The main benefits for people who are 60+
Objectives for Part Two

After completing Part Two, you should:

• Be familiar with the main non means tested contributory benefit for people who are 60+
  - Retirement Pension

• Be familiar with the main means tested benefits for people who are 60+
  - Pension Credit (both Guarantee and Savings Credits), the Social Fund, Housing Benefit, Council Tax Benefit, Health Benefits (e.g. prescription and dental charges etc.)

• Know how to obtain the claim forms and be aware of key issues when filling them in

• Be aware of common problems people may experience when claiming these benefits and what you can do to help
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Advice for users of this pack

This is the second part of a three-part pack. The other parts are:

Part 1  Overview of the system and helping people with benefits questions

Part 3  Attendance Allowance; Disability Living Allowance; Carer’s Allowance

I&A staff and volunteers with different levels of experience should find the pack useful in different ways.

If you are a new volunteer without related experience elsewhere, this pack will give you a really good introduction to the benefits system and equip you to assist clients with benefits questions and problems.

If you are experienced, you may well find this pack helps you to reinforce your understanding of some welfare benefits topics as well as your skills as an I&A Worker.

How is the pack meant to be used?

The pack is meant to be used like a workbook - you work your way through it, read about each topic and do the exercises. It’s your pack to use and keep.

The exercises can be broadly divided into two types:

- The cat symbol indicates that you will need to find something out about your Age Concern - in this case curiosity does not kill the cat!

- The pencil symbol indicates a written exercise. The answers are at the back of the pack.

- Both symbols together means find something out - and make a note of it in the pack!
The pack is divided into sections. We suggest you take each section at a time. The time you spend on each section will probably vary between about 30 minutes and an hour and a half, but you should work at your own pace – and don’t worry if it takes longer than this!

Your Information and Advice Manager or other designated person will be able to guide you through and help you with any queries. You will need to put some of the things you learn into practice, so you will need to work out together how this can best be done.

You will also need to have the following additional reference materials to hand:

- Your Rights Book
- Factsheets 17, 19, 48, 49, and Information sheet 12 and 27
- Photocopies of the calculation sheets (pages 23-26) for Exercise 3.

Complete the feedback sheet at the end of part two, and discuss it with the I&A Manager.

So in summary……

- Find somewhere quiet and comfortable to sit for an hour or so.
- Read through the pack, seek out any documents you are directed to look at, complete the exercises and check the answers.
- Complete the feedback sheet and discuss with the I&A Manager.
Introduction

In an ideal world, there would be an adequate basic state retirement pension, which could be supplemented by occupational or work pensions, savings, or earnings, according to an older person’s preferences and circumstances. Age Concern believes that there is still some way to go before we have a pension system, which meets its five tests for pension reform:

- Adequacy
- Fairness
- Security
- Clarity
- Flexibility

Many people, particularly women, have not had the opportunity to save so that they have access to an adequate income in later life. They may have an interrupted work record or not have paid the correct contributions to get a full State Pension. For many, retirement pensions need to be supplemented by means tested benefits or those designed to support people with disabilities.

In Part Two of this course, you will become more familiar with conditions of entitlement for the main benefits for people who are aged 60+, so that you will be confident in providing accurate information and advice.
SECTION 1

Non Means Tested Benefits

The following is a brief description of the main features of Retirement Pension, you will need to read Factsheet 19 for a full description.

1.1 Retirement Pension (RP)

When a person reaches pension age they can claim Retirement Pension (RP) if they have paid or been credited with enough National Insurance contributions during their working life. If they have not paid enough contributions in their own right, married women, widows and widowers can claim a pension based on their spouse’s contributions.

Retirement age is currently 65 for men and 60 for women, but women born after 6 April 1950 will be affected by legislation recently passed to equalise the retirement age between men and women. From 2020 both women and men will claim their Retirement Pension at age 65.

There are four types of RP. The two most common types are Category A and Category B Pensions:

Category A Pension -
Entitlement is based on the claimant’s own National Insurance contribution record.

Category B Pension -
This is paid to married women, civil partners (see page 11), widows and widowers. Entitlement is based on the spouse’s or civil partner’s National Insurance contribution record.

If a person (or their spouse or civil partner) has not paid enough National Insurance contributions for a full RP, they may be able to receive a pension at a reduced rate.
On top of the basic pension, a claimant may also receive one or more additions.

- **Additional pension**
  This is calculated according to earnings within the State Earnings Related Pension Scheme (SERPS) or, since April 2002, the State Second Pension (S2P).

- **Graduated pension**
  Paid according to earnings between 1961 and 1975.

- **Age addition**
  25p a week if the claimant is aged 80 or over.

- **Dependant’s addition**
  An extra addition can be paid where the claimant has an adult dependant. There are no additions for child dependents - Child Tax Credit should be claimed instead.

- **Christmas bonus**
  £10 paid in December.

**Widows and widowers**

Widows either under or over 60, who remain unmarried, can use their late husband’s contributions to give entitlement to a full basic pension.

Until 2010 widowers and widowed civil partners can do the same provided that they were *both* over pension age when their partner died.

Widows, widowers and widowed civil partners can also inherit amounts of additional pension earned by their deceased spouse.

**Deferred retirement**

A person can put off (defer) claiming their Retirement Pension. If they do this, they will get an increased basic pension. From April 2005 they have been able to choose either an increased weekly pension or a lump sum with interest (if they defer for at least one year).
How RP is calculated
In order to get a full basic RP, a person needs to have paid or been credited with National Insurance Contributions (NI) for 9/10ths of their working life. This means that women need 39 qualifying years and men 44 qualifying years for a full pension.

Claims, administration and payment
Claims for Retirement Pension should be made on Form BR1. This form should be sent to the person about four months before they reach state pension age. If a form has not been received, they are available from the local Pension Service, or from the website www.pensionservice.gov.uk. Claims can be backdated up to one year.

Nearly everyone has their pension paid into a bank account (see section 4 Benefits Administration, below). People who have not given details of an account to the Pension Service will be receive a weekly cheque sent by post.

Dealing with common problems
These are some of the issues you will encounter regarding Retirement Pension (RP):

Married women
In the past some married women chose to pay reduced rate contributions (‘married women’s stamps’). These do not entitle women to a pension (or any other benefit). Many women were not aware of this at the time.

Married women who have an insufficient contribution record must wait until their husband reaches 65 before they can claim a Category B pension based on his contributions.
Graduated pension: Married women who paid the reduced rate of contributions sometimes also paid graduated contributions (available between 1961 and 1975), which do entitle them to some pension. However this is usually a very small amount – sometimes less than £1 a week. This can cause disappointment and concern.

In the above situations the adviser’s role is mainly to supply information as to entitlements – and to consider whether a means tested benefit could be claimed to top up the client’s income.

**Insufficient contribution record**

People may not realise that they haven’t paid enough contributions for a full pension until they are due to retire. You may be able to advise on means tested benefits as above.

In a few cases, NI contributions may have not have been credited to the person’s account due to administrative error – or possibly a rogue employer. Contact the Contributions Agency to try and get this sorted out.

**Credits**

NI credits may not have been properly awarded. A person can get credits for periods where they have received benefit for being unemployed or sick, caring for a disabled person and for time spent in receipt of Child Benefit while bringing up children (Home Responsibilities Protection). This should all be worked out and awarded automatically but things can occasionally go wrong. Contact the Contributions Agency if you think this has happened to your client.
Queries about State Earnings Related Pension Scheme (SERPS), State Second Pension (S2P)

The calculation for additional pension awarded under these schemes is explained in Factsheet 19.

Lost, stolen or missing payments and cheques not received

If someone’s payment has not been received into their bank account, or if a cheque sent in the post has not arrived, the DWP has a duty to replace it. The loss should be reported to the Pension Service (PS), and an immediate replacement requested. Problems may arise where a replacement is refused or where the PS are taking too long to investigate the loss. In this case you should refer the matter to a specialist adviser, as it may be possible to take legal action against the DWP in order to enforce payment of the pension that is due to the client.

Recovery of overpayments

Sometimes a person may be incorrectly overpaid benefit and the DWP may write to them asking for the overpaid amount to be repaid. You should always refer these enquiries to an experienced adviser as there are many situations where a person is not obliged to repay an overpayment.
Exercise 1

Using the notes above and Factsheet 19 answer the following:

1. Roland (aged 65) has £30,000 savings in the bank. Is he entitled to a Retirement Pension (RP)?

2. Jeremy is 59 and gets a pension. His wife has contacted Age Concern for help and is unsure about what kind of pension it is. It must be:
   a. Pension Credit
   b. Retirement Pension
   c. An occupational pension from his former employer.

3. Jasbiah, a single woman aged 60, is only getting £65 weekly Retirement Pension (RP). She says she’s worked all her life. What advice can you give her?

4. Marian is annoyed and upset to find out that her RP is only £0.40p a week. How can this be?

5. John wants to carry on working after age 65. He wants to know if he’ll be better off deferring his RP for 5 years, or taking it now?

The answers are on page 51
1.2 Widow’s Pension (WP) and Bereavement Payment

Widow’s Pension

This has been abolished for new claimants and was replaced in 2001 by a system of bereavement allowances that are mainly for people under pension age. Widows over pension age receive Retirement Pension as above.

However, you do need to be aware of its existence as some women may still be getting Widow’s Pension. This will be if their husband died before 9 April 2001. When they reach pension age they can choose to draw their RP or remain on WP. The amounts will often be the same – the only difference may be some graduated pension payable with the RP. Marriage or co-habitation before age 60 means the pension will be lost. If marriage or co-habitation takes place after age 60 it is not affected.

Bereavement Payment is a lump-sum payment of £2000, paid when a person is first widowed. People over pension age can only get it if your spouse was either under pension age or over pension age but not receiving a Retirement Pension based on his or her own National Insurance contributions.

The deceased person must have paid National Insurance contributions to a certain level.

Claiming a Bereavement Payment

Claims should be made on form BB1 obtainable from the DWP or on their website, www.dwp.gov.uk, and must be made within 12 months of the date of death. Claims will not be accepted outside of this time limit – other than in the rare circumstances of the death having taken place without the spouse knowing.
SECTION 2

Means Tested Benefits

2.1 Common rules

These are rules that apply to all the means tested benefits.

Couples

A person claims a means-tested benefit either as a single person or as part of a couple. For Pension Credit one person makes the claim, and benefit will be paid at a couple rate.

Since December 2005 same sex couples have been able to enter into a civil partnership which confers similar rights to a marriage. Even couples who do not enter into a civil partnership will be treated as a couple for the purposes of means-tested benefits.

How the claim is calculated

The Government sets levels of benefit, up-rated every year. Means tested benefits are intended to be the minimum income that a single person or couple can be expected to live on (Housing Benefit and Council Tax Benefit also include amounts for dependent children).

Different rates apply according to age and disability. Any income that the claimant or partner has, perhaps another benefit or private pension, may affect how much benefit they will receive.

Any savings or capital resources the claimant, partner or dependent children have will also affect their benefit.

Example

Mr and Mrs Mitchell have a retirement pension of £134.75 weekly. The Government has set a minimum income figure for couples of 60 or over of £174.05. They have no other income or savings so they will be able to claim a Pension Credit payment for the difference between £174.05 and £134.75 = £39.30 a week.
Housing costs

Extra benefit is payable for housing costs. Tenants claim Housing Benefit and homeowners can get extra Pension Credit to cover mortgage interest payments plus some other housing costs, for example loans taken out for repairs and improvements to the home.

One difference between the treatment of tenants and homeowners is that tenants on low incomes can claim Housing Benefit whether or not they get any other benefits. However, homeowners must be entitled to a means tested benefit like Pension Credit, Income Support or Job Seeker’s Allowance before they can get help with their mortgages.

Change of circumstances

Any change of circumstances may affect benefit entitlement and should be reported as soon as possible to the Department of Work and Pensions. There are different rules for people over 65. They may get assessments of Pension Credit that will run for 5 years and they will not have to report certain changes in their income or capital during that time (the Assessed Income Period).

Residence conditions

Many benefits (both means tested and non means tested) have residence conditions, which mean that a person has to live in the UK for a period of time before they can claim. The type of residence condition varies according to the benefit claimed. Most benefits also require a person to be present in this country but RP can be paid to people who go to live abroad. However, it is not up-rated every year.

If you think your client will be affected by residence conditions you should refer them for specialist advice.
**People from abroad**

There are special rules regarding people who have come into this country from abroad. You should note that these rules apply to all benefits whether means tested or not. Some people have restrictions regarding their right to claim “public funds” and claiming certain benefits may endanger their right to remain in the UK. You should be alert to this possibility when advising clients and make sure you refer them for specialist advice. Some people may have to pass what is known as the “habitual residence test” in order to prove that they ordinarily reside in this country, before they can receive benefit. Again, refer such clients for specialist advice.

**Asylum seekers**

The system for support for asylum seekers is very complicated. You should refer any clients for specialist advice.

**Appeals**

Decisions can be challenged following the procedure set out in Part One – Understanding the Social Security System.

**2.2 Pension Credit**

Pension Credit was introduced in October 2003. It has two parts, Guarantee Credit and Savings Credit. Guarantee Credit is similar to the Income Support/Minimum Income Guarantee which it replaced. Savings Credit is more generous than the previous provision. It is hoped that enabling people with higher levels of savings to claim benefits, will encourage saving for retirement.

Some people are entitled to both Savings and Guarantee Credit, some qualify for one or the other. Pension Credit works by comparing income and capital to pre-set amounts, which differ in relation to people’s circumstances. If the client’s income is less than the appropriate limit, Pension Credit will be paid.
For example, a client who has no other income or savings will receive the highest possible amount of Guarantee Credit. Other clients, with differing amounts of income and/or capital, would receive different amounts of Guarantee and/or Savings Credit. The amount of benefit tapers away until at certain levels of income and capital, no benefit is payable.

Although you will need to do calculations to work out exactly how much money a client would be entitled to (and we will do some calculations later on), there are some ‘rule of thumb’ levels which indicate clients would be eligible.

These clients should claim Pension Credit: but don’t forget that clients with more than these amounts will still be eligible.

<table>
<thead>
<tr>
<th>Client</th>
<th>Capital</th>
<th>Income per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person</td>
<td>Under £6,000</td>
<td>Under £114.05</td>
</tr>
<tr>
<td>Couple</td>
<td>Under £6,000</td>
<td>Under £174.05</td>
</tr>
</tbody>
</table>

You will need to read Factsheet 48 ‘Pension Credit’ for a detailed explanation of how to work out whether a client how much a client should get; but in summary, the steps are the following:

1. Add up the value of capital. If it is over £6,000, you will also need to work out an ‘assumed income’ *(see ‘capital’ below)*

2. Work out the weekly income for Guarantee Credit, bearing in mind that some kinds of income can be ignored

3. Work out the ‘appropriate amount’ for the client’s circumstances

4. If the client’s income is less than the ‘appropriate amount’, they will be entitled to Guarantee Credit to bring their income up to that figure

5. If the client is aged over 65, you will need to establish the ‘qualifying income’ for Savings Credit and carry out a further calculation.
**Capital**

Capital is assessed in the same way for both Guarantee Credit and Savings Credit. It includes most kinds of savings, investments, cash, land and property (but not the client’s own home).

See Factsheet 48 ‘Pension Credit’ for a detailed explanation of the kinds of capital which are included and those which are ignored.

If the value of capital is more than £6,000 (£10,000 for people in care homes), it will be assumed to produce a weekly income of £1 for every £500 (or part of £500).

The value of any capital owned jointly with others will normally be divided equally between them.

** Guarantee Credit**

People may be entitled to Guarantee Credit from the age of 60 (if a couple, the partner can be younger).

The amount of benefit they will get depends on who lives with them, whether they have disabilities, caring responsibilities and certain housing costs. It is based on an ‘appropriate amount’, which is intended to be the minimum weekly amount for day to day living expenses. For most people, a ‘standard amount’ will apply, these are:

Single Person £114.05

Couple £174.05

Some people with severe disabilities will be entitled to additional amounts, as will some people with carers. Some housing costs for people who own or are buying their home, or are leaseholders with service charges, can also be included as part of the Guarantee Credit.

See Factsheet 48 ‘Pension Credit’ for a detailed explanation of additions to the ‘appropriate amount’.
If someone other than their partner, or dependent child, lives with the client, deductions will be made from the benefit payable. Such people, for example, adult children, are known as ‘non dependents’ and are usually expected to contribute financially.

See Factsheet 48 ‘Pension Credit’ for a detailed explanation of non dependent deductions.

Exercise 2

Using Factsheet 48 – ‘Pension Credit’ find out the answers to the following questions:

1. Does the value of a pre-paid funeral plan count as capital?

2. What is the ‘appropriate amount’ for a single person living alone, who has no carer; but receives Attendance Allowance?

3. What happens if someone has the additional amount for severe disability added to their ‘appropriate amount’ and their carer claims Carer’s Allowance?

The answers are on page 52.
Calculation of Guarantee Credit

Mr Ahmed is 73 and has a State Pension of £50.00 per week. This is less than the full pension because he lived abroad for some time. He also has an occupational pension of £20.00 per week and £4,000 in savings.

1. Capital – less than £6,000, so no ‘assumed income’
2. All income counted in full - £70.00
3. Appropriate amount - £114.05
4. Deduct income from appropriate amount to find benefit payable:
   
   \[
   \begin{array}{c}
   114.05 \\
   \text{minus} \quad 70.00 \\
   \text{Guarantee Credit} \quad \text{£44.05}
   \end{array}
   \]

Savings Credit

People may be entitled to Savings Credit from the age of 65 (if a couple, the partner can be younger).

The calculation of savings credit is a bit more complex than Guarantee Credit. First, you need to work out what the client's ‘qualifying income' is as well as their actual income. Some kinds of income count in full for Guarantee Credit; but not for Savings Credit, that is why there is this additional step. It is tiresome; but you will get used to it!

In fact, for most people, qualifying income and actual income will be the same thing; but it is important to know which kinds of income can be ignored when calculating Savings Credit, as otherwise, you might tell a client their income was too high when it was not.

*See Factsheet 48 'Pension Credit' for a detailed explanation of qualifying income.*
Calculating Savings Credit

You will need to read Factsheet 48 ‘Pension Credit’ for a detailed explanation of how to work out how much a client should get; but in summary, the steps are the following:

1. Work out the income and the ‘qualifying income’

2. Identify the appropriate ‘savings credit threshold’
   a. £84.25 for a single person
   b. £134.75 for a couple

3. Identify the ‘maximum Savings Credit’
   a. £17.88 for a single person
   b. £23.58 for a couple

4. If the ‘qualifying income’ is more than the threshold but less than the ‘appropriate amount’ (same as Guarantee Credit) the Savings Credit will be 60% of the difference between the income and the threshold.

5. If the ‘qualifying income’ is more than the ‘appropriate amount’, the maximum Savings Credit will be reduced by 40% of the amount income exceeds the appropriate amount.

Examples of calculations

First, let’s go back to Mr Ahmed. His income is below the Savings Credit threshold, so he cannot get Savings Credit.

Helen Wilson is 66. She has a basic state pension of £84.25 a week and an occupational pension of £10.00 per week. She has no capital. The first thing we need to do is calculate her Guarantee Credit.

1. No capital, so no ‘assumed income’
2. All income counted in full - £94.25
3 Appropriate amount - £114.05

4 Deduct income from appropriate amount to find benefit payable:

\[
\begin{align*}
\text{114.05} \\
\text{minus} & \quad \text{94.25} \\
\text{Guarantee Credit} & \quad \text{£19.80}
\end{align*}
\]

Then we go on to calculate her Savings Credit:

1 Income and the 'qualifying income' are the same - £94.25

2 The appropriate 'savings credit threshold' is £84.25

3 The 'maximum Savings Credit' is £17.88

4 The 'qualifying income' is more than the threshold but less than the 'appropriate amount' £109.45, so the Savings Credit will be 60% of the difference between the income and the threshold:

\[
\begin{align*}
\text{Income} & \quad 94.25 \\
\text{Threshold} & \quad 84.25 \\
\text{Difference} & \quad £10.00
\end{align*}
\]

60% of £10.00 'the difference' is £6.00

This is the amount of Savings Credit Helen will receive in addition to the £19.80 Guarantee Credit.

If we compare Helen’s total income after her Pension Credit award with Mr Ahmed's, we will see that her total income will be £120.05, whereas he will have a total income of £114.05. This shows how Savings Credit is calculated to favour those who have been able to make additional provision for their retirement, up to a cut off point where no benefit is payable.

**Income above the cut off point**

Mr Pickering has £89.45 state Retirement Pension (including SERPS) and an occupational pension of £50.00 per week. He has £15,000 in savings.
1 Work out the income and the ‘qualifying income’

The state Retirement Pension and occupational pension count in full. As Mr Pickering has capital over £6,000, we need to work out the ‘assumed income’. On £9,000, this is £18.00.

Income: 
- Retirement Pension 89.45
- Occupational Pension 50.00
- Assumed income 18.00
- Total income £157.45

All Mr Pickering’s sources of income fall into the category of ‘qualifying income’, so his actual income and qualifying income are the same.

2 Identify the appropriate ‘savings credit threshold’

In Mr Pickering’s case, it is £84.25 for a single person.

3 Identify the ‘maximum Savings Credit’

In Mr Pickering’s case it is £17.88 for a single person.

4 If the ‘qualifying income’ is more than the ‘appropriate amount’, the maximum Savings Credit will be reduced by 40% of the amount income exceeds the appropriate amount.

Mr Pickering is in good health, so he has the standard appropriate amount for a single person – £114.05.

Income 157.45
Less 114.05
Difference £43.40

40% of £48.00 is £17.36, maximum Savings Credit is reduced by this figure leaving £0.52 Savings Credit payable.

Age Concern has drawn up a calculation template which you might find helpful.

We have included an example in this pack. If you would like to use them in order to complete the exercise, you may need to photocopy our example.
Special rules for some people

Some people are affected by special rules, which affect whether they can get Pension Credit at all, or which have a marked impact on the way it is calculated. If a client falls into one of the following groups, talk to your supervisor before giving advice:

- Members of religious orders
- People in hospital
- People in care homes
- Prisoners

Changes in circumstances and reassessments

People receiving means tested benefits normally have to tell the DWP of any changes in circumstances as soon as possible; but that is not always the case with Pension Credit.

If a client is over 65, Pension Credit will be awarded for an ‘assessed income period’, which is usually five years. They do not have to inform the Pensions Service of any changes in their ‘retirement provision’ during the assessed income period. Retirement provision means income from; capital, pensions, annuities and savings. This means that clients will not lose benefit even if their income from these sources goes up. However, you should remind a client that they should ask the Pension Service to re-assess their Pension Credit if their income or capital go down, as they could get more benefit.

Clients still need to report other changes in circumstances, such as getting married, death of a partner, going into hospital, starting work, a change in their earnings, or changes in any housing costs included in the pension credit calculation. There is a list of the relevant circumstances in the notes that accompany the Pension Credit claim form.

If a client fails to inform the Pension Service of relevant changes and is overpaid as a result, the overpaid benefit will usually have to be repaid.
Pension Credit calculator – single person

<table>
<thead>
<tr>
<th>Basic minimum guarantee</th>
<th>£114.05</th>
</tr>
</thead>
</table>

**Extra amounts if appropriate**

**Severe Disability**
- client lives alone? and
- client receives AA or DLA mid/high care? and
- no-one receives Carer’s Allowance for looking after client?
  - if all above apply add SDP - £46.75

**Carer’s Premium**
- client receives Carer’s allowance? or
- client has claimed and is entitled to Carer’s Allowance, but no amount is paid because of overlapping benefit rules?
  - if either applies add Carer’s Premium - £26.35

**Housing costs** (if client is owner occupier)
- allow weekly amount for interest on mortgage or home improvement loan, or weekly amount for service charge

**Total Appropriate Minimum Guarantee (AMG)**

<table>
<thead>
<tr>
<th>Capital</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed income from capital</td>
<td></td>
</tr>
<tr>
<td>£1 for each £500 above £6,000</td>
<td></td>
</tr>
</tbody>
</table>

**Benefits** (list all income received - amount per week. If not received leave blank)
- Retirement Pension
- Industrial Injuries Disablement Benefit
- Carer’s Allowance
- Incapacity benefit or Severe Disablement Allowance
- War Pension – amount received less disregard of £10
- Jobseeker’s Allowance
- Working Tax Credit

**Earnings**
- Net earnings – less disregard of £5 or £20 (see Factsheet)

**Occupational or private pension**

**Other income or benefits**

**Total income**

**Guarantee Pension credit payable**

| BOX A |
|--------------------------|---|
| BOX B |
| BOX C |
**Savings credit**

<table>
<thead>
<tr>
<th>Threshold</th>
<th>£84.25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Calculate qualifying income</strong> – usually the same as income used for guarantee credit (Box B). <strong>But</strong> if client receives any</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>• JSA (contribution based)</td>
<td>BOX D</td>
</tr>
<tr>
<td>• Incapacity Benefit or SDA</td>
<td></td>
</tr>
<tr>
<td>• Working Tax Credit</td>
<td></td>
</tr>
<tr>
<td>• Spousal maintenance</td>
<td></td>
</tr>
<tr>
<td>do not include these amounts in qualifying income</td>
<td></td>
</tr>
</tbody>
</table>

**If client **entitled **to Guarantee Credit**

<table>
<thead>
<tr>
<th>Is qualifying income more than threshold?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No – no entitlement to Savings Credit</td>
</tr>
<tr>
<td>• Yes – enter amount by which qualifying income exceeds threshold (Box D - £84.25)</td>
</tr>
</tbody>
</table>

**Total Savings Credit payable**

| 60% of figure at Box E | |

**If client **not **entitled **to Guarantee Credit**

<table>
<thead>
<tr>
<th>Is qualifying income more than threshold?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No – no entitlement to Savings Credit</td>
</tr>
<tr>
<td>• Yes – enter amount by which qualifying income exceeds threshold (Box D - £84.25)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Is qualifying income more than AMG (box A)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No - Savings Credit payable is 60% of figure at Box E</td>
</tr>
</tbody>
</table>

**Total Savings Credit payable**

<table>
<thead>
<tr>
<th>Qualifying income more than AMG</th>
</tr>
</thead>
<tbody>
<tr>
<td>• enter amount by which qualifying income (Box D) exceeds AMG (Box A)</td>
</tr>
</tbody>
</table>

**Reduce maximum Savings Credit (£17.88) by 40% of Box F**

If 40% of Box F exceeds £17.88 no Savings Credit payable

**Total Savings Credit**
Pension Credit calculator – couple

<table>
<thead>
<tr>
<th>Basic minimum guarantee</th>
<th>£174.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra amounts if appropriate</td>
<td>Client Partner</td>
</tr>
<tr>
<td>Severe Disability</td>
<td></td>
</tr>
<tr>
<td>• no-one else lives with couple? and</td>
<td></td>
</tr>
<tr>
<td>• both partners receive AA or DLA mid/high care? and</td>
<td></td>
</tr>
<tr>
<td>• no-one receives Carer’s Allowance for looking after either of them?</td>
<td></td>
</tr>
<tr>
<td>if all above apply add couple rate - £93.50</td>
<td></td>
</tr>
<tr>
<td>if Carer’s Allowance is paid in respect of one or other partner, then only allow at single rate - £46.75</td>
<td></td>
</tr>
<tr>
<td>Carer’s</td>
<td></td>
</tr>
<tr>
<td>• client or partner receives Carer’s allowance? or</td>
<td></td>
</tr>
<tr>
<td>• client or partner has claimed and is entitled to Carer’s Allowance, but no amount is paid because of overlapping benefit rules?</td>
<td></td>
</tr>
<tr>
<td>if one partner is entitled to Carer’s Allowance add one Carer’s amount - £26.35</td>
<td></td>
</tr>
<tr>
<td>if both are entitled allow two amounts (£26.35 x 2)</td>
<td></td>
</tr>
<tr>
<td>Housing costs (if client is owner occupier)</td>
<td></td>
</tr>
<tr>
<td>allow weekly amount for interest on mortgage or home improvement loan, or weekly amount for service charge</td>
<td></td>
</tr>
<tr>
<td>Total Appropriate Minimum Guarantee (AMG)</td>
<td>BOX A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deemed income from capital</td>
<td>Weekly amount</td>
</tr>
<tr>
<td>£1 for each £500 above £6,000</td>
<td></td>
</tr>
</tbody>
</table>

Benefits (list all income received - amount per week. If not received leave blank)

<table>
<thead>
<tr>
<th>Retirement Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Injuries Disablement Benefit</td>
</tr>
<tr>
<td>Carer’s Allowance</td>
</tr>
<tr>
<td>Incapacity benefit or Severe Disablement Allowance</td>
</tr>
<tr>
<td>War Pension – allow £10 disregard</td>
</tr>
<tr>
<td>Jobseeker’s Allowance</td>
</tr>
<tr>
<td>Working Tax Credit</td>
</tr>
</tbody>
</table>

Earnings

<table>
<thead>
<tr>
<th>Net earnings – less disregard of £5, £10 or £20 (see Factsheet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational or private pension</td>
</tr>
</tbody>
</table>

please turn over
### Other income or benefits

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Total income

**BOX B**

### Guarantee Pension credit payable

**BOX C**

### Savings Credit

<table>
<thead>
<tr>
<th>Threshold</th>
<th>£134.75</th>
</tr>
</thead>
</table>

**Calculate qualifying income** – usually the same as income used for guarantee credit (Box B). But if client receives any

- JSA (contribution based)
- Incapacity Benefit or SDA
- Working Tax Credit
- Spousal maintenance

Do not include these amounts in qualifying income

**BOX D**

| If client **entitled** to Guarantee Credit |
|---|---|

**Is qualifying income more than threshold?**

- **No** – no entitlement to Savings Credit
- **Yes** – enter amount by which qualifying income exceeds threshold (Box D - £134.75)

**Total Savings Credit payable**

60% of figure at Box E

**BOX E**

| If client **not entitled** to Guarantee Credit |
|---|---|

**Is qualifying income more than threshold?**

- **No** – no entitlement to Savings Credit
- **Yes** – enter amount by which qualifying income exceeds threshold (Box D - £134.75)

**Is qualifying income more than AMG (box A)?**

**No** - Savings Credit payable is 60% of figure at Box E

**Total Savings Credit payable**

**Qualifying income more than AMG**

- enter amount by which qualifying income (Box D) exceeds AMG (Box A)

**Reduce maximum Savings Credit (£23.58) by 40% of Box F**

If 40% of Box F exceeds £23.58 no Savings Credit payable

**Total Savings Credit payable**

Exercise 3

Using Factsheet 48 – ‘Pension Credit’ and a Pension Credit calculation sheet calculate entitlement for the following clients:

1. Ruth Warner is aged 67, and lives alone. She has a state Retirement Pension of £84.25 per week and an occupational pension of £20.00 per week.

   She is a home-owner, and although her mortgage is paid off, she is repaying a loan of £5,000, which she took out when her windows needed replacing several years ago. The interest costs £10.00 per week. She has no capital.

   Can Ruth get Pension Credit? If so, what type and how much?

2. Mr and Mrs Kumar are both 82. They receive state Retirement Pension of £134.75 per week. They have a weekly income of £20.20 from an annuity and £19,000 in the Building Society.

   Can the Kumars get Pension Credit? If so, what type and how much?

The answers are on page 53
Claims, administration and payment

People can telephone the Pension Service on a central telephone number to request claim forms. They can also make claims by telephone. Calls are free. Forms can also be downloaded from the Pension Service website. Forms and documentary evidence of capital and income are then sent by freepost to the nearest Pension Centre.

Local Pension Service staff are able to complete claim forms for clients and will do home visits where necessary.

Pensions are normally paid by direct payments into bank accounts. If someone does not supply the Pension Service with details of a bank account they will receive a weekly cheque in the post.

Exercise 4

You will need to use local information to find out the following:

Find out …
- The telephone number of your Local Pension Service
- What a Pension Credit Claim Form looks like – do you think it is easy to fill in?

Dealing with common problems

These are some of the issues you will encounter regarding Pension Credit:

Evidence

The Pension Service requires originals as evidence of income and capital. It expects that these will normally be sent by post to the local Pension Centre and they hope to return them within 48 hours.
This means sending things like marriage certificates and share certificates by post. Many older people are understandably reluctant to do so.

If clients want to take documents in person, there may be a local ‘surgery’ run by the Pension Service, where they can take documents and be provided with a receipt. If your Age Concern feels that the Pension Service’s requirement to see original documentation is discouraging older people from claiming benefits to which they are entitled, it would be a social policy issue, which should be taken up by a senior member of Age Concern staff.

**Non dependent deductions**

If a person is receiving money towards their housing costs in their Pension Credit Guarantee because they have a mortgage or are leaseholders with service charges, the Pension Credit Guarantee is reduced if there are ‘non dependent’ adults living with the older person. Often these are adult children who are working but are not contributing financially to the household.

As an adviser, you need to explain the system to your client; but you also need to be aware that delicate family relationships may be involved. It may be obvious to you that a client is, in effect, subsidising the lifestyle of an adult child who probably has a much better income; but telling them they should change the locks will almost never be an appropriate course of action.

However, if you suspect elder abuse, you should discuss it with your supervisor as a matter of urgency.

Note that no non-dependent deductions are payable if the tenant or partner receive any rate of Attendance Allowance or Disability Living Allowance care component.
Capital

People’s lives are frequently complex, and issues such as who owns particular items can often be more intricate than will fit neatly onto benefits claim forms. Your client may have money in their bank account, which he or she feels belongs to someone else in their family. The Pension Service may assume that your client has control of that capital. You should try and establish the client’s understanding in some detail and discuss with your supervisor.

The Pension Service can reduce a client’s benefit if it thinks that he or she has ‘intentionally deprived’ themselves of capital in order to qualify for benefit. They may have given money to a family member or spent it on an expensive item like a car. There are inevitably differences of opinion about whether it was ‘reasonable’ to spend money or whether someone knew they might become eligible for benefit if they had less capital.

In any of these cases you should discuss the situation with your supervisor.

Cohabitation

Sometimes, the Pension Service may decide that an older person is cohabiting with a partner. As a result, their benefit can be stopped or they may be forced to claim as a couple because the Pension Service thinks that they are living together as ‘husband and wife or as civil partners’. Often, this is because a neighbour has told them so, on very little evidence.

There is a distinct difference between sharing accommodation with someone, and living with them as ‘husband and wife or civil partner’. If this seems to be the problem, you should discuss it with your supervisor.

Change of circumstances

As we saw earlier, if a client fails to inform the Pension Service of relevant changes and is overpaid as a result, the overpaid benefit will usually have to be repaid.
However, not all overpayments are recoverable and it is sometimes possible to negotiate with the Pension Service and it may agree to recover less than it is strictly entitled to.

If this seems to be the problem, you should discuss it with your supervisor.

**Pension Credit tip!**

If a client appears to be eligible for Pension Credit, do not forget that they may also be eligible for Housing Benefit, Council Tax Benefit, help with NHS charges and assistance with exceptional expenses from the Social Fund.

### 2.3 The Social Fund

*The following is a description of the main features of the Social Fund. You will need to read Factsheet 49 ‘Help from the Social Fund’ for a full description.*

The Social Fund is a system of grants and loans to help people meet extra, necessary, expenses.

**Regulated Social Fund payments:**

These are payments to which a claimant is entitled if they meet the eligibility conditions. There is a right of appeal to the Independent Appeal Tribunal Service as these payments are regulated by law.

**Funeral expenses**

These are payable to those responsible for paying for a funeral, if they get; Pension Credit, Housing Benefit, Council Tax Benefit, income-based Job Seeker’s Allowance, as well as some people who get Child Tax Credit or Working Tax Credit where payment is included for a disabled person.

There are rules concerning who can be regarded as responsible for paying for a funeral. The person paying must be the partner or a close relative or someone else who it is reasonable to expect to take responsibility for arranging the funeral.
Where there is another close relative not receiving benefit, the Department of Work and Pensions may decide that that person should take responsibility.

Payment is restricted to the cost of a fairly basic funeral.

- **Claims**
  
  Claims are made on form SF 200 and must be made within 3 months of the date of the funeral. Late claims cannot be paid. Claims can be made before or after the bill has been paid.

**Cold weather payments**

These are for people on Guarantee Pension Credit, Income Support or income-based Job Seeker’s Allowance, who are disabled or who have children under 5.

Payment is made when the temperature falls to zero degrees celsius or below for seven consecutive days.

- **Claims and Payment**
  
  There is no need to make a claim, as the Department of Work and Pensions makes payment automatically.

  There are no time limits for claiming, so if a client has missed out for some reason, they can contact the DWP at any time.

**Winter Fuel Payments**

This lump sum payment of £200 (£300 for those 80 or over) is paid to all pensioner households. It is not means tested and paid regardless of income or savings. In order to qualify people need to be the appropriate age in the week beginning with the third Monday in September.
• **Claims and payment**

Anyone who has previously received a payment, or who gets Retirement Pension or Pension Credit, should get paid automatically. Anyone else, men aged 60, for example not receiving any state benefits, will need to make a claim. This can be obtained by ringing the winter fuel payment help line on 08459 151515 or form the DWP website. There is no time limit for claiming so claims can be made at any time.

The remaining Regulated Social Fund payment is for maternity expenses, paid to women on certain qualifying benefits.

**Discretionary Social Fund payments**

These payments, made in the form of grants and loans, are very different from the rest of the Social Security system. There is no entitlement as of right because they are discretionary and the fund is cash-limited. All claims are assessed according to a system of local priorities.

There is no independent right of appeal, but you can ask for a review by the local office. If a claimant is still dissatisfied they can ask for the case to be looked at by the Independent Review Service. *See Factsheet 49 for more details.*

Whether a claimant will receive help from the discretionary Social Fund depends on the priority given to the claim and on the available budget. Older people and the disabled are usually prioritised, but claims will often be refused. If the claim is assessed as low priority or could cause the fund to exceed its budget, no payment will be made.

**Community Care Grants (CCG)**

People can apply for Community Care Grants in the following circumstances:

• Help with moving out of residential care, for example to buy a cooker, bed, curtains, fuel connection and removal costs.
• Help to enable people to remain living at home for example to buy bedding and essential furniture, minor house repairs or removal costs to more suitable accommodation.

• Help for families facing “exceptional pressure” e.g. problems caused by disability or family breakdown.

• Certain travel expenses e.g. visiting someone who is ill or attending a relative’s funeral.

Some items are excluded – for example, most medical equipment, debts to government departments.

Claimants must be in receipt of Pension Credit (guarantee credit or savings credit), Income Support or income-based Job Seeker’s Allowance. Savings of over £1000 will reduce any payments made (£500 for people under 60).

**Claims and Payment**

Claims should be made on Form SF300 available from the DWP. Include any supporting information on an extra sheet of paper if necessary.

**Budgeting loans**

These interest-free loans are to buy items from seven broad categories, which include furniture, household equipment, clothing and household maintenance. Savings of £1000 or over will reduce the amount of the loan (£500 for people under 60).

These loans can be claimed by people who have been in receipt of Pension Credit, Income Support or Income Based Job Seeker’s Allowance for at least 26 weeks.

The amount of the loan offered is determined by fixed criteria, based mainly on length of time on benefit and number of people in the household rather than the Decision Maker’s discretion.
Repayment

The loans have to be repaid by weekly deductions from benefit, usually at 5%, 10% or 15% of the person’s weekly basic benefit.

Claims and Payment

Claims should be made on Form SF 500 available from the DWP.

Have a look at Form SF300 and or SF 500. You may find copies in the office, or perhaps a colleague has a photocopy of one they have filled in on behalf of a client. Or you can download SF300 from the www.dwp.gov.uk or SF 500 from www.jobcentreplus.gov.uk

Crisis loans

These are discretionary loans, paid in emergency situations, where an applicant has no other means to avoid a risk to the health or safety of themselves or their family. Anyone can apply whether they receive benefits or not.

The loans are normally repaid by direct deductions from benefit.

As for Community Care Grants, some items are excluded.

- Claims and Payment

  Claims should be made to the local Jobcentreplus office. In some areas claims have to be made over the phone.

Dealing with common problems

The regulated fund should not cause too many problems – although funeral payments can sometimes lead to disputes which you would probably need to refer on to a more experienced adviser.
Far more problematic, are the discretionary fund and budgeting loans. Always check whether your client is entitled to a Community Care Grant (CCG) rather than a loan as the CCG does not have to be repaid. Be aware that sometimes clients are steered by the DWP towards loans rather than grants.

Help your client to make a successful CCG claim by showing, if you can, why their application should be given the highest priority. You may need to get additional supporting evidence from a doctor or social worker for example.

If claims are turned down consider non-benefit ways of maximising income as in Part One – for example applications to charities.

Repayment deductions from loans can cause hardship. Refer for specialist advice anyone in this situation, as repayment terms could possibly be challenged.
Exercise 5

Using the information above and Factsheet 49 answer the following:

1. Maud's brother has died and she borrowed some money to pay for his funeral. Someone has told she could have got help from the DWP. What do you need to ask her and what can you advise?

2. Marcus has been turned down for a Community Care Grant (CCG). Is there anything he can do?

3. Balbir, aged 80, desperately needs a new bed, bedding and a warm overcoat. He also takes a daily supplement of glucosamine which he gets from the health food shop for his arthritis. It is expensive and he is worried that he won't be able to continue with it much longer. He gets Guarantee Pension Credit.

The answers are on page 55
2.4 Housing Benefit (HB)

The following is a description of the main features of Housing Benefit. You will need to read Factsheet 17 ‘Housing Benefit and Council Tax Benefit’ for a full description.

Housing Benefit is paid by the local authority, to people who rent their homes from private landlords, housing associations or local authorities.

Eligibility

- People who have to pay rent.
- People with low incomes: they do not have to be entitled to any other benefits and may be in full time work.
- People who have savings or capital of less than £16,000 unless they’re entitled to Guarantee Pension Credit in which case there is no savings limit.
- People who normally occupy the accommodation as their home.

Housing Benefit cannot be paid where a person is paying rent to someone they live with under a non-commercial arrangement, or where they are paying rent to a close relative with whom they share the household.

Eligible rent

The rent that can be covered by HB includes certain service charges, such as for cleaning communal areas. Support services such as from wardens in sheltered housing scheme are no longer funded through HB. People may be charged for these services but they should get help with the cost through the Supporting People scheme administered by local authorities.

Water rates are not covered by HB.

People who pay for their heating in with their rent cannot get help with those charges. If the charges are not specified then certain standard deductions are made from the ‘eligible rent’.
Rent Restrictions

The amount of rent that can be covered by HB may be restricted for some private sector tenants, if the local authority decides that the accommodation is too large for that person’s needs, or if the rent is higher than the typical rent for similar accommodation in the local area.

In some areas the DWP are piloting a simpler scheme of local housing allowances to determine how much rent to allow in Housing Benefit claims.

See Factsheet 17 for more information about rent restrictions

If you have a client who is thinking of taking up a tenancy in the private sector and would need to claim HB you should advise them, before taking up a tenancy, that they should obtain a “pre-tenancy determination” from the council. This will tell them the rent figure which will be used to calculate their Housing Benefit.

Deductions for non-dependants

If someone is living in the household on a non-commercial basis but is not included as part of the claimants’ family for benefit purposes, they are called non-dependants. They are often grown up (and therefore in the eyes of the DWP anyway, no longer dependent) sons and daughters. A set deduction is made from Housing Benefit. They are assumed to make a contribution towards the rent whether or not they actually do so.

The deduction is a set figure depending on the income of the non-dependent.

Note that no non-dependent deductions are payable if the tenant or partner receive any rate of Attendance Allowance or Disability Living Allowance care component.
How is HB calculated?

For people receiving Guarantee Pension Credit, Income Support or income-based Jobseeker’s Allowance, maximum Housing Benefit is paid. This means that all their eligible rent will be covered by benefit.

For people not on the above benefits, the calculation involves comparing income with standard amounts that are similar to income support or Guarantee Pension Credit figures. In a calculation similar to that of Savings Pension Credit, benefit payable is then adjusted according to how much the income exceeds those set amounts.

A brief guide to the calculation

- Check that capital is less than £16,000
- Calculate maximum Housing Benefit (eligible rent minus non-dependent deductions)
- Calculate applicable amount. These are the set amounts laid down by the Government, and compare with Income Support or the standard minimum guarantee and additional amounts for Guarantee Pension Credit
- Calculate income: the rules sometimes vary from those for Pension Credit
- If the income is equal to, or less than the applicable amount, full Housing Benefit is payable
- If the income is greater than the applicable amount, work out the difference. The amount of Housing Benefit (HB) payable is the maximum HB minus 65% of the difference between the income and the applicable amount.
Example

Mr Ryan is 68 years old. He receives Savings Pension Credit of £12.50 a week. His weekly income from his private and state pensions is £120 a week, which is too high to qualify for the Guarantee Pension Credit.

His total weekly income is therefore £132.50 (£120 + £12.50). He lives on his own. His eligible rent is £60 a week.

His applicable amount is £131.95 which is the Housing Benefit adult personal allowance for someone aged 65 or over.

The difference between his income and the applicable amount is £0.55 pence a week.

65% of £0.55 is £0.36 pence.

Mr Ryan’s HB is therefore £60 - £0.36 = £59.64 a week.

See Factsheet 17 for more information on how to calculate Housing Benefit

2.5 Council Tax Benefit (CTB)

This is paid to people on low incomes who are liable to pay Council Tax on a property normally occupied as their home. It is calculated in a similar way to Housing Benefit. People cannot claim if they have capital or savings in excess of £16,000 (unless they receive guarantee Pension Credit).

Some people may be able to get a type of Council Tax Benefit called Second Adult Rebate if they have one or more people living with them (on a non-commercial basis) who are on a low income. This can be paid regardless of the claimant’s own income or savings.
Some people may also be eligible for a discount for living alone and/or help from the Disability Reduction Scheme. Some properties will also be completely exempt from Council Tax.

See Factsheet 17 for more information on Council Tax Benefit

Claims and Payment

If a person applies for Pension Credit they should also receive forms for Housing Benefit and Council Tax Benefit. If not, they will need to get forms directly from the HB and CTB section of their local council.

Council and Housing Association tenants will have their HB paid directly into their rent accounts. Private tenants can choose whether to be paid by cheque or into a bank account, or whether to have payment made directly to their landlords.

Council Tax Benefit is credited directly to people’s Council Tax accounts.

Backdating HB and CTB

A claim for HB or CTB can be backdated for a maximum of 52 weeks – if the person has a good reason for failing to claim.

HB and CTB appeals

If your client wants to challenge a decision made about their HB or CTB they can ask the Council to look at it again within one month of the decision. They can apply to an independent tribunal also within one month of the decision.

Try and have a look at a Housing Benefit/Council Tax Benefit Claim Form: your colleagues may have copies of one completed on behalf of a client.
Common problems

A major problem in some areas with Housing Benefit is delay in payment. Claims should be dealt with within 14 days but often this doesn't happen. People may be threatened with repossession or go without basic necessities in order to meet their rent payments. Refer anyone in this position for specialist advice.

Another difficult area is where rent restrictions apply, leaving a shortfall of rent which the client will have to pay out of their own money. This may cause considerable hardship and you should refer people for specialist advice. The client may be able to apply to the council for a discretionary housing payment to cover this shortfall.

Change of circumstances can cause difficulties particularly where non-dependants – often grown up sons and daughters – move in and out of the home. This can cause under- and over-payment of benefit.

Where there is an alleged overpayment refer the person for specialist advice.

Council Tax Benefit Tip!

Council Tax Benefit has a low take-up rate amongst those 60 or over, especially owner-occupiers, so be ready to spot where entitlement might exist.
Exercise 6

Using Factsheet 17 and the information above answer the following:

1. Jane’s son aged 30 lives with her, in her rented flat. He’s working and earns £300 per week gross. Will this have any effect on her Housing Benefit (HB) or Council Tax Benefit CTB)?

2. Monty has savings of £15,000 and gets Retirement Pension and a private pension. Will he be able to claim HB?

3. Farhat is going into hospital. What will happen to her Housing Benefit?

4. Sasha made his claim for HB over 6 weeks ago and still hasn’t been paid. What can be done about it?

The answers are on page 56
2.6 Health Benefits

Most of the treatment provided under the National Health Service (NHS) is free; but there are some services for which people have to pay, including prescriptions, dental treatment, sight tests, glasses.

People receiving Pension Credit (Guarantee) are exempt from charges, although they will need to provide the dentist, optician pharmacist etc. with proof that they are receiving it. People on a low income, with savings below a set amount, can apply for help with health costs (see below for information in relation to different costs).

People who have paid for an item or service which they could have got free, can apply for a refund (within a three month time limit).

Prescriptions

These are free for people aged 60+.

Younger people can get free prescriptions if they receive Income Support, have certificate HC2 (low income) or they suffer from a small number of ‘specified conditions’. Others may save money by buying a prescription prepayment certificate (PPC).

Dental Charges

Dental treatment is free for people receiving Pension Credit (Guarantee), or if they have certificate HC2 (low income). In Wales, dental checks are free for all those aged 60+.

Charges will be reduced if the client has an HC3 certificate (low income).

Eye Tests and Glasses

Eye tests are free for people aged 60+.
Younger people can get free eye tests if they receive Income Support, have certificate HC2 (low income), or suffer from some kinds of visual impairment. Some may be eligible for reduced charges if they have an HC3 certificate (low income).

People receiving Pension Credit (Guarantee), have certificate HC2 (low income) are entitled to vouchers towards the cost of glasses. Each voucher has a coded value, depending on the cost of the glasses (or repair) needed. They may not cover the whole of the cost, so the client may need to shop around and may have to pay something towards their glasses in any event.

People with serious eye conditions pay up to a maximum amount, the balance is met by the hospital treating them.

Wigs, Fabric Supports and Hosiery
Wigs and fabric supports are free for hospital in-patients. They are also free for people receiving Pension Credit (Guarantee), or if they have certificate HC2 (low income).

Charges can be reduced for people with an HC3 certificate (low income).

Elastic stockings are available on prescription, which means that they are free for people aged 60+. They are also free for people with certificate HC2 (low income). However, support tights are usually only available through the hospital service.

Hospital Fares
People needing to attend a hospital for a consultation are entitled to claim the full cost of the cheapest means of transport if they receive Pension Credit (Guarantee), or have certificate HC2 (low income).

Some may be eligible for reduced charges if they have an HC3 certificate (low income).

Claims are made to the hospital and it may be possible to claim in advance.
In practice, clients should take second class public transport. However, if a taxi is the only form of transport available, the fare should be covered (it is advisable to check with the hospital that it really is the only form of transport in advance).

People visiting a close relative, who are receiving Pension Credit (Guarantee) may be eligible for a Social Fund Community Care Grant to help with the cost of fares (see the section on the Social Fund, above, for more details).

**Exercise 7**

Using ‘Your Rights’, find out the answers to the following questions:

1. What is the reference number of the form used to apply for exemption or reduction in NHS charges?
2. How long will an HC2 certificate remain valid?
3. Where would you get an application form for a PPC?

_The answers are on page 57_

**Health Benefits Tip!**

When you are doing a benefit check, and it seems the client could be entitled to any means tested benefit such as Pension Credit, Housing Benefit or Council Tax Benefit, make sure you tell them about health benefits as well.
Answers to Exercises
EXERCISE 1

1 Roland has £30,000 savings in the bank. Is he entitled to a Retirement Pension (RP)?
   Yes, RP is not means tested.

2 Jeremy is 59 and gets a pension. His wife has contacted Age Concern for help and is unsure about what kind of pension it is. It must be:
   a. Pension Credit
   b. Retirement Pension
   c. An occupational pension from his former employer.

   Jeremy must be getting an occupational pension, as he is too young to qualify for Retirement Pension or Pension Credit.

3 Jasbiah, a single woman aged 60, is only getting £65 weekly Retirement Pension (RP). She says she's worked all her life. What advice can you give her?

   Is it possible that although she has worked for many years she has not worked the 39 years needed to qualify for a full RP? If she has, have any of her National Insurance contributions gone missing? You should also consider whether she may be able to claim Pension Credit to top-up her income.

4 Marian is annoyed and upset to find out that her RP is only £0.40p a week. How can this be?

   Marian probably paid married women's reduced rate contributions and this graduated pension is all she can get. She can have it paid annually.
5 John wants to carry on working after age 65. He wants to know if he'll be better off deferring his RP for 5 years, or taking it now?

Factsheet 19 and Information sheet 12 explain how the increases for a deferred pension are worked out. You may need to get the Pension Service to assist with the figures. It's then a matter of comparing 5 years worth of pension paid now (with estimated up-rating) with the figure for the increased pension or lump sum. Much depends on how long he will live!

EXERCISE 2

1 Does the value of a pre-paid funeral plan count as capital?
   No, it does not.

2 What is the 'appropriate amount' for a single person living alone, who has no carer; but receives Attendance Allowance?
   They get the standard amount for a single person (£114.05) plus an additional £46.75.

3 What happens if someone has the additional amount for severe disability added to their 'appropriate amount' and their carer claims Carer's Allowance?
   The disabled person may lose the additional amount for disability added to their standard 'appropriate amount if a carer receives Carer's Allowance for them.
EXERCISE 3

1 Ruth Warner is aged 67, and lives alone. She has a state Retirement Pension of £84.25 per week and an occupational pension of £20.00 per week.

She is a home-owner, and although her mortgage is paid off, she is repaying a loan of £5,000, which she took out when her windows needed replacing several years ago. The interest costs £10.00 per week. She has no capital.

Can Ruth get Pension Credit? If so, what type and how much?

The first step is to check whether Ruth can get Guarantee Credit. You can eliminate the possibility of any assumed income, as Ruth has no capital.

All Ruth’s income is counted in full, so her income is £104.25 per week.

Her appropriate amount is the standard amount for a single person of £114.05; but you can add the interest on her home improvement loan, so that her total ‘appropriate amount’ is £124.05.

If you deduct £104.25 from £124.05 you get £19.80. This is the amount of Pension Credit Guarantee Ruth would get per week.

You then go on to see whether Ruth can get any Savings Credit. Her appropriate Savings Credit threshold is £84.25 per week, as a single person.

The maximum Savings Credit she could get would be £17.88.

Her income is more than the threshold; but less than her ‘appropriate amount’, so she is entitled to Savings Credit of 60% of the difference between her income and the threshold.

<table>
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<th>Threshold</th>
<th>Difference</th>
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</thead>
<tbody>
<tr>
<td>£104.25</td>
<td>£84.25</td>
<td>£20.00</td>
</tr>
</tbody>
</table>

60% of £20.00 is £12.00, so Ruth will also get £12.00 per week Savings Credit.
2 Mr and Mrs Kumar are both 82. They receive state Retirement Pension of £134.75 per week. They have a weekly income of £20.20 from an annuity and £19,000 in the Building Society.

Can the Kumars get Pension Credit? If so, what type and how much?

The first step is to see whether the Kumars can get Guarantee Credit.

They have capital of over £6,000, so you need to calculate the assumed income. The assumed income on £13,000 is £26.00 per week. Their other income is counted in full, so their income is £180.95 per week.

Their appropriate amount is the standard amount for a couple of £174.05. You can see that their income exceeds their appropriate amount, so they will not be eligible for Pension Credit Guarantee.

You then go on to see whether the Kumars can get any Savings Credit.

Their appropriate Savings Credit threshold is £134.75 per week, as a couple.

The maximum Savings Credit they could get would be £23.58.

Since their income is more than the ‘appropriate amount’, their maximum Savings Credit will be reduced by 40% of the difference.

<table>
<thead>
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<th>Their income is</th>
<th>180.95</th>
</tr>
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<tbody>
<tr>
<td>Appropriate amount</td>
<td>174.05</td>
</tr>
<tr>
<td>Difference</td>
<td>£6.90</td>
</tr>
</tbody>
</table>

40% of £6.90 is £2.76, so the Kumars will get £20.82 per week Savings Credit (£23.58 - £2.76).
EXERCISE 4

1 Find out .......
   The telephone number of your Local Pension Service.
   We don’t have the answers to this exercise, your supervisor will know what they are.
   What a Pension Credit Claim Form looks like – do you think it is easy to fill in?
   Well, is it?

EXERCISE 5

1 Maud’s brother has died and she borrowed some money to pay for his funeral. Someone has told she could have got help from the DWP. What do you need to ask her and what can you advise?
   You need to find out when the funeral was because there is a 3-month time limit for claiming. Is she getting a qualifying benefit – Pension Credit for example? You need to explain the rules about who can be responsible for paying for a funeral. You also need to explain that only the costs of a basic funeral are covered.

2 Marcus has been turned down for a Community Care Grant (CCG). Is there anything he can do?
   Marcus can apply for a review at the local office. You would need to refer him for specialist advice if this was also turned down. First it is worth checking if he meets the basic eligibility criteria and what it was he was claiming for. You may have noted from the Factsheet that a person has to wait 26 weeks before applying again for the same thing. He could, however, apply for a budgeting loan instead if he fails with the review.
3 Balbir, aged 80, desperately needs a new bed, bedding and a warm overcoat. He also takes a daily supplement of glucosamine which he gets from the health food shop for his arthritis. It is expensive and he is worried that he won’t be able to continue with it much longer. He gets Pension Credit.

You need to see if Balbir could claim a Community Care Grant (CCG) for the bed, etc. Could it be argued that he would have to go into residential care if he didn’t get the bed etc? As he is 80 and in poor health, he may have some priority. It is unlikely that he would be able to get help with the glucosamine tablets, although he could ask his doctor if he could get something similar on prescription (which would be free). If he is turned down for a CCG he may be able to get a budgeting loan, which, of course, he would have to repay.

EXERCISE 6

1 Jane’s son aged 30 lives with her, in her rented flat. He’s working and earns £300 per week gross. Will this have any effect on her Housing Benefit (HB) or Council Tax Benefit (CTB)?

The deductions will be £43.50 from her HB and £5.80 from her CTB.

2 Monty has savings of £15,000 and gets Retirement Pension and a private pension. Will he be able to claim HB?

Monty will be able to claim. How much he gets depends on the amounts of RP and private pension he has. He may also be able to claim Guarantee and Savings Pension Credit if his income is low enough.
3 Farhat is going into hospital. What will happen to her Housing Benefit?

HB can remain in payment for up to 52 weeks.

4 Sasha made his claim for HB over 6 weeks ago and still hasn’t been paid. What can be done about it?

He should claim an interim payment of benefit. Age Concern could take up delays as a matter of social policy.

EXERCISE 7

1 What is the reference number of the form used to apply for exemption or reduction in NHS charges?

HC1 – HC1(SC) if the client lives permanently in a care home and is supported by the local authority.

2 How long will an HC2 certificate remain valid?

Usually for 12 months.

3 Where would you get an application form for a PPC?

From a Pharmacy, or by telephoning 0845 850 00 30.
Welfare Benefits Induction Learning Pack

Feedback sheet

Part 2
Please complete the following statements in whatever way you feel is most appropriate for you.

Working through the pack made me feel…

I liked…

I was surprised by…

I’ll use…
Feedback sheet (continued)

Now I can…

I didn’t like…

I want to know more about…

I should like some more training about…

I’d also like to say…