

Financial help in retirement

free
guide



clear

honest

simple

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Age Concern provides information free for older people, their families and those who work with them. If you would like to make a donation to support our work please visit www.ageconcern.org.uk

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This guide is not a comprehensive statement of the law in this subject and Age Concern cannot give individual legal or financial advice.

The information in this guide describes the situation in England and Wales. Different rules may apply in Northern Ireland and Scotland.

Some rules may have changed since the publication of this guide.

If you have any queries which this guide does not answer, seek further advice from one of the organisations suggested.



Introduction

When you have retired you may become entitled to benefits that can improve your standard of living.

In this guide we look at what might be available if you are 60 or over. If you are a couple one of you can be under 60. 'Couple' usually means married people and civil partners but for some benefits people are treated as couples when they are not married or civil partners but are living together.

Pension and benefit rates change every year in April. Even if you have applied before and been turned down in the past, it is worth checking at least once a year whether any rule changes have been introduced that might be to your advantage.

Throughout the guide you will find suggestions for organisations that can give further information and advice about your options. Contact details for these organisations can be found in the 'Useful organisations' section. ► **pages 17–19** Contact details for local organisations, such as the Citizens Advice Bureau or your local authority, can usually be found in your local phone book. If you have difficulty finding them, your local Age Concern should be able to help. ► **page 17**



Benefits check

Whether or not you can get any of the benefits we mention in this guide will depend on your individual circumstances. If you are not sure whether you can qualify it is a good idea to have a benefit check from a free advice agency.

The adviser you see will also be able to check whether you can get other benefits that we do not mention in this guide because they are mainly paid to younger people. These are benefits such as Jobseeker's Allowance, Incapacity Benefit, Working Tax Credit or Bereavement Payments.

what
next?

Contact a local advice agency, such as your local Age Concern or Citizens Advice Bureau (CAB), for a benefit check. ▶ pages 17–19

“The adviser clearly explained what I could claim and helped me with the forms. I would have struggled by myself.”

Occupational and personal pensions

This guide is mainly about benefits that are ‘means-tested’, that is they depend on how much income and savings you have. But before claiming these benefits make sure that you are getting any occupational or personal pensions you are entitled to.

what
next?

If you have lost the details of a pension from an old employer contact the Pension Tracing Service. ▶ page 19

The state retirement pension

The basic state pension is paid to people who have reached pension age. At the moment this is 60 for women and 65 for men but will gradually change until from 2010 it is 65 for everyone.

You need to have paid enough National Insurance (NI) contributions to get the full pension otherwise you may get a reduced pension or not get one at all. If you have not got enough NI contributions for a full pension you may be able to make voluntary contributions to increase it. Apart from the basic pension you may also get some additional and/or graduated pension based on your earnings.

Some married women can claim a pension based on their husband's contributions when he claims his own pension. Divorced and widowed people and former civil partners can sometimes get a pension or an increased pension by using their former partner's NI record.

You can put off drawing your pension for as long as you want to so that you can get a lump sum or an increased pension. But this may affect any means-tested benefits you receive.

what
next?

If you are approaching retirement age you can get a pension forecast by contacting The Pension Service. You need to make a claim for your pension so make sure you contact them if you have not received a retirement pack three months before you retire. ► page 19

Pension Credit

Pension Credit (PC) is for people of 60 and over (if you are a couple one of you can be younger). It has two parts – the Guarantee Credit, which can top up your income to a set amount, and the Savings Credit, which can provide some extra money to people who have savings and/or other types of personal and/or occupational pension. The Savings Credit part of Pension Credit is paid to people of 65 or over.

There is no limit to the amount of savings you can have for Pension Credit but anything over £6000 will be assumed to make interest of £1 for every £500 and these pounds will be added to your income before the calculation is done.

Some people can get more Pension Credit than others if, for example, they are disabled, a carer or a homeowner.

The calculation for Pension Credit can be very complicated so it is best to seek help and advice from one of the organisations listed at the end of this leaflet. ► [pages 17–19](#)

what
next?

Even if you are not sure whether you can get Pension Credit it does no harm to make a claim over the phone. Ring the Pension Credit line on 0800 99 1234 (free call). If you need to see someone at home The Pension Service should be able to arrange a visit. ► [page 19](#)

Help to pay Council Tax

Homeowners and people in rented accommodation who are liable to pay Council Tax may be able to get some rebate from the Council Tax Benefit scheme.

People receiving the Pension Credit Guarantee Credit should get all their Council Tax paid but there are exceptions, for example if a grown-up son or daughter lives with you he/she may be expected to contribute towards the Council Tax.

If you are not getting Pension Credit but have a low income and savings below £16,000, you may still get some help towards your Council Tax. Whether you get any help, and if so how much, depends on a number of things, including your income and savings, who you have living with you and how much Council Tax you have to pay.

There is also a system of discounts, for example 25% off if you live alone, which you could be entitled to, whatever your income.

Another Council Tax scheme called 'second adult rebate' helps some people who have savings above £16,000 to get help. Second adult rebate can be claimed if one or more people with a low income live with you. It only applies to people who do not have a partner living with them or whose partner is ignored for Council Tax.

what
next?

Contact your local authority for a claim form if you think you might be entitled to some money off your Council Tax, or get some help from one of the agencies listed at the end of this guide. ► pages 17–19

Help to pay rent

If you pay rent you may be able to get some help towards it from Housing Benefit, which is paid by the local authority. Housing Benefit can also help towards some service charges.

People receiving the Pension Credit Guarantee Credit should get all their rent paid but there are exceptions, for example if a grown-up son or daughter lives with you or part of your rent is not included in the scheme, for example water rates. For other people not getting the Pension Credit Guarantee Credit there is a £16,000 upper savings limit.

If you are not getting Pension Credit but have a low income and savings below £16,000, you may still get some help towards your rent. Whether you get any help, and if so how much, depends on a number of things, including your income and savings, the people in your family and how much rent you have to pay.

what
next?

Contact your local authority for a claim form if you have a low income and think you could be entitled to some money off your rent. Or get some help to see whether it is worth claiming from one of the agencies listed at the end of this guide. ► pages 17–19

“I thought my income was too high to get any benefits but I was able to get some help with my Council Tax and rent. Thank goodness I checked.”

The Social Fund

The Social Fund can provide lump sum payments to cover extra expenses that you would find difficult to meet from your weekly income. Generally these can only be paid to people who receive Pension Credit but there are exceptions mentioned below:

- Community Care Grants help people to live independently at home – they can be for things like beds, cookers, washing machines, removal costs or for some travel costs
- budgeting loans can help with an item you cannot afford – but these have to be repaid from your weekly Pension Credit
- funeral payments can help with the cost of arranging a funeral and are also available to people getting Housing and/or Council Tax Benefit and some other benefits (there are quite strict rules so do not make any funeral arrangements until you have checked to see whether you can get one of these payments)
- crisis loans can be paid if you have special needs because of an emergency or crisis; these have to be repaid but anyone can apply for one – you do not have to be getting any type of benefit.

Savings of £1000 count towards Community Care Grants and savings of £2000 count towards budgeting loans. Savings are also taken into account for crisis loans. There are no savings limits for funeral payments.

what
next?

Contact a local advice agency such as your local Age Concern to make sure you apply for the right grant or loan. ► pages 17–19

Help with heating

Winter Fuel Payments are paid to most people of 60 and over. You have to be 60 or over in the third week of September to qualify for your first payment. At the time of writing, these payments are £200 for each household that qualifies and £300 when someone in the household is 80 or over. Payments are made automatically to most people but some (for example men of 60–64 not receiving Pension Credit) will need to make a claim. Claims must be made by the end of March for the preceding winter.

When the weather is particularly severe, people getting Pension Credit may get extra money, called Cold Weather Payments, for those weeks.

Householders aged 60 or over who get means-tested and/or disability benefits may be able to claim a Warm Front Grant towards the cost of central heating, insulation, energy efficient boilers or repairs. Even if you are not entitled to this you may be able to get a small heating rebate towards providing or replacing heating systems. You may also be able to get some help from your energy provider to improve the energy efficiency of your home.

what
next?

Call the Winter Fuel Payment helpline on 0845 9 15 15 15 (lo-call rate) to claim this payment. The Home Heat helpline on 0800 33 66 99 (free call) can provide more information about heating grants. ► pages 18–19

Help with repairs and adaptations to your home

If you get Pension Credit you may be able to get a Community Care Grant or budgeting loan to help with the cost of minor repairs or decoration.

Your local authority may be able help with things like adaptations or improvement of living conditions by giving a grant or loan, materials or other types of assistance. These schemes usually give priority to vulnerable and older people. Your local authority should have a published policy describing the sort of help it offers.

There are also local-authority Disabled Facilities Grants to improve and adapt homes if you have a disability. These grants are means-tested.

what
next?

Contact your local authority and ask for details of the grants it offers for repairs and adaptations.

Help with health costs

Everyone over 60 gets free prescriptions and eye tests. If you get the Pension Credit Guarantee Credit you should also get free dental treatment, travel costs to hospital and help towards glasses. If you do not get this benefit but have a low income and less than £16,000 savings you may still get some help by filling in form HC1.

what
next?

Ask your dentist or optician about any possible help with health costs before paying for treatment.

Attendance Allowance and Disability Living Allowance

These are benefits at different rates paid to help with the extra costs of illness and disability. They are not means-tested so you can claim whatever income or savings you have and they do not affect any other benefit. Some people who get Attendance Allowance or Disability Living Allowance may be able to get more help from other benefits they receive.

Attendance Allowance is paid to people who have personal care needs or people who need watching over to make sure they are all right. You can claim this if you are 65 or over.

Disability Living Allowance is in two parts – the care part is also for people who have personal or ‘watching over’ needs and the mobility part is for people who have great difficulty in walking or cannot walk at all. Disability Living Allowance has to be claimed before you are 65 but can continue after that age.

Personal care means help with things like getting up, getting washed and dressed, moving around the house and going to the toilet, or help you need because of sight or hearing difficulties. Help with shopping or housework does not count.

You do not have to be receiving help when you apply for these benefits: eligibility is determined by the help you are assessed as needing, not the help you get.

what
next?

Ring the Benefit Enquiry line on 0800 88 22 00 (free call) and ask for a claim form. Arrange some help from a local advice agency like Age Concern to complete the claim form. ► pages 17–19



case
study

Mary, 67, has severe angina and was struggling with day-to-day activities...

- ❏ I get a lot of pain and breathlessness if I try to walk too far. I have to take tablets now for my thyroid problem and my arthritis, and I was getting very confused about what to take when.
- ❏ I telephoned my local Age Concern and explained the problems I was having and asked if they could give me any help. The adviser I talked to thought I might be able to get Attendance Allowance and arranged a home visit. She helped me to fill out the claim forms and explained that because I am disabled and live alone I should be able to get extra Pension Credit too.
- ❏ About four weeks later I started to get Attendance Allowance and the extra Pension Credit. It's made such a difference to my life. I can now get taxis to the supermarket and visit friends. I have also bought a special dispenser for my tablets and I can keep my place nice and warm now without having to worry so much about paying the bills. ❏

Help for carers

There is not much financial help available for carers. The main benefit is Carer's Allowance. This is paid to people who care for someone getting Attendance Allowance or the top or middle rate of Disability Living Allowance. ▶ **page 12** You must be caring for someone for at least 35 hours a week and not be earning very much.

Sometimes if you get a state pension or a means-tested benefit you cannot get Carer's Allowance but your benefit may be increased. The rules are complicated and it is a good idea to get advice before making a claim as the person you care for could lose money.

what
next?

Contact one of the advice agencies listed at the end of this leaflet to find out whether it is a good idea to claim Carer's Allowance. ▶ **pages 17–19**

Television licences

TV licences are free for households with a person aged 75 or over. People who are registered blind can get a 50% reduction. There is also a £5 concessionary licence for people who live in care homes or certain sheltered housing schemes.

The Government has said that people over 75 will get some financial and practical help from 2008 when the TV signal starts to change to digital. We do not have any more detail about this at present.

Travel concessions

People of 60 and over are entitled to free off-peak local area bus travel. The Government has said that this will apply across local authority (council) borders from 2008.

Some coach providers such as National Express give discounts for older and disabled people.

Rail companies give reductions on many train fares to people of 60 or over who buy a Senior Railcard. Senior Railcard holders can also buy a Rail Europe Senior Card for savings of up to 25% on cross-border travel in Europe.

“I still work part time and now I can get there for free. It saves me quite a bit.”

Other concessions that may be available

If you are over pension age you can generally get concessions for adult education classes and the use of leisure facilities. These vary from 25% to 100% depending on the local provider. Museums and galleries usually have free entry and theatres may offer reduced admission for matinees. Some libraries have free internet access. Hairdressers sometimes offer special rates for older people at certain times of the week. Some restaurant chains and pubs provide discounted meals for older people. Keep an eye out for discounts and concessions.

Debt problems

If you have claimed all the benefits you are entitled to and are still struggling to pay your bills, you may need some help to sort things out. Pension and benefit levels are quite low and it is not surprising that people find it difficult to budget.

You may owe money to quite a lot of different creditors, for example catalogues, credit cards, fuel bills, overdraft and/or family and friends. If this is your situation it would probably be best to make an appointment with a specialist independent money adviser. They are non-judgemental and should be able to take some of the pressure off, helping you sort out your debts in a practical way.

Be wary of advertisements by debt adjustment companies offering to sort out your problems. Some may just offer you a loan.

what
next?

You can get free help and advice from the National Debtline, the Consumer Credit Counselling Service and the Citizens Advice Bureau. ▶ page 18

Help from charities and benevolent funds

If you are getting all the benefits you are entitled to and still finding it hard to manage you could try asking for help from charities or benevolent funds.

what
next?

Contact a local advice agency for help in approaching charities or contact the Association of Charity Officers. ▶ pages 17–19

Useful organisations

Age Concern

For details of your nearest local Age Concern, call the Age Concern Information Line on (free call) 0800 00 99 66 or visit our website at www.ageconcern.org.uk

Association of Charity Officers

The national umbrella body for charities that provide aid and advice to individuals in need. It also provides a helpline service for those in need looking for charitable assistance.

Unicorn House
Station Close
Potters Bar
Hertfordshire EN6 3JW
Tel: 01707 651777
Website: www.aco.uk.net

Benefit Enquiry line

Government-run information line providing information on benefits for disabled people.

Victoria House
Ormskirk Road
Preston
Lancashire PR1 2QP
Tel: 0800 88 22 00 (free call)
Email: Bel-Customer-Services@dwp.gsi.gov.uk

Citizens Advice Bureau (CAB)

National network of free advice centres.

For details of your local CAB call 020 7833 2188 (this number gives local contact details only, not advice).

Websites:

www.citizensadvice.org.uk for local CAB details

www.adviceguide.org.uk for online information

Consumer Credit Counselling Service

A charity giving debt counselling sessions (lasting about two hours) in person or by phone.

9th floor

Wade House

Merrion Centre

Leeds LS2 8NG

Tel: 0800 138 1111 (free call)

Website: www.cccs.co.uk

Home Heat helpline

Tel: 0800 33 66 99 (free call)

National Debtline

Offers advice on debt problems and free booklets and factsheets on dealing with debt.

Tel: 0800 808 4000 (free call)

Website: www.nationaldebtline.co.uk

Pension Credit line

Tel: 0800 99 1234 (free call)

Pension Service (The)

For details of state pensions, including forecasts and how to claim your pension.

Tel: 0845 60 60 625 (lo-call rate)

State Pension Forecasting Team: 0845 3000 168 (lo-call rate)

Website: www.thepensionservice.gov.uk

Pension Tracing Service

If you think you may have an old pension, but are not sure, the Pension Tracing Service can usually trace it for you.

Tyneview Park

Whitley Road

Benton

Newcastle upon Tyne NE98 1BA

Tel: 0845 600 2537 (lo-call rate)

Winter Fuel Payment helpline

Tel: 0845 9 15 15 15 (lo-call rate)

What should I do now?

If you would like more information on the issues in this guide or are interested in ordering any of the other Age Concern Information Guides listed below, please get in touch.

Call the Age Concern Information Line free on 0800 00 99 66.

Visit www.ageconcern.org.uk/information:

- find out about our full range of Information Guides
- ask for this guide in a more accessible format
- find your local Age Concern.

If you live in Wales, visit www.accymru.org.uk

The following Age Concern Information Guides are also available and may be helpful:

- *Going into hospital*
- *Help with care in your own home*
- *Making the most of your money*
- *Your employment choices*
- *Your health services.*

Take a look at our full range of free Information Guides covering issues of your health and home, your money and managing your life at www.ageconcern.org.uk/information

Age Concern also publishes books covering many of the above issues. Browse our online bookshop at www.ageconcern.org.uk/bookshop