally spend at least 35 hours a week looking after someone who is severely disabled and gets Attendance Allowance or Disability Living Allowance care component at the highest or middle rate. This will often mean that you either get Carer's Allowance, or are entitled to it but don't receive it. If you are not sure if you qualify to receive Carer's Allowance, get advice from Carers UK on 0808 808 7777 or at [www.carersuk.org](http://www.carersuk.org)

**To count as severely disabled** you must get Attendance Allowance or Disability Living Allowance care component at the highest or middle rate. If you live as a couple, usually you **both** need to get one of these benefits. You must also fulfil two other conditions:

- First, no one lives with you apart from your spouse, or a tenant or co-owner of your property. If you share a house, for example with a close relative, the rules are very complicated, so check with your local Citizens Advice Bureau.
- Second, if you are single, no one gets Carer's Allowance (CA) for looking after you. If you are a couple, your minimum guarantee will vary depending on whether anyone gets CA for looking after one of you. You will **not** qualify as severely disabled if you both have carers who get CA for looking after you.

You won't get any extra Pension Credit for being responsible for a child. You will need to apply separately for Child Tax Credit. If you get guarantee credit, you will automatically be entitled to the maximum Child Tax Credit – but you still need to apply. For more information, call the Tax Credits helpline on **0845 300 3900**.

Decide which basic amount in Table 2 applies to you and write it down. Then **add on** any of the following if they apply to you:

- An amount for mortgage interest if you have a mortgage. The amount you add is **not** the actual interest you pay. Instead you add on the amount you **would** pay if your lender charged interest at what is called the **standard rate**. That rate was cut to 3.63% from 1 October 2010. You can find the current standard rate by contacting your local benefits office or The Pension Service. If your loan is for more than £100,000, you will not get the interest paid on the amount above that.
- The weekly amount of any service charge you have to pay for where you live can be added in some circumstances. The rules about this are more complex for tenants than for people who own their own homes. If you pay a service charge, get advice about what you can add here from The Pension Service on **0845 60 60 265** or from your local benefits office if you live in Northern Ireland.
- Any ground rent (feu duty in Scotland) which you have to pay as an owner-occupier or with a lease of more than 21 years.

The total is your **minimum guarantee**. Write it down here so you can refer back to it later.

<b>minimum guarantee: A =</b>
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## Your income

Your weekly income is counted after any tax or National Insurance has been deducted. If you are married or in a civil partnership or live with someone as if you are, add your incomes together.

You should include any pension you get (state or private), but **do not count**:

- Housing Benefit or Council Tax Benefit
- Attendance Allowance (or Constant Attendance Allowance), Disability Living Allowance, or War Pensioner's Mobility Supplement
- Christmas Bonus paid with state pension
- Winter Fuel Payment
- Social Fund payments
- Exceptionally Severe Disablement Allowance and Severe Disablement Occupational Allowance (both paid with Constant Attendance Allowance)
- Child Benefit or Child Tax Credit.

Also **ignore** any payments to refund work expenses, any gifts in kind, most charitable or voluntary payments, and the annuity paid to holders of the Victoria or George Cross.

The **interest** you receive from any savings isn't counted as income. But if you have savings above £10,000, you will have to add on an amount to your income. We explain how to work out this amount in the next section.

If you have any type of **equity release scheme** (sometimes called a lifetime mortgage, a mortgage annuity, a roll-up loan or a home reversion scheme), you count the net weekly income you get from it. If the plan gave you a capital sum rather than an income, that counts as part of your capital. How that affects your income is explained on the next page.

Add up all your income and then take off £10 if you get a War Disablement Pension or War Widow's Pension. War widows can also take off the whole of the War Widow's Supplementary Pension of £80.91 a week.

Then, if you have earnings from paid work, take off £5 if you are single or £10 between you if you are part of a couple. However, you can take off a total of £20 if you are disabled and your disability began before the age of 60. You can also take off £20 if you get Carer's Allowance.



## Your capital and savings

If you have **more than £10,000** of what is called 'capital', you must add an amount on to your weekly income. The rule is that you add an extra £1 to your income once it reaches £10,001 and then another pound for every £500 (or part of £500) that you have above £10,001. So £10,501 is £2 and so on. We give an easy way to work this out below. There is **no upper limit** to the amount of capital you can have. But if the amount added on takes your income too high, then you will not get Pension Credit.

Your 'capital' includes any money, savings or investments that you have. For example, these items all normally count as capital:

- any cash you have in a bank or building society
- investments such as shares, which will be counted at roughly the market price on the day you claim
- National Savings products, counted at their current cash-in value
- the interest earned by your savings, when it is received.

Some things do not normally count as capital. For example:

- personal possessions, even valuable ones such as jewellery
- the value of your home
- the value of funeral plans
- the capital value of a pension fund or annuity
- money raised from the sale of your home if you are keeping it to buy a new one.

There are other items that are ignored, so seek advice if you are not sure if something counts as capital or not.

If you are married or in a civil partnership or live with someone as if you are, add your capital together.

## The calculation

If your capital comes to £10,000 or less, you don't need to add any extra amount on to your weekly income.

If your capital comes to more than £10,000:

- If it is an exact number of thousands, leave it as it is. If it is not an exact number of thousands, round it up to the next £500. So £11,000 stays at £11,000 but £11,001 becomes £11,500 and £11,582 becomes £12,000.
- Subtract £10,000.
- Divide by 100 (you can do that by knocking off the last two zeros).
- Divide by 5.

The answer is the extra weekly income you have to add on to the income figure you have worked out.

For example, Ellen has £14,385 in a building society account. It is not an exact number of thousand pounds, so she rounds it up to the next £500 making £14,500. She subtracts £10,000 which leaves £4,500. She knocks off the last two zeros to give £45 and divides that by five to give £9. Ellen has to add £9 to her actual weekly income.

### Your guarantee credit

When you have taken off and added on these various amounts to your income, the result is called your **net weekly income**. Write your weekly income here so you can refer back to it later.

**Weekly income: W =**

- If your net weekly income is **less** than your minimum guarantee, then guarantee credit will make up the difference. **Subtract your income W from your minimum guarantee A to work out how much you will get.** (However, if there are other adults living with you apart from your partner, you may get less guarantee credit.)
- If the income figure you worked out is more than your minimum guarantee, then you probably will not get any guarantee credit.

**Guarantee credit: A - W =**

This method of doing the calculation is **not** foolproof. There are complications which are too lengthy to explain in a short leaflet. If you think that you may get some help, why not apply – you can claim easily over the phone (see page 5).

If you get guarantee credit, then you will also get all your Council Tax (rates in Northern Ireland) and normally all your rent paid. But to get that help you will have to apply for Council Tax Benefit and Housing Benefit. You can do that when you claim Pension Credit – see pages 13-20 for details.

Whether you are entitled to guarantee credit or not, the next step is to find out if you can get savings credit.

## Savings credit – how to work it out

If you are aged 65 or more, you may get savings credit even if your income is too high to get guarantee credit. If you are married or in a civil partnership or live with someone as if you are, then only one of you has to be 65 or more.

If your weekly income is **less than**

- **£103.15** if you are single; or
- **£164.55** between you if you are a couple – either a man and a woman or two men or two women living together as a couple

then you can only get the **guarantee credit** part of Pension Credit. Read pages 6-10 to work out your entitlement to guarantee credit.

You will get some **savings credit** if your weekly income is more than the above amounts but **less than:**

- **£188** if you are single; or
- **£277** between you if you are married or a couple.

If your income is close to these amounts, the Pension Credit you get may not be very much. But it is still worth claiming as it can bring you entitlement to other things, including a £25 a week payment if it is very cold in the winter. If you are very disabled or a carer, you may still get savings credit even if your income is considerably higher than these amounts.

## The calculation

Working out savings credit is complicated – you may need to use a calculator. Follow these six steps and note down your answers in the spaces provided.

### Step 1 Your minimum guarantee

We explained on pages 7-8 how to work out your minimum guarantee. When you have checked what it is, write it down again here.

Minimum guarantee: A =

### Step 2 Your weekly income

Work out your weekly income as explained on pages 8-10.

- If you have capital of more than £10,000, don't forget that you ignore any interest or income your savings earn. But you have to add an extra amount on to your income depending on how much your capital is worth. We explained how to work that out on pages 9-10.
- If you live with someone as a couple, remember to add together both your incomes and the capital owned by both of you when working all this out.

Write down your weekly income here.

Weekly income: W =

### Step 3

- **Single:** If your weekly income is £137.35 or more, then write down £20.52.  
Call this Q and go to step 5. If your weekly income is less than £137.35, go to step 4.
- **Couple:** If your joint weekly income is £209.70 or more, then write down £27.09.  
Call this Q and go to step 5. If your weekly income is less than £209.70, go to step 4.

Q:

### Step 4

- **Single:** If your weekly income is less than £137.35, subtract £103.15 from your income.  
Divide the answer by 10 and multiply it by 6. Call this Q and go to step 5.
- **Couple:** If your joint weekly income is less than £209.70, subtract £164.55 from your income.  
Divide the answer by 10 and multiply it by 6. Call this Q and go to step 5.

Q:

### Step 5

Is your weekly income more than your minimum guarantee?

- If **yes** then go to step 6.
- If **no** then you have finished! Your savings credit is equal to Q.

### Step 6

If your weekly income is more than your minimum guarantee, there's a bit more arithmetic to do.  
First, subtract your minimum guarantee from your weekly income.

W - A =

Now divide the answer by 10 and multiply by 4. Call this T.

T:

- If T is bigger than Q, then you will not get savings credit.
- If T is smaller than Q, subtract T from Q. The answer is your savings credit.

Saving credit: Q - T =

Remember, this calculation only works out the savings credit part of Pension Credit.  
You may also be entitled to some guarantee credit – see pages 6-10.

This method of doing the calculation is **not** foolproof. There are complications which are too lengthy to explain in a short leaflet. It will **not** give the right answer if you have income from Working Tax Credit, Incapacity Benefit, contribution-based Jobseeker's Allowance, Employment and Support Allowance, or Severe Disablement Allowance.

If you have income from these sources you may still qualify for savings credit. You can check your entitlement to Pension Credit online at [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk) or at [www.entitledto.com](http://www.entitledto.com)

**Claiming Pension Credit is simple.** Just phone 0800 99 1234 (0808 100 6165 in Northern Ireland).  
The call is free. There are more details about claiming on page 5.

## Can you claim Council Tax Benefit?

Would you like to pay less Council Tax? Perhaps none at all?

Up to two million people aged 60 or more could pay less Council Tax but don't claim. You could be one of them.

Council Tax Benefit is paid by reducing the amount of Council Tax you have to pay. Rates change every year so even if you have applied before but didn't qualify, it is worth applying again.

If you get the guarantee credit part of Pension Credit you will get all your Council Tax paid, though you still have to put in a claim (see page 14). But many people who don't get guarantee credit can also get their Council Tax reduced or paid in full.

You can usually get **all** your Council Tax paid if:

- you are **65 or more** and have a weekly income of less than £157.90 if you are single or £236.80 between you if you are a couple; or
- you are **aged state pension age for women to 64** and have a weekly income of less than £137.35 if you are single or £209.70 between you if you are a couple.

Carers can get all their Council Tax paid even if their income is £31 more than these amounts. People who are severely disabled may get all their Council Tax paid even if their income is £55.30 higher.

If your income is higher than these amounts, you may still get **some** of your Council Tax paid. For example, if your full Council Tax is £1,400 a year and you are aged 65 or more, you can get some help with it if your income is up to £258 for a single person or up to £370 if you live as a couple. If your Council Tax is more than this, you may still get some help even if you have a higher income than that. So it is always worth checking.

If you have capital of more than £10,000 that will reduce the amount of help you get. We explain how to work out what help you can get through Council Tax Benefit on pages 14-16. But if you don't want to do the calculations, why not apply anyway?

Even if you cannot get your Council Tax reduced because of your income, there are three other ways it may be cut.

- If you live alone it is cut by 25 per cent.
- If you, or someone who lives with you, has a permanent and substantial disability and your home meets certain conditions, you may get a reduction. If you qualify, your Council Tax will be reduced by moving the value of the property down one band. If your property is already in band A, your tax is reduced by one-sixth.
- If another adult lives with you (not your partner or tenant) and their income is less than £231 a week, it is cut by between 7.5 per cent and 25 per cent. If a student lives with you, it may be reduced to nothing – see page 16.

**If you think one of these reductions might apply to you, and you have not asked for it, contact your council right away.**

## How to claim Council Tax Benefit

Contact your local council and ask about Council Tax reductions and Council Tax Benefit. The place to go is the office of the council which sends your Council Tax bill. There should be someone there to help you fill the form in. Council Tax Benefit can be backdated for up to three months. If you claim Pension Credit, you will automatically claim Council Tax Benefit at the same time. If you already get Pension Credit, you can call the Pension Credit helpline on 0800 99 1234 and they will send you a simple three-page claim form for Council Tax Benefit.

If you have internet access, you can check your entitlement to Council Tax Benefit at [www.entitledto.com](http://www.entitledto.com)

## Council Tax Benefit – how to work it out

If you get the guarantee credit part of Pension Credit, you will get all your Council Tax paid, so you don't need to work it out here. But you will still need to make a claim.

To see if you can get Council Tax Benefit, you need to work out three figures – your **personal allowance**, your **income** and your **net weekly Council Tax**.

## Your personal allowance

Use Table 4 to decide which amount applies to you and write it down.  
If you are a couple, use the age of the older partner.

**Table 4**  
**Personal allowances for Council Tax Benefit and Housing**  
**Benefit – sometimes called ‘applicable amount’**  
**11 April 2011 to 8 April 2012**

### State pension age for women to 64

	<b>Standard</b>	<b>Carer*</b>	<b>Severely disabled*</b>
Single	£137.35	£168.35	£192.65
Couple	£209.70	£240.70	£265.00
		£271.70	£320.30

### Age 65 or more

	<b>Standard</b>	<b>Carer*</b>	<b>Severely disabled*</b>
Single	£157.90	£188.90	£213.20
Couple	£236.80	£267.80	£292.10 (one)
		£298.80	£347.40 (both)

\* To check whether one or both of you count as a carer or as severely disabled, see page 7.

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## Your income

Work out your **net weekly income** as you do for guarantee credit – see pages 8-10. But there are three important differences.

- If you get the savings credit part of Pension Credit, then add that on to your income. But don't add on any guarantee credit you get.
- If you get a War Disablement Pension or a War Widow's Pension, the local council may ignore **more than** £10 of it. All councils in Scotland and Northern Ireland and almost all in Wales and England ignore it all. You will need to contact your council to find out.
- If you have capital, then you can ignore it if it is up to £10,000. If it is more than £10,000, then you have to add on an amount to your income. The way this is done is explained on pages 9-10.
- **If you do not get the guarantee credit part of Pension Credit, then you cannot get Council Tax Benefit if your capital is more than £16,000.**

## Your net weekly Council Tax

To work out your **weekly Council Tax** you need the annual amount of Council Tax you have to pay (less the water and sewerage charges in Scotland).

Remember to take off any reductions you are entitled to – see page 13.

Once you have subtracted any reductions, divide that annual Council Tax figure by 366 (2012 is a Leap Year) and multiply by 7 to give your **net weekly Council Tax**.

## Your Council Tax Benefit

You should now have three figures: your **net weekly income**, your **personal allowance** and your **net weekly Council Tax**. You work out your Council Tax Benefit in three steps.

1. Take the personal allowance away from your net weekly income.
2. Divide the result by 5.
3. Take the result away from your net weekly Council Tax.

If the answer is **more** than zero, that is the amount of your Council Tax Benefit. But if there are other adults living with you – apart from your partner – you may get less.

## What now?

This method of doing the calculation is **not** foolproof. There are complications which are too lengthy to explain in a short leaflet.

If you think that you might get Council Tax Benefit, go to your local council office and ask for a claim form. Or if you already get Pension Credit, call the Pension Credit helpline on 0800 99 1234 and ask them to send you a claim form.

## More help with Council Tax

There is a special Council Tax Benefit which can be paid in some cases even if your income or capital are too high to get the normal Council Tax Benefit. You can get it if you are single (or not living with your husband or wife) and have someone living in your home who meets all the following conditions:

- is aged 18 or over
- is not paying you rent
- is not your husband, wife or civil partner
- is not living with you as if you are married
- does not have to pay Council Tax themselves
- has a low income.

This reduction is called **Alternative Maximum Council Tax Benefit** but nine out of ten who could claim it don't!

If the person living with you gets any Pension Credit, Income Support or income-based Jobseeker's Allowance, then your Council Tax is reduced by 25 per cent. If their gross weekly income, before tax is deducted, is less than £177, it is reduced by 15 per cent. If their gross weekly income is less than £231, your Council Tax is reduced by 7.5 per cent.

If the person living with you is a student and you get Pension Credit, then you will get your Council Tax reduced to zero.

Their capital is not taken into account. But any interest they get on savings counts as part of their income. Use the amount **before** tax is deducted. If they get Attendance Allowance or Disability Living Allowance, those amounts are ignored when calculating their gross income. The rebate applies to the Council Tax due for each day they live with you and fulfil the conditions.

If you have more than one person living with you (such as two grown-up children) and they all meet the conditions listed above, then you may still get the Alternative Maximum Council Tax Benefit. If their incomes added together (ignoring any Pension Credit, Income Support or income-based Jobseeker's Allowance) are less than £177, then you get a 15 per cent reduction. If their incomes added together are less than £231, then you get a 7.5 per cent reduction. If everyone living with you is on Pension Credit, Income Support or income-based Jobseeker's Allowance, then you get a reduction of 25 per cent.

If you think you may be eligible for Alternative Maximum Council Tax Benefit, you must apply to your local council. It can be backdated up to three months. It used to be called Second Adult Rebate.

**If you qualify for normal Council Tax Benefit and for Alternative Maximum Council Tax Benefit, you cannot get them both. You will get whichever is worth more to you.**



## Can you claim Housing Benefit?

Up to 400,000 people over 60 could get help with their rent but don't claim. Some of them could get all their rent paid. One of them could be you.

If you are a tenant, then you may be able to get help with your rent through Housing Benefit. If you are a council or housing association tenant, Housing Benefit is paid by reducing the amount of rent you have to pay. If you are a private tenant, Housing Benefit is normally paid directly into your bank account or by cheque; you pay your landlord in the normal way. If you live in Northern Ireland, you may also get help through housing benefit with your rates (see page 19).

**In this section the word 'rent' has a special meaning. That is explained in the paragraph headed 'net weekly rent' on page 18.**

Some older people can get all their rent paid – including those who get the guarantee credit part of Pension Credit. You will get all your rent paid if:

- **you are 65 or more** and have a weekly income of less than £157.90 if you are single or £236.80 between you if you are a couple; or
- **you are aged under 65 but at least state pension age for women** and have a weekly income of less than £137.35 if you are single or £209.70 between you if you are a couple.

Even if your income is higher than this, you may get some help. For example, if you are 65 and single and your weekly rent is £75, you can get some of your rent paid if your weekly income is £272 a week or less. If you are married or live as a couple, then you will get some of your rent paid if your joint weekly income is less than £351. If you are under 65 but above state pension age for women, paying the same £75 a week rent the limits are £251 (single) and £324 (couple).

If your rent is more than £75 a week, then you should get some help even if your income is more than these amounts. It is always worth checking.

This section explains the details of how to work out what you can get. But if you don't want to do the arithmetic, why not apply anyway? It is very simple. Just contact your local council and ask about Housing Benefit to help pay your rent. It can be backdated for up to three months. If you claim Pension Credit and you pay rent, you should be asked to claim Housing Benefit at the same time.

If you have internet access, you can check your entitlement to Housing Benefit at [www.entitledto.com](http://www.entitledto.com)

### Housing Benefit – how to work it out

If you get the guarantee credit part of Pension Credit, you can normally get all your rent paid (and in Northern Ireland, all your rates too) so you don't need to work through the calculations here. But you do have to make a claim – see pages 19-20.

Housing Benefit is worked out in a similar way to Council Tax Benefit. **If you don't get the guarantee credit part of Pension Credit, then you can't get Housing Benefit if your capital is more than £16,000.**

First work out your **personal allowance** and your **net weekly income** exactly as you did for Council Tax Benefit (see pages 14-15). Next, you must work out your net weekly rent.

## Net weekly rent

If you are a tenant of a **council**, then the rent that you get help with is the full rent you pay – but excluding some charges such as heating. But if you are a tenant of a **housing association** or a **private landlord**, the amount that counts as your ‘rent’ may not be the actual rent you pay.

## Tenants of private landlords and housing associations

- If you started or renewed your tenancy before 1 January 1996 (2 April 1996 in Northern Ireland), your ‘net weekly rent’ is usually the amount of rent you have to pay each week but it can be restricted in some cases. Include service charges you have to pay for such things as lifts, cleaning and entry-phones. Inclusive heating costs do not count as part of your rent.
- If you started or renewed your tenancy after 1 January 1996 (2 April 1996 in Northern Ireland) and your rent is above average for your type of accommodation in your area, your net weekly rent will be less than the rent you actually pay. Ask the council what net weekly rent will be used when Housing Benefit is worked out.

## Private landlords only

- Tenants of private landlords who start or renew their tenancy from 7 April 2008 will be allocated what is called a ‘local housing allowance’. This is simply an amount which is used in the housing benefit calculation instead of the actual rent you pay. The council will tell you what it is for your area. Look it up at the Valuation Office website <https://lha-direct.voa.gov.uk/search.aspx>. These local housing allowances were reduced from April 2011.

The reduced allowances will apply at once for new claims from April 2011. If you are already subject to local housing allowance, then the reduced allowances will be used nine months after the anniversary of your claim after 1 April 2011. So if you first claimed housing benefit for this property on 1 October 2008 then the new allowance will apply to you nine months after 1 October 2011 which is 1 July 2012. Private tenants could see a big cut in the housing benefit they are paid. If that happens to you, ask your landlord if they will take a lower rent or you may have to move to somewhere on a lower rent that is closer to the Local Housing Allowance.

Another change from 1 April 2011 will affect you if your actual rent is lower than your local housing allowance. In the past you could keep up to £15 a week of the excess. But from 1 April 2011 you will not be allowed to keep any excess.

## Your Housing Benefit

You should now have three figures: your **net weekly income**, your **personal allowance** and your **net weekly rent** or **local housing allowance**. Call them both ‘rent’. You work out your Housing Benefit as follows:

1. Take the personal allowance away from your net income.
2. Multiply the result by 0.65.
3. Take that result away from your rent.

If the answer is **50p or more**, then that is the amount of Housing Benefit you will normally get each week (but you may receive less Housing Benefit if there are other adults apart from a partner living with you). If it is less than 50p, then you get no Housing Benefit.

## What now?

These calculations are **not** foolproof. There are complications which are too lengthy to explain in a short leaflet. So if you think you might be entitled to Housing Benefit, go to your local council office and ask for a claim form. Remember, if you are claiming Pension Credit you can claim Housing Benefit at the same time. If you already get Pension Credit, then call the Pension Credit helpline on 0800 99 1234 (0808 100 6165 in Northern Ireland) and they will send you a simple three-page form.

## Discretionary Housing Payments

Even if you get Housing Benefit or Council Tax Benefit, you may not be able to meet your housing costs. If so you can apply for extra money called a Discretionary Housing Payment which can help with rent or Council Tax. Each local council has its own budget and rules. Ask your local council how to apply. The amount for these allowances has been increased in 2011/12 to help some of those whose local housing allowance has been cut. But the extra is a tiny fraction of the amount taken away by the changes.

## Can you claim money off your rates?(Northern Ireland)

The rating system in Northern Ireland changed from 1 April 2007. Rates on your property are now based on its capital value at 1 January 2005. The temporary help for people with big rates increases is now over and the new full rates applied to everyone from 2010/11.

If you are disabled and your property has been modified because of your disability, then you are entitled to a Disabled Person's Allowance of 25 per cent off your rates. If you already have an allowance of more than that, you will be allowed to keep it.

## Housing Benefit and Rate Relief

If you pay rates as an owner-occupier or a tenant in Northern Ireland, and you get state pension, you may get your rates reduced through Housing Benefit and a new system of Rate Relief. The reduction will be paid by cutting your rates bill. On rates of £900 a year, you can get help with an income of £300 a week if you are single and aged 65 or more, and £380 a week if you are a couple where one of you is that age.

Work out your **personal allowance** and your **net weekly income** (see pages 8-10). Capital is treated the same as it is for other benefits. But if your capital is more than £50,000, then you cannot get the part of the help paid through Rate Relief.

Next work out your **weekly rates**. If you are a tenant and pay rates, you can find your weekly rates from your rent book or your landlord. Otherwise, your annual rates are the rates on your property levied by the Government and the district council **after** any reductions for transitional relief or disability. Divide the annual rates by 366 (2012 is a Leap Year) and multiply by 7 to get your **weekly rates**. Then:

1. Take the personal allowance away from your net income.
2. Multiply the result by 12 and divide by 100.
3. Take that amount away from your weekly rates.

If the answer is **more than zero**, then that is the total amount of your Housing Benefit and Rate Relief for rates. But it may be less if there are other adults, apart from your partner, living with you.

## **Water and sewerage charges**

New charges for water and sewerage were due to be phased in from April 2009. But that has been stopped and all political parties in Northern Ireland are against introducing them.

## **What now?**

Because the system in Northern Ireland is still fairly new, it is worth checking your entitlements. So if you think you might be entitled to any reduction in your rates you should ask for help from your local Citizens Advice Bureau. You can also go to your district Housing Executive Office if you are a Housing Executive tenant. If you are the tenant of a private landlord or an owner-occupier, then contact the Land & Property Services Agency at **[www.lpsni.gov.uk](http://www.lpsni.gov.uk)** or call 0800 587 7477 for more information about Housing Benefit. You can assess your own position at **[www.a2b.org.uk](http://www.a2b.org.uk)** or **[www.entitledto.com](http://www.entitledto.com)**

## **Help with other expenses**

If you get Pension Credit, you may be entitled to other help as well – such as money towards funeral costs, free dental care, help towards the cost of glasses or help with fares to and from hospital. You may also get help with some of these things if you get Council Tax Benefit or Housing Benefit.

## Can you claim a Funeral Payment?

If your husband, wife or civil partner dies, you may get help with the cost of their funeral if you are receiving Council Tax Benefit, Housing Benefit, Pension Credit or Working Tax Credit with a disability addition.

If a relative dies, you may get help with the cost of their funeral if you are getting one of the above benefits and you are the closest surviving relative. If there is another relative who had a similar connection, and who is not getting a means-tested benefit, they will be expected to pay.

The payment will cover a burial plot and the burial or cremation fee – though not the cost of burying ashes and any associated medical expenses. You will get up to £700 to cover most of the rest of the costs of the funeral. If the deceased had a funeral payment plan, then up to £120 can still be claimed for these costs if they are not covered by the plan. In addition you can apply for the cost of one return journey within the UK to make the arrangements, and, if the body must be moved more than 80 kilometres (about 50 miles) within the UK, the extra costs of bringing the body home will also be covered. If the funeral journey has to be more than 80 kilometres, then the extra cost of that will be covered too. You must claim within three months of the funeral on a form from your local benefits office.

You will get the Funeral Payment, even if you have savings, as long as you get one of the benefits mentioned earlier. If any other friend or relative gives you money towards the cost of the funeral, that amount will be deducted from the payment. The Funeral Payment may be reclaimed by the Department for Work and Pensions from any cash available from the deceased person's estate.

## Can you claim a Social Fund payment?

People who get Pension Credit (guarantee credit, savings credit or both) may be able to get help with some extra expenses from the Social Fund. The Fund is different from other benefits. Different offices apply the rules differently so it is important to seek advice from your local Citizens Advice Bureau or other advice agency before applying for help from the Social Fund.

### Community Care Grants

If you are finding it hard to manage at home because of your age or illness, and you are receiving Pension Credit, then you may get a Community Care Grant. The grant can cover the cost of moving to accommodation which is more suitable for you or which is nearer to relatives who will help to look after you. It can also pay essential expenses to help you stay where you are rather than go into a care home or hospital. If you are already in a care home or hospital, then you may get a grant to help you move into your own accommodation.

You will only get the full grant if you have less than £1,000 savings. You will be expected to use anything over £1,000 towards paying for what you need.

### Travelling expenses

If you are receiving Pension Credit and you have a close relative who is ill, you may get a Community Care Grant to pay for the cost of visiting them in a hospital or care home, or even in their own home. You may possibly get a grant to visit a friend or more distant relative. You may also get a grant to attend a relative's funeral.

You normally get your fare on standard-class public transport and money for essential overnight stops. You will only get the full amount if you have less than £1,000 savings. If you will be visiting someone regularly, you should ask for a grant to cover your visits for up to six months.

### Budgeting Loans

If you have been getting any Pension Credit for at least six months, you may get a Budgeting Loan of between £100 to £1,500 to help pay for essential and expensive items. These loans have to be paid back out of your weekly Pension Credit and you cannot get one if your savings are more than £2,000. **Budgeting Loans can result in more debt and difficulty. It is always better to try to get a grant.** Seek advice from a Citizens Advice Bureau or other advice agency before applying for a loan. In some areas it is more difficult this year to get a loan. The new system may be extended to the whole of the UK later.

### How to claim a Social Fund payment

You apply for a Community Care Grant or a Budgeting Loan on a form which you get from your local Jobcentre Plus office. Someone there should help you with the form. You can also download the form from [www.direct.gov.uk](http://www.direct.gov.uk) and put 'community care grant' in the search box.

Even if you meet all the conditions to get a Social Fund grant or loan, you may find that you are refused. Each area only has a fixed amount of money for the payments and it is possible that they won't have enough to meet all the claims.

If you are refused a Social Fund payment or loan, you can appeal against the decision to a Social Fund Inspector. It is often worth doing so. Get advice from your local Citizens Advice Bureau.

## Can you claim help with health costs?

In Scotland, Wales and Northern Ireland everyone gets free NHS prescriptions regardless of age. In England they are free for everyone aged 60 or more. People aged 60 or more can also get a free sight test at any optician. If you get the guarantee credit part of Pension Credit, you should also get help with the costs of a dental check-up or treatment, the cost of glasses, or with your fares to and from hospital for treatment.

You may still get some help even if you don't get guarantee credit, but you will have to apply for it. Your dentist, optician or hospital should have the form you need or you can call **0300 123 1002** and ask for form **HC1**, or use **orderline.dh.gov.uk**.

## Can you get extra money in winter?

If you get any Pension Credit, you will get an extra payment for each seven day period that the weather is very cold. This **Cold Weather Payment** is £25 a week and is made for any period of seven days when the temperature is freezing or below, or it is forecast to be that cold. This payment will be sent automatically – you do not have to claim it.

Every household which includes a man or woman who is over state pension age for women on 25 September 2011 will get a **Winter Fuel Payment** this winter. The Winter Fuel Payment is £200 for people born on 5 January 1951 or earlier. And it is £300 for someone born 25 September 1931 or earlier. The payments are lower than they have been for the past three winters, saving the Government £600 million. The payment should be made before Christmas, directly into your bank or building society account, or by cheque sent to your home.

A couple who both qualify for the lower payment or both qualify for the higher payment will normally get half the payment each. A couple where one qualifies for the higher and one for the lower will get the payment split £100 for the younger and £200 for the older.

Your household may get more than these amounts if there are more than two people who qualify by age or if two or more people are making separate claims for Pension Credit (a couple receiving Pension Credit only counts as one joint claim).

The Winter Fuel Payment is not means-tested or taxable. Nor does it count as 'capital' when you come to work out your entitlement to the benefits explained in this leaflet.

Most people will receive their Winter Fuel Payment automatically without making a claim.

But people who do not get a retirement pension, especially those who are under 65, should claim the payment. You don't have to be receiving any particular benefit to get it – you qualify simply by your age. You must claim by 30 March 2012.

**Up to 40,000 people of this age do not get the payment each year.**

If you think you qualify for a Winter Fuel Payment but it has not arrived by the middle of December 2011, call the **Winter Fuel Payments Helpline** on **08459 15 15 15**.

## Can you claim a free TV licence?

Any household where at least one person is 75 or more can get a free TV licence. It does not matter whose name the licence is normally in as long as it is the main address of someone aged 75 or more. If you are 74, you can apply for a short-term licence to last until your 75th birthday.

Find out more from TV Licensing 0844 800 6778 or [www.tvlicensing.co.uk](http://www.tvlicensing.co.uk)



## APPENDIX

### State pension age for women

State pension age for women is rising. It is the age at which both men and women become entitled to pension credit. State pension age for women depends on your date of birth. In 2011/12 it varies from 60 years five months to 61 years one month. Look up your date of birth in the table to check state pension age for women for your birthdate. This qualifying date affects pension credit, free bus passes in England, and the entitlement to Winter Fuel Payment.

Date of birth	Men and women can claim pension credit from this date	Age when pension credit can be claimed
6/9/1950 to 5/10/1950	6/3/2011	60yr 5m to 60yr 6m
6/10/1950 to 5/11/1950	6/5/2011	60yr 6m to 60yr 7m
6/11/1950 to 5/12/1950	6/7/2011	60yr 7m to 60yr 8m
6/12/1950 to 5/1/1951	6/9/2011	60yr 8m to 60yr 9m
6/1/1951 to 5/2/1951	6/11/2011	60yr 9m to 60yr 10m
6/2/1951 to 5/3/1951	6/1/2012	60yr 10m to 60yr 11m
6/3/1951 to 5/4/1951	6/3/2012	60yr 11m to 61yr 0m
6/4/1951 to 5/5/1951	6/5/2012	61yr 0m to 61yr 1m



## **Can you claim it?**

By Paul Lewis

Read Paul Lewis every month in *Saga Magazine* and regularly on our website