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Pension Credit

Pension Credit guarantees everyone aged 60 and over an income of at least:

- £137.35 a week for a single person
- £209.70 a week for those with partners

There is additional money available for those aged 65 or over with modest savings – up to:

- £20.52 a week for a single person
- £27.09 a week for those with partners

People who apply for Pension Credit must be at least 60 or within four months of their 60th birthday; it does not matter if the partner is under 60.

The age at which people can get Pension Credit is gradually increasing in line with the increase in women's State Pension age from 60 to 65 between April 2010 and April 2020.

Income and Savings

As with Child and Working Tax Credits, income is assessed jointly for couples.

Not all types of income are included. The main components are:

- pensions
- certain benefits
- earnings from a job

Savings and investments are converted to income by using £1 per week for every £500 or part of £500 over £6,000 (or £10,000 for those living permanently in care homes) relating to:

- Money in a bank, building society or post office account or at home
- National Savings Certificates and Premium Bonds
- ISAs, PEPs and TOISAs
- Income Bonds, Capital Bonds or Granny Bonds
- Shares or unit trusts
- Property and Land (excluding the normal residence)

The earnings limits may be relaxed if the individual, or partner:

- is severely disabled
- looks after a person who is severely disabled
- has certain housing costs, eg mortgage interest

Method of Payment

The money is paid weekly into a bank, building society or post office account. A Pension Credit of less than £1 a week may be paid quarterly. If it is less than 10p a week it will be paid only if it can be combined with another benefit.

How to apply

Application by telephone 0800 99 1234 or textphone 0800 169 0133 is recommended, as the application form and accompanying notes occupy 31 pages. It is also possible to apply over the internet (www.thepensionservice.gov.uk/pensioncredit/application.asp).

From age 65, most pensioners will have to report changes in income only once every five years.

Examples

Here are some examples to show how much Pension Credit people with different circumstances might get.

Example 1 - Amy

Amy is 62. She lives in her son's home. The only money she has is her State Pension of £102.15 a week.

Pension Credit will give her £35.20 a week extra. As a result her total weekly income will increase to £137.35.

Example 2 - Betty

Betty is 66. She is single and a severely disabled person. Her weekly income is as follows:

State Pension	£102.15
Attendance Allowance (this is not counted as income)	£73.60
(income treated as nil since less than £6,000)	
Savings of £5,000 (we do not assume any income from these savings as they are less than £6,000)	£0
Total weekly income	£175.75

Pension Credit will give her £90.50 a week extra. (This includes an extra amount of £55.30 because Betty is severely disabled). As a result, her total weekly income will increase to £266.25.

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Example 3 - Kathleen

Kathleen is 68 and a widow. Her weekly income is as follows:

Late husband's State Pension	£97.65
Kathleen's work pension	£18
Late husband's work pension	£40
Savings of £11,500 (assuming £1 of income for every £500 or part of £500 of savings over £6,000)	£11
Total weekly income	£166.65

Kathleen is not entitled to any extra weekly income from Pension Credit.