

AGE UK OXFORDSHIRE URGES LOCAL RESIDENTS TO CLAIM PENSION CREDIT AND HOUSING BENEFIT NOW BEFORE GOVERNMENT CHANGES RULES IN MAY

Charity calls on all pensioners with a low income and a non-pensioner partner to put in a claim or risk missing out on up to £7,000 a year

Age UK Oxfordshire is calling on all pensioners living on a low income with a partner of working age to urgently check their eligibility for Pension Creditⁱ and Housing Benefitⁱⁱ and put in a claim before the Government changes the rules on 15th May.ⁱⁱⁱ

The change will see the right to claim Pension Credit and Housing Benefit – important tools in the fight against pensioner poverty – withdrawn from future claimants who happen to have a partner who hasn't yet reached their own pensionable age, with potentially devastating consequences for all those affected. Age UK Oxfordshire is warning that this could have a devastating impact on local residents.

The Charity is warning that by slashing the benefits that couples needing to claim benefits in the future by as much as £7,000 a year,^{iv} the new policy will place some pensioners in the absurd position of being financially better off if they split up and live apart from their younger partner. This is because once the change is implemented, the older partner could be eligible for significantly more money by claiming Pension Credit as a single person than if the pair of them claim Universal Credit as a couple.

Although in theory this change will not impact on existing claimants the Charity is warning that if a so-called 'mixed-age couple' temporarily loses their eligibility for these benefits because of a change in their personal or financial circumstances, from May they will be unable to regain it and will be thrown back onto the Universal Credit regime, the problems of which are well documented.

Over recent years the means-tested benefit systems for pensioners and people of working age have been growing further apart. Some of the main differences are:

- **The amount you receive:** The standard rate of Pension Credit guarantee is paid at a higher level than the standard rate of Universal Credit and this gap has widened. Over recent years Pension Credit guarantee has been uprated, at least in line with earnings, while working age benefit levels have been frozen or increases restricted.
- **How any earnings are treated:** For Pension Credit, usually just £5 a week (£10 for a couple) of earnings from work are ignored after which earnings reduce payments £1 for £1. Under Universal Credit, earnings reduce benefit by a 63% taper. So, for example, if earnings rise by £100 a month, benefit reduces by £63.

Penny Thewlis, CEO of Age UK Oxfordshire said: *"It's not at all unusual for one partner to be older than the other so many older couples in Oxfordshire on low incomes could be affected by this policy change, even though many of them may not know it yet."*

"That's why we're urging any pensioner who thinks there is even the slightest chance that they could be entitled to Pension Credit and/or Housing Benefit to put in a claim now rather than wait until May – it could give them as much as £7,000 more to spend a every year until the younger partner becomes a pensioner."

"We are urging any older person who is worried about money or thinks they may be entitled to claim Pension Credit or other pensioner benefits to get in touch with us ASAP before 15th May so we can help them through the claiming process."

To get in touch with our Information and Advice team call us on **0345 450 1276** and ask for the helpline, or you can email us at helpline@ageukoxfordshire.org.uk. The Information and Advice line is open 8.00am - 7.00pm daily including weekends and bank holidays, via support from Age UK's national helpline. Local and specialist advice is available from 10.00am - 4.00pm, Monday - Friday.

-Ends-

Notes to editors:

About Age UK Oxfordshire

Age UK Oxfordshire is an independent local charity dedicated to giving older people in Oxfordshire comfort, support and opportunities and enabling them to love later life. We provide free local information, advice and support; and research and campaign on the issues that matter to people in later life. We work with our national partner, Age UK, and our local Age UK partners in England. You can find further information on all our services and volunteering opportunities by telephoning 0345 450 1276 or by visiting our website: www.ageuk.org.uk/oxfordshire. Age UK Oxfordshire is a charitable company limited by guarantee (registered charity number 1091529 and company number 4328143).

For all media enquiries please contact Sophie Dyer on 07827 235 405 or email sophiedyer@ageukoxfordshire.org.uk.

1. Many older people are missing out on the benefits they are entitled to. Nationally it is estimated that 50% (360,000) couples entitled to Pension Credit are not receiving it. Among single pensioners, 37% (840,000) who should be receiving Pension Credit have not claimed. (Income-related benefits: estimates of take-up 2016/17), DWP published 2018).

2. Case study: Mixed-age couples – the impact of changes for a hypothetical couple

Peter, aged 70, draws a State Pension of £140 a week. His wife Jean, aged 62 gave up work five years ago to care for her father who has recently died. They own their home and have a few hundred pounds in savings. They receive Pension Credit to top up their joint income to £248.80 a week (the standard rate of Pension Credit for a couple rising to £255.25 from April 2019).

After the rules change....

Peter and Jean's position will be protected if they are still receiving Pension Credit when any changes come in - as long as their circumstances stay the same.

However, a couple in this situation who need to claim benefits for the first time after 15 May 2019 would not be entitled to Pension Credit due to Jean's age. Peter's State Pension is too high for them to receive Universal Credit (currently £498.89 a month, around £115 a week, and not due to change in April 2019).

So, their total joint income will just be Peter's State Pension (around £143.50 a week from April 2019). If Jean cannot find a job, which may be difficult given her age and time out of the labour market for caring, this will be their income for another 4 years until Jean reaches SPA at age 66. By this time Peter will be 74.

If Peter was single.....

However, if Peter was living on his own, because they separate, or Jean dies, he would be able to claim Pension Credit in which case his State Pension will be topped up to £163.00 a week (£167.25 from May 2019) – considerably more than the Universal Credit standard rate for a couple of about £115 a week.

ⁱ Pension Credit is an income-related benefit to give you some extra money in retirement:

<https://www.ageuk.org.uk/information-advice/money-legal/benefits-entitlements/pension-credit/>

ⁱⁱ If you're struggling to cover your rent then you could claim Housing Benefit to help with your housing costs:

<https://www.ageuk.org.uk/information-advice/money-legal/benefits-entitlements/housing-benefit/>

ⁱⁱⁱ The change is due to come into effect from 15th May, 2019. However, there is provision for backdating so as long as makes a claim by 13 August the claim can be backdated to 14th May as long as they met all the rules and were entitled on that date.

^{iv} This is the difference between standard UC and standard PC for couples. From April 2019, the rates will be:

Pension Credit (for a couple) - £255.25 per week

Universal Credit (for a couple) – approx. £115 per week (£498.89 per calendar month)