

Policy 30 Pension Credits

Version: 3.0

Last Amended: 31 March 2021

Next Review Date: 31 March 2022

1.0 Background

The Pensions Service, An agency of the Department of Work and Pensions (DWP) operates pension Credit.

People can claim two separate credits - Guarantee credit and Savings credit. It is possible for a person to qualify for one or both of the credits. For more information see: <http://www.ageuk.org.uk/money-matters/claiming-benefits/pension-credit/what-is-pension-credit/>

2.0 The Guarantee Credit

The age from which you can get the Guarantee Credit (the qualifying age) is gradually increasing from 60 to 66 between April 2010 and October 2020. It is possible for a person to receive Guarantee Credit and in addition, to receive an amount of money for severe disability. This is similar to the Severe Disability Payment paid with an income related or means tested benefit. The DWP refers to this as a Severe Disability Addition.

When calculating whether a person is eligible to receive a Guarantee Credit, the Pension service will use a set figure for a single person or a couple, known as the Standard Minimum Guarantee (SMG). This replaces the personal allowances and premiums that DWP use within income related or means tested benefit calculations.

3.0 The Saving Credit

This is available to people over the age of 65 and is intended to provide extra money for those who have saved for their future.

The amount of Savings Credit a person receives will differ depending on their individual circumstances.

It is possible for a person to qualify for Savings Credit whether or not they receive the Guarantee Credit.

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4.0 Capital

For both types of credit, there is no limit to how much capital a person can have in order to qualify. A tariff charge is still applied.

5.0 Guarantee Credit Policy

Where an ILF Scotland recipient states they are in receipt of the Guarantee credit, ILF Scotland will assess the award entitlement as though the person were receiving Income Support and will assess half of the amount of Disability Living Allowance to be the Available Income. A notional assessment will not be necessary.

Where the ILF Scotland recipient states they are receiving the Severe Disability Addition, ILF Scotland will include this when calculating the recipient's Available Income.

As there is no capital limit where the Guarantee Credit is concerned it is essential that service delivery staff check how much capital an ILF Scotland recipient has before calculating an offer. ILF Scotland has designed the financial information form to verify the capital held by all ILF Scotland recipients, irrespective of whether or not they are in receipt of Income Support/Guarantee Credit. If a person has not answered this question on the financial information form, ILF Scotland staff should confirm the situation before completing an assessment, and then collect evidence in the normal way.

6.0 ILF Recipients who do receive Guarantee Credit

A full Notional assessment is required for ILF Scotland recipients over the pension age who do not receive Guarantee Credit.

7.0 Savings Credit

ILF Scotland will fully disregard any monies an ILF Scotland recipient receives in the form of a Savings Credit for income purposes.

8.0 Savings Credit Procedure

ILF Scotland will not ask recipients to provide details of the amount of money they receive in the form of a Savings Credit but will ask them to confirm for statistical purposes whether they receive this.

ILF Scotland will disregard in full, any monies received in the form of a Savings Credit.

9.0 Cross References

Policy 4: Available Income

10.0 History Date Reviewed

Version 1: 1 July 2015

Version 2: 1 September 2015