Reaching State Pension Age

Reaching State Pension age can be a complicated time if you are in receipt of benefits. You may be unclear on which benefits you are entitled to and the timing of claims. This factsheet outlines the main benefits and processes involved.

State Pension

What is it?

State Pension is a benefit you can claim once you reach State Pension age. The amount you will receive depends on your National Insurance contribution record but is not impacted by your income or savings.

Receiving State Pension may affect other benefits that you receive. It counts as income for other means-tested benefits, including Pension Credit, Universal Credit and tax credits. It is also an overlapping benefit, which means it cannot be paid at the same time as certain other benefits (including Carer's Allowance, unless you receive a reduced State Pension that is less than the Carer's Allowance amount).

When to claim?

You can claim State Pension from State Pension age. You can check your State Pension age at www.gov.uk/state-pension-age

You can make an advance claim from 4 months before reaching State Pension age. The Pension Service should send you an invitation code to apply online or a letter no later than two months before you reach State Pension age. If you do not receive your code or letter, you can still apply online if you are within four months of State Pension age. Making an advance claim will not affect any of the benefits that you already receive.

Pension Credit

What is it?

Pension Credit is a means-tested benefit that you can claim once you reach State Pension age. Pension Credit guarantee credit ensures that no one lives on less than a specified amount. Extra amounts are payable if you are severely disabled, if you are a carer and if you are responsible for children. It can be paid to top up other income (including State Pension). Note: there is another part of Pension Credit called savings credit, but this has closed for people reaching State Pension age on or after 6 April 2016.

When to claim?

If you are single, you can make a claim for Pension Credit when you reach State Pension age. If you are a couple, you can make a claim for Pension Credit if you are both State Pension age. You can make an advance claim for Pension Credit up to four months before you reach State Pension age. Making an advance claim will not affect any of the benefits that you already receive.

Mixed-age couples

If you are a member of a couple and the older partner reaches State Pension age, you become what is known as a mixed-age couple. Prior to 15th May 2019, couples in this situation could claim Pension Credit and Housing Benefit. Since this date, you can only make a new claim for Pension Credit and Housing Benefit if you are a protected couple. To be protected:

- you must have been a couple on the 14th May 2019 and have remained a couple since then; and
- the older member of the couple must be receiving Housing Benefit under the State Pension age rules, or, for a Housing Benefit claim, receiving Pension Credit; and
- there must be no gaps in your entitlement.

If you are not a protected couple, which benefits you can claim when you become a mixed-age couple depends on your circumstances. If the older member of the couple is the benefit claimant, you may have to claim Universal Credit. If the younger member of the couple is the benefit claimant, you may be able to remain on any existing benefits that you already receive.

Always seek advice in these circumstances as we are aware that people are often misadvised to claim Universal Credit, and certain couples can be significantly worse off.

> Bill and Charlie are a couple. Bill receives income-related Employment and Support Allowance and Housing Benefit, which includes amounts for Charlie. Bill is reaching State Pension age. As he is the claimant, the ESA and HB will end. If they need means-tested support, they will need to consider a claim for Universal Credit. If they make a Universal Credit claim before the ESA ends, the limited capability for work-related activity element will be transferred across to the UC award from the first month. Any State Pension or occupational pension that Bill receives will count as income.

Transferring from Universal Credit to Pension Credit

Universal Credit should continue until the end of the monthly assessment period in which you reach State Pension age. Any Pension Credit that you receive is ignored as income, and any Universal Credit you receive is ignored when calculating your Pension Credit.

Universal Credit

Universal Credit is a means-tested benefit that can be claimed if you are working-age and on a low income. It can also be claimed if you are a mixed-age couple where one partner is under State Pension age and one is over State Pension age.

Moving off Universal Credit: single claimants

If you are a single claimant, Universal Credit ends when you reach State Pension age. Universal Credit will continue to the end of the monthly assessment period in which you turn State Pension age and then end. If Pension Credit or Housing Benefit starts before your Universal Credit ends, any amount you receive is ignored as income. Any State Pension that you receive before your Universal Credit award ends is included as unearned income on a pro-rata basis and is deducted pound for pound from your award.

You should always notify the DWP when you reach State Pension age as this is not currently something that the computer system automatically picks up.

> Sian receives Universal Credit. Her monthly assessment period runs from the 3rd – 2nd of each month. On 15th May, she turns State Pension age. She has already made an advance claim for Pension Credit and State Pension. She notifies the DWP that she has reached State Pension age and her Universal Credit award ends on the 2nd June. Any Pension Credit that she receives before her UC ends is ignored as income. Any State Pension that she receives is included as unearned income pound for pound on a pro-rata basis from the 15th May – 2nd June.

Mixed-age couples: claims

Although Universal Credit is a working-age benefit, you are also entitled to it if you are a mixed-age couple – where one of you is working-age and one of you has reached State Pension age.

If you are a member of a couple and the older partner reaches State Pension age, you become what is known as a mixed-age couple. Prior to 15th May 2019, couples in this situation could claim Pension Credit and Housing Benefit. Since this date, you can only make a new claim for Pension Credit or Housing Benefit if you are a protected couple (see above). If you are not a protected couple, you may have to claim Universal Credit for means-tested support.

If you become a mixed-age couple due to the older partner reaching State Pension age and you don't already receive Universal Credit, whether you need to claim Universal Credit or whether you can remain on your existing benefits depends on your circumstances. Always seek advice in these situations as we are aware that many couples are incorrectly told that Universal Credit is their only option.

> Tatjana and Naveen are a couple. Tatjana is working-age and receives Housing Benefit and income-related Employment and Support Allowance, which includes the couple amount. Naveen has just turned State Pension age and believes that they must now claim Universal Credit as they have become a mixed-age couple. As Tatjana is the claimant, the ESA award does not automatically end. The pensioner premium can be added to the ESA calculation. Any State Pension and occupational pension that Naveen receives will be included as income. Housing Benefit will continue under the working-age rules, and no underoccupancy reduction will be applied.

Mixed-age couples: limited capability for work

State Pension aged members of a mixed-age couple can be assessed or treated as having limited capability for work or limited capability for work-related activity.

- If the State Pension age member receives Personal Independence Payment, Disability Living Allowance or Adult Disability Payment (Scotland), **they are treated as having limited capability for work**. In order to get the limited capability for work-related activity element included, a fit note must be submitted and a Work Capability Assessment carried out. If awarded, the additional element should be paid from the beginning of the fourth monthly assessment period after the fit note was submitted. Note: the addition of the LCWRA element after the first monthly assessment period will erode any transitional severe disability premium element or transitional element that is included in your award.

- If the State Pension age member receives Attendance Allowance, Disability Living Allowance higher rate care component, Personal Independence Payment enhanced rate daily living component, or Adult Disability Payment (Scotland) enhanced rate daily living component, **they are treated as having limited capability for work-related activity.** In these cases, the additional element should be included from the start of the award, or when the disability benefit is awarded. As these elements are often missed, it is advisable to carefully check your statement.
- A State Pension age partner should not have any work-related requirements, regardless of whether they have limited capability for work or not.
- If found or treated as having limited capability for work, the relevant work allowance should be included in the calculation of earnings.

Mixed-age couples: underoccupancy reduction

The normal underoccupancy reduction rules apply to mixed-age couples claiming Universal Credit.

Moving from Employment and Support Allowance to Universal Credit

If you become a mixed-age couple and the older member is the claimant of an income-related Employment and Support Allowance award, care must be taken to maximise entitlement. In order to continue to receive the limited capability for work-related activity element from the beginning of the Universal Credit award, the claim must be made while the ESA is still in payment. If a claim for UC is only made after ESA ends, then the work capability decision cannot be transferred over and the process must start from the beginning, with the older partner submitting fit notes and requesting a work capability assessment.

Housing Benefit

What is it?

Housing Benefit helps with rental costs if you are on a low income.

If you are single and have turned State Pension age or are a member of a couple and both of you are State Pension age, you can claim Housing Benefit for support with your rent.

When to claim?

You may already receive Housing Benefit. If not, you can make an advance claim for Housing Benefit four months before turning State Pension age. It is payable from the Monday after you turn State Pension age.

If you are moving from Universal Credit onto Housing Benefit, any Housing Benefit you receive in your last Universal Credit assessment period is ignored as income.

Mixed-age couples

If you are a member of a mixed-age couple, where one of you is State Pension age and one of you is working-age, which benefit you can claim for support with your rent depends on your circumstances. You may be able to claim Housing Benefit, or you may be able to claim Universal Credit which includes an amount for rent. Seek advice.

Mixed-age couples are exempt from the underoccupancy reduction but not from the size criteria for the Local Housing Allowance.

Ron and Ally live in a two-bedroom flat, rented from a housing association. Ron claims income-related Employment and Support Allowance and they get Housing Benefit (it doesn't matter who the main claimant is). Ally turns State Pension age in a few weeks. Their existing benefits can continue. There will be no underoccupancy reduction for their spare bedroom.

Personal Independence Payment (PIP)

Personal Independence Payment is a disability benefit, made up of two parts: the daily living component and the mobility component.

If you made a claim for Personal Independence Payment before reaching State Pension age (including if you made a claim before that date but only receive a decision after that date), then you can continue to receive PIP for as long as you still meet the conditions. Reaching State Pension age does not automatically end a PIP claim.

Daily Living Component – once you have reached State Pension age, the daily living component can be renewed as normal – moving from standard to enhanced rate and vice versa.

Mobility Component – once you have reached State Pension age, there are limitations on the mobility component. If you are not already entitled to it, you cannot claim it for the first time. If your mobility needs increase, you cannot move from the standard rate up to the enhanced rate.

Alisha turned State Pension age last year. She receives PIP enhanced rate daily living component. Since turning State Pension age, her mobility needs have increased. She is not able to receive the mobility component as she was not already entitled to it before turning State Pension age.

Attendance Allowance

Attendance Allowance is a disability benefit. It can only be claimed by people who have reached State Pension age. As it uses different assessment criteria to Personal Independence Payment, you may be entitled to Attendance Allowance even if you were not successful in an award of PIP.

Disability Living Allowance for adults

Disability Living Allowance is a disability benefit. It has been replaced by Personal Independence Payment for adults under State Pension age.

If you were aged 65 or over on 8 April 2013 and already received DLA, you will remain on it for as long as you continue to meet the disability criteria. Reaching State Pension age does not automatically end a DLA claim. If you report a change in your health, your DLA claim will be reassessed.

If you receive DLA and were under 65 on 8 April 2013, you will be assessed for Personal Independence Payment under the normal PIP rules, even if you are over State Pension age at the time you are reassessed (this means the mobility component can be included if relevant). If you report a change in your health, you will be assessed for Personal Independence Payment.

Renewal claims are possible once you have reached State Pension age, but there are restrictions on which components you can receive.

Care component – you can continue to receive or renew the lowest rate if you already receive it, but you cannot drop from the middle or high rate care component to the lowest rate, you will lose it instead. You can move between the middle and higher rates, or move up from the lowest rate, but must serve a 6 month qualifying period.

Mobility component – you can only stay on the rate you received prior to turning State Pension age. You cannot move up or down a rate, unless you can show that you met the conditions before turning State Pension age.

If you only receive the mobility component of Disability Living Allowance, it is possible to claim Attendance Allowance as well for support with care needs, but this may also be treated as a DLA reassessment or a claim for Personal Independence Payment instead. Seek advice.