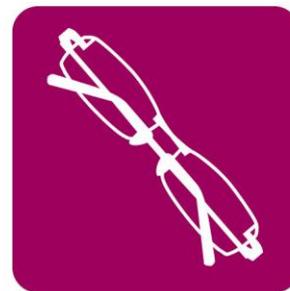


Benefit and pension changes



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1 Introduction

There have been some major changes to the benefits system in Scotland over the past few years. This includes the change from Council Tax Benefit to Council Tax Reduction, changes to the Social Fund leading to the introduction of the Scottish Welfare Fund and the introduction of Personal Independence Payment.

This factsheet provides information on the main changes which may affect older people living in Scotland.

The information in this factsheet is correct at the time of printing. For information or advice about any of these benefits phone the Age Scotland helpline on **0800 12 44 222**

2 State Pension age

State Pension age is increasing: it is currently 65 for men and it is gradually increasing for women from 60 to 65 – it is 64 and 6 months in April 2018 and will be equal for men and women in autumn 2018.

From 2019, the State Pension age for both men and women will start to increase to reach 66 by October 2020 and then 67 by 2028. The Government is planning further increases which will raise the State Pension age to 68 by 2039, affecting people born between 6 April 1970 and 5 April 1978.

A woman's State Pension age is also the age when a man or a woman can claim Pension Credit.

If you have internet access you can calculate your State Pension age at www.gov.uk/calculate-state-pension or call the Age Scotland helpline on 0800 12 44 222 and we can check it for you.

3 State Pension

A new Single Tier State Pension was introduced for people who reached their State Pension age on or after 6 April 2016. This applies to men born on or after the 6th of April 1951 and women born on or after the 6th of April 1953.

It is normally based on your own National Insurance record (contributions you have paid or been credited with). You need to have a minimum of 10 years contributions and you need 35 years contributions to receive the full amount.

The new Single Tier State Pension £164.35 (2018/19) is set above the level of means-tested Pension Credit for a single person of £163.00 (2018/19). Because of this change, fewer people will need to apply for Pension Credit to top up their pension. People whose income is at this level who have modest savings are also likely to qualify for help with their Council Tax through Council Tax Reduction which can be claimed from their local council.

You may still be entitled to Pension Credit if you are not entitled to the full State Pension or if you receive a benefit because you have a disability, you are a carer or you have housing costs such service charges to pay.

If you are over 50 you can apply online for an estimate of your State Pension at www.gov.uk/check-state-pension

4 Universal Credit

Universal Credit is the new means-tested benefit for people of working age who are on a low income. It is being rolled out across the UK and is planned to affect all claimants by 2022.

The different stages of rollout affect who can claim, and whether you will need to claim Universal Credit instead of one of the benefits it is replacing. To find out how Universal Credit is operating where you live see the Citizens Advice website www.citizensadvice.org.uk/scotland/benefits/universal-credit/before-you-apply/Check-if-youre-eligible-for-Universal-Credit/live-service/ .

Universal Credit will eventually replace six means tested benefits and tax credits:

- Child Tax Credit
- Housing Benefit
- Income related Employment and Support Allowance
- Income based Jobseeker's Allowance
- Income Support
- Working Tax Credit

Like the benefits it replaces, it includes some additional amounts for carers and for some people unable to work due to sickness or disability. It also includes help towards rent payments and the costs of looking after children.

As Universal Credit is rolled out, if you are working in a low paid job and over Pension Credit age you will no longer be able to claim Working Tax Credit.

If you are already claiming one of the benefits which is being replaced by Universal Credit, you will be moved onto Universal Credit over the next few years.

If you have dependent children living with you when Child Tax Credit is abolished you will receive an element for children within your Universal Credit or Pension Credit.

You can claim Universal Credit online at www.gov.uk/apply-universal-credit. It is paid monthly in arrears calculated on your income the previous month. People in Scotland can receive Universal Credit payments twice a month instead and can ask for the rent part of their Universal Credit to be paid directly to their landlord.

For more information see Age UK's factsheet **Benefits for people under State Pension age**; the Age Scotland helpline can send you a copy. Call 0800 12 44 222.

5 **Universal Credit and “mixed age” couples**

Universal Credit is expected to affect older couples in late autumn 2018. At present, a “mixed age” couple (where one is working age and the other is pension age) can claim Pension Credit when the oldest reaches their State Pension age.

Under the change due in autumn 2018, a couple will not be able to claim Pension Credit until the youngest reaches their State Pension age. The younger member of the couple will need to claim Universal Credit for the couple instead and satisfy the Universal Credit rules which may include “signing on” at the jobcentre and seeking work or qualifying for Universal Credit as someone who is a carer or not well enough to work.

Pension Credit is paid at a much higher rate than Universal Credit.

This change will not affect couples who are already claiming Pension Credit when the new rules are introduced.

At present, “mixed age” couples should have a choice of whether to claim Pension Credit or Universal Credit; get advice if you are in this situation.

6 **Housing Benefit and help with rent through Universal Credit**

Housing Benefit is a means tested benefit paid to council or housing association tenants, it is often called Local Housing Allowance when paid to tenants of private landlords.

If you receiving Universal Credit you will normally receive help with housing costs through Universal Credit instead of receiving Housing Benefit. There are some exceptions if you live in certain kinds of accommodation such as accommodation where you receive care, support or supervision.

The room restriction which was introduced in April 2013, sometimes called the ‘bedroom tax’, can restrict help with rent for a “working age” council or

housing association tenant if their home is considered to be too large for their needs. If you are affected by the room restriction or “bedroom tax”, contact your local council to find out what further help they can provide.

Once the “mixed age couple” rules are introduced (see section 5), if you are a mixed age couple receiving help with rent through Universal Credit, the room restriction will affect you until the younger of the couple reaches their State Pension age. Mixed age couples already claiming Housing Benefit when Universal Credit rules are introduced will be protected from the room restriction.

7 Personal Independence Payment

From June 2013 no-one over 16 can make a new claim for Disability Living Allowance (DLA), they have to claim Personal Independence Payment (PIP) instead.

If you are already getting Disability Living Allowance and had reached the age of 65 by 8th April 2013 the Government does not have any plans to reassess you for Personal Independence Payment at the moment.

If you receive Disability Living Allowance, but were not 65 and receiving Personal Independence Payment on 8th April 2013, you will be invited to claim Personal Independence Payment instead of Disability Living Allowance. You will not have the option of continuing to claim Disability Living Allowance instead. Get advice if you are in this situation.

8 Pension Credit

From 6th April 2016, people who reached their State Pension age on or after that date will not be able to claim the Savings Credit part of Pension Credit either as a single person or as part of a couple.

As Universal Credit is rolled out and Housing Benefit and Child Tax Credit are abolished Pension Credit is expected to change to include elements for dependent children and for help with rent.

9 Pension Credit and mortgage interest help

Until April 2018 Pension Credit could include payment towards your mortgage interest costs.

From April 2018 the help with your mortgage interest will be replaced by a system of interest-bearing, repayable loans.

Before accepting a loan, you will need to have a telephone conversation to discuss the loan and any alternatives you might have for covering your mortgage payments. If you choose to take out the loan, the loan and interest payments will be secured against your home and recovered when the property is sold.

If you receive a letter and are not sure what to do, contact an independent advice agency straight away for advice about your individual situation.

10 Bereavement Support Payment

Bereavement benefits changed in April 2017. The previous system of Bereavement Payment, Bereavement Allowance and Widowed Parent's Allowance was replaced by Bereavement Support Payment.

Bereavement Support Payment may be paid to people who are "working age" whose spouse or civil partner died on or after 6th April 2017, the changes will not affect anyone who already receives bereavement benefits. Bereavement Support Payment is not taxable and will be disregarded when calculating means tested benefits.

There will be an initial payment of £2,500 (£3,500 for people who have dependent children) and up to 18 monthly instalments of £100 (£350 for people with dependent children).

11 Devolution of Welfare Powers to Scotland

Under the Smith Commission agreement substantial elements of the welfare system, involving 15% of the current welfare budget, are being devolved to Scotland. The Scottish Government has consulted widely about how best to use its new powers and passed the Social Security (Scotland) Act in April 2018.

Universal Credit, State Pension and Pension Credit will remain reserved benefits delivered by the Department for Work and Pensions but the Scottish Government can change the frequency of Universal Credit payments to twice monthly and can pay the housing cost element of Universal Credit directly to the claimant's landlord.

Devolved welfare powers include powers over benefits for carers, disabled people and those who are ill:

- Attendance Allowance,
- Carer's Allowance,
- Disability Living Allowance,
- Personal Independence Payment,
- Industrial Injuries Disablement benefit,
- Severe Disablement Allowance

The powers also include responsibility for:

- Cold Weather Payments,
- Funeral Payments,
- Sure Start Maternity,
- Grants and Winter Fuel Payments,
- Discretionary Housing Payments (help with payment of rent)

The Scottish Government is setting up a new Social Security Agency for Scotland; the social security system in Scotland will be delivered with fairness, dignity and respect.

To inform the development of new processes and social security assistance the Scottish Government has established Social Security Experience panels of more than 2300 people with experience of claiming benefits.

The Scottish Government has also announced when it will use some of its new powers:

From summer 2018 people in Scotland who receive **Carer's Allowance** which is £64.60 (2018/19) will receive an automatic 6 monthly payment of Carers Allowance Supplement of (£221.00) from the Scottish Government.

The Department for Work and Pensions (DWP) will pay the main Carer's Allowance, and the Scottish Government will pay the supplement. Carers Allowance Supplement will not reduce the level of any means tested benefits.

Help with **Funeral costs** is currently available through the Department for Work and Pensions to people who receive low income benefits and are responsible for a funeral. This is due to be replaced by a Scottish Government **Funeral Expense Assistance benefit** by Summer 2019.

The information about Funeral Expense Assistance benefit we have so far is available here <https://beta.gov.scot/publications/social-security-scotland-bill-policy-paper-funeral-expense-assistance-fea/>

The Scottish Government aims that Funeral Expense Assistance shall

- prevent the burden of debt friends and family may face when paying for a funeral
- extend eligibility to the nearest relative or friend of the person who had died.
- be processed applications within 10 days

12 Useful Organisations

Age Scotland helpline 0800 12 44 222

The Age Scotland helpline provides information, friendship and advice to older people, their relatives and carers.

If you need an interpreter call **0800 12 44 222** and simply state the language you need e.g. Polish or Urdu. Stay on the line for a few minutes and the Age Scotland helpline will do the rest.

You can call us on 0800 12 44 222 for a copy of our publications list or download copies from our website at www.agescotland.org.uk.

Your local Citizens Advice Bureau (CAB)

Your local Citizens Advice Bureau can offer you information and advice. You can find your local CAB by calling Citizens Advice Direct on 0808 800 9060 or visiting the Citizens Advice Scotland website www.cas.org.uk/bureaux

Support our work

Every year, thousands of older people across Scotland benefit from the vital information and advice Age Scotland provides. If you would like to support this work and help improve the lives of older people in Scotland you can donate by:

- Giving us a call on 0333 323 2400 and ask for the fundraising team.
- Visit our website at www.agescotland.org.uk/donate.

Across the UK

For information and advice in the rest of the UK:

In England contact Age UK Advice on **0800 169 65 65** www.ageuk.org.uk

In Wales contact Age Cymru on **0800 169 65 65**
www.agecymru.org.uk

In Northern Ireland contact Age NI on **0808 808 7575**
www.ageni.org.uk

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