

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB A16/2009

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	For information
SUBJECT	Guidance on the effects on HB/CTB of the equalisation and extension of State Pension age – SI 2009/1488

Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance manual. Please annotate this circular number against *paragraph A4.1190, BW1.180(ii), BP1.181(ii), BW3.142, BW3.143, BW3.164, BW3 Annex A headings, BP3 Annex A headings.*

Queries

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Guidance on the effects on HB/CTB of the equalisation and extension of State Pension age - SI 2009/1488

Introduction

- 1 This circular provides you with details of the changes made to the HB/CTB regulations to take account of the equalisation and extension of the qualifying age for State Pension. The amendments are in SI 2009/1488. That SI also contains the equivalent amendments to the other income-related benefits.
- 2 This circular also includes a summary of the other changes to be made by the reform of State Pension. This is for information as the reforms do not directly affect HB/CTB policy.

Coming into force

- 3 The changes to HB/CTB will come into force from 6 April 2010 in line with the start of the equalisation of the State Pension age.

Background

- 4 The State Pension age for women is set to increase from 60 to 65, starting in April 2010 and ending in April 2020. Under measures introduced by the Pensions Act 1995, women born between 6 April 1950 and 5 April 1955 will have a State Pension age of between 60 and 65, depending on their date of birth. Women born before 6 April 1950 will continue to become eligible for their State Pension at 60; those born on or after 6 April 1955 will have the same State Pension age as men (65). However, The Pensions Act 2007 provided that a second stage approach will mean a common retirement date of 68, by 2046.
- 5 As a consequence, other benefits which are payable up to 'pensionable age' and which currently cease at 60 for women and 65 for men will also be available to women aged 60 to 64. These benefits include Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA).
- 6 The minimum age for entitlement to Pension Credit and pensioner HB/CTB which is currently 60 for both men and women, will increase in line with female State Pension age. Income Support and working-age HB/CTB, which currently have a maximum qualifying age of 60 for both men and women, will be payable up to the new qualifying age for Pension Credit.
- 7 None of the sets of HB/CTB regulations require amendment to achieve this as the gradual increase in female State Pension age and the extension to age 68 process have already been built into regulation 5 of each set of regulations.

- 8 Regulation 5 of the working age HB and CTB provisions each state that the whole set applies to a person who has not attained the qualifying age for Pension Credit. On the other hand regulation 5 of the pensioner HB (HB(SPC)) and CTB (CTB(SPC)) regulations each provide that the set applies to a person who has attained the qualifying age for Pension Credit.
- 9 That age is defined in Regulation 2 of each of the sets of regulations and is aligned with the qualifying age for State Pension for women. It provides that the qualifying age for Pension Credit is, in the case of a
- woman, pensionable age
 - man, the age which is pensionable age in the case of a woman born on the same day as the man
- 10 Therefore, from 6 April 2010, the upper cut-off age for working age HB/CTB will start to rise for men and women, in line with the State Pension age equalisation and extension changes. Similarly the lower qualifying age for HB(SPC)/CTB(SPC) will start to increase at the same rate. The same process will apply to Income Support (IS), JSA, ESA and Pension Credit (guarantee credit). Therefore, you will not have to process cases where, for example, IS ends before HB(SPC) can begin.
- Note:** Pension Credit (savings credit) already has a start date of age 65 for all and is, therefore, unaffected by the equalisation process
- 11 A timetable at *Appendix A* shows, for throughout the 10 year equalisation process, the
- female State Pension age based on their date of birth,
 - earliest qualification start date for HB/CTB(SPC) and Pension Credit, guarantee credit
- Note:** The earliest qualification start date will also be the day after the latest date that working age HB/CTB and IS will be payable to all customers and ESA and JSA to women.
- 12 *Appendix B* contains a timetable showing State Pension qualifying dates for the extension of the State Pension age from age 65 for all to age 68 for all. These changes will be introduced between 2024 and 2046. It will also apply to the maximum age up to which IS, JSA, ESA and working age HB/CTB are payable and the earliest qualification start date for HB/CTB(SPC) and Pension Credit.

Amendments to the HB/CTB regulations in respect of the equalisation and extension of State Pension age

- 13 Although the HB/CTB regulations themselves do not require amendment to gradually increase the upper qualifying age for working age HB/CTB or the earliest qualifying age for HB(SPC)/CTB(SPC) there are certain individual provisions within the sets of HB/CTB regulations requiring amendment. This is because they refer to age 60 as a qualifying age. These are the provisions for
- the disability premium and the enhanced disability premium
 - the £20 earnings disregard when awarded because of the Disability Premium or Severe Disability Premium
 - the disregard of the value of a second property
 - advance claims for HB(SPC) and CTB(SPC)
 - HB transitional protection (pre-1996 cases)
- 14 These provisions have all had the reference to age 60 replaced by references to the qualifying age for Pension Credit which, as explained above is already aligned with the qualifying age for State Pension. The changes made are explained in greater detail below.

The disability premiums

- 15 One of the qualifying conditions for the Disability Premium and the Enhanced Disability Premium is that the customer/partner is aged less than 60. So that the provisions do not discriminate against men, this upper age limit is currently linked to the female State Pension age. To maintain that link the reference to age 60 has been replaced by a reference to the qualifying age for Pension Credit. Thus both premiums may continue in working age HB/CTB until the customer attains the upper cut off age for working age HB/CTB rather than stopping at age 60. The amendments are in regulation 26(2) & (3) for HB and 34(2) & (3) for CTB.

Example

Customer born 21 November 1950 will be eligible to working age HB/CTB and the disability premium up to 6 July 2011.

Earnings disregards

- 16 If a customer has earnings, the normal rule is that £5 (£10 in the case of a couple) per week is disregarded.
- 17 However, the weekly earnings disregard is £20 when
- the customer or their partner has entitlement to the Disability Premium or Severe Disability Premium, and
 - the customer or partner is aged less than 60, and
 - at least one of them is working

- 18 As the conditions are linked to entitlement to the Disability Premium and as the upper age limit for that premium is to rise in line with the equalisation of State Pension age, this upper age limit will also increase in line with the equalisation of State Pension age. Thus entitlement to the Disability Premium and the higher earnings disregard will remain until the customer attains the upper cut-off age for working age HB/CTB. The amendment is in regulation 27(2) for HB and 35(2) for CTB.

Example

Customer born 10 July 1952 will be eligible to working age HB/CTB, the Disability Premium and the £20 weekly earnings disregard up to 6 November 2014.

Disregard of the capital value of a second property

- 19 The general rule is that capital assets are taken into account in full in the calculation of HB/CTB. However, there are exceptions one of which is that the capital value of a second property must be disregarded if it is occupied by a partner, relative or member of the family who is either incapacitated or aged 60 or over.
- 20 The provision has been amended so that the age limit will increase in line with the equalisation of State Pension age. The amendment is in regulation 28(2) for HB, 31(2) for HB(SPC), 36(2) for CTB and 39(2) for CTB(SPC).

Example

The customer has a second property occupied by a relative born 22 March 1953. The value of the second property could not be disregarded until 6 March 2016.

Advance claims for HB(SPC) and CTB(SPC)

- 21 The existing regulation provides for a claim for HB(SPC) and/or CTB(SPC) to be made 17 weeks in advance of becoming age 60. It does this by referring to the age 59 years and 35 weeks. The provision has been amended so that it refers to 17 weeks before reaching the qualifying age for Pension Credit. The effect will be that customers will continue to be able to make their claim for pensioner HB/CTB 17 weeks before they reach State Pension retirement age throughout the equalisation and extension process. It will also maintain the link with the claims provisions for Pension Credit and State Pension.
- 22 The amendment is in regulation 25(2) for HB, 30(2) for HB(SPC), 33(2) for CTB and 38(2) for CTB(SPC).

HB transitional protection

- 23 'Saved' HB regulation 13 contains the provisions which retain the method of determining eligible rent that applied before 1 January 1996 provided customers satisfy certain conditions. One of the conditions is that a person must be aged 60 or over. The provision has been amended so that the age at which this added protection will apply will increase in line with the equalisation of State Pension age and extension process. The amendment is in regulation 41(2).

Example

Customer born 30 October 1954, provided all the other conditions are satisfied, saved HB regulation 13 would apply from 6 May 2019.

References to age 60 not amended

- 24 There are references to age 60 in the
- working age notional income provisions (*HB reg 42(2)(c)*, *CTB reg 32(2)(c)*) requiring that notional income from a personal pension/annuity must be taken into account if it is not claimed but would be available, and
 - working age evidence and information provisions (*HB reg 86(5)*, *CTB reg 72(5)*) which require customers to provide certain information in respect of a personal pension/annuity
- 25 We are still considering whether to amend those references. If a change is to be made you will be advised.

Other changes to be made as a result of the reform of State Pensions

- 26 The equalisation and extension of State Pension age is only a part of the reform of State Pensions. A summary of the other changes is in *Appendix C*. None of the changes listed directly affects HB/CTB policy. Therefore, *Appendix C* is included for information only.

Timetable: State Pension age equalisation and the earliest start date for Pension Age HB/CTB and Pension Credit guarantee credit for men and women

Customer Date of Birth	Female Pension Age date	Earliest date that the customer (male or female) can qualify for pension age HB/CTB and Pension Credit guarantee credit¹
06/04/50 – 05/05/50	06/05/2010	06/05/2010
06/05/50 – 05/06/50	06/07/2010	06/07/2010
06/06/50 – 05/07/50	06/09/2010	06/09/2010
06/07/50 – 05/08/50	06/11/2010	06/11/2010
06/08/50 – 05/09/50	06/01/2011	06/01/2011
06/09/50 – 05/10/50	06/03/2011	06/03/2011
06/10/50 – 05/11/50	06/05/2011	06/05/2011
06/11/50 – 05/12/50	06/07/2011	06/07/2011
06/12/50 – 05/01/51	06/09/2011	06/09/2011
06/01/51 – 05/02/51	06/11/2011	06/11/2011
06/02/51 – 05/03/51	06/01/2012	06/01/2012
06/03/51 – 05/04/51	06/03/2012	06/03/2012
06/04/51 – 05/05/51	06/05/2012	06/05/2012
06/05/51 – 05/06/51	06/07/2012	06/07/2012
06/06/51 – 05/07/51	06/09/2012	06/09/2012
06/07/51 – 05/08/51	06/11/2012	06/11/2012
06/08/51 – 05/09/51	06/01/2013	06/01/2013
06/09/51 – 05/10/51	06/03/2013	06/03/2013
06/10/51 – 05/11/51	06/05/2013	06/05/2013
06/11/51 – 05/12/51	06/07/2013	06/07/2013

¹ This date will also be the day after the latest date that working age HB/CTB and IS will be payable to all customers and ESA and JSA to women.

Customer Date of Birth	Female Pension Age date	Earliest date that the customer (male or female) can qualify for pension age HB/CTB and Pension Credit guarantee credit¹
06/12/51 – 05/01/52	06/09/2013	06/09/2013
06/01/52 – 05/02/52	06/11/2013	06/11/2013
06/02/52 – 05/03/52	06/01/2014	06/01/2014
06/03/52 – 05/04/52	06/03/2014	06/03/2014
06/04/52 – 05/05/52	06/05/2014	06/05/2014
06/05/52 – 05/06/52	06/07/2014	06/07/2014
06/06/52 – 05/07/52	06/09/2014	06/09/2014
06/07/52 – 05/08/52	06/11/2014	06/11/2014
06/08/52 – 05/09/52	06/01/2015	06/01/2015
06/09/52 – 05/10/52	06/03/2015	06/03/2015
06/10/52 – 05/11/52	06/05/2015	06/05/2015
06/11/52 – 05/12/52	06/07/2015	06/07/2015
06/12/52 – 05/01/53	06/09/2015	06/09/2015
06/01/53 – 05/02/53	06/11/2015	06/11/2015
06/02/53 – 05/03/53	06/01/2016	06/01/2016
06/03/53 – 05/04/53	06/03/2016	06/03/2016
06/04/53 – 05/05/53	06/05/2016	06/05/2016
06/05/53 – 05/06/53	06/07/2016	06/07/2016
06/06/53 – 05/07/53	06/09/2016	06/09/2016
06/07/53 – 05/08/53	06/11/2016	06/11/2016
06/08/53 – 05/09/53	06/01/2017	06/01/2017
06/09/53 – 05/10/53	06/03/2017	06/03/2017
06/10/53 – 05/11/53	06/05/2017	06/05/2017

Customer Date of Birth	Female Pension Age date	Earliest date that the customer (male or female) can qualify for pension age HB/CTB and Pension Credit guarantee credit¹
06/11/53 – 05/12/53	06/07/2017	06/07/2017
06/12/53 – 05/01/54	06/09/2017	06/09/2017
06/01/54 – 05/02/54	06/11/2017	06/11/2017
06/02/54 – 05/03/54	06/01/2018	06/01/2018
06/03/54 – 05/04/54	06/03/2018	06/03/2018
06/04/54 – 05/05/54	06/05/2018	06/05/2018
06/05/54 – 05/06/54	06/07/2018	06/07/2018
06/06/54 – 05/07/54	06/09/2018	06/09/2018
06/07/54 – 05/08/54	06/11/2018	06/11/2018
06/08/54 – 05/09/54	06/01/2019	06/01/2019
06/09/54 – 05/10/54	06/03/2019	06/03/2019
06/10/54 – 05/11/54	06/05/2019	06/05/2019
06/11/54 – 05/12/54	06/07/2019	06/07/2019
06/12/54 – 05/01/55	06/09/2019	06/09/2019
06/01/55 – 05/02/55	06/11/2019	06/11/2019
06/02/55 – 05/03/55	06/01/2020	06/01/2020
06/03/55 – 05/04/55	06/03/2020	06/03/2020
06/04/55	06/04/2020	06/04/2020

Extension of State Pension Age from 2024 timetable		
Increase from 65 to 66		
Male or Female date of birth	Date that they will reach SPa	SP age (in years and months)
6 April 1959 to 5 May 1959	6 May 2024	65.1 – 65.0
6 May 1959 to 5 June 1959	6 July 2024	65.2 – 65.1
6 June 1959 to 5 July 1959	6 September 2024	65.3 – 65.2
6 July 1959 to 5 August 1959	6 November 2024	65.4 – 65.3
6 August 1959 to 5 September 1959	6 January 2025	65.5 – 65.4
6 September 1959 to 5 October 1959	6 March 2025	65.6 – 65.5
6 October 1959 to 5 November 1959	6 May 2025	65.7 – 65.6
6 November 1959 to 5 December 1959	6 July 2025	65.8 – 65.7

6 December 1959 to 5 January 1960	6 September 2025	65.9 – 65.8
6 January 1960 to 5 February 1960	6 November 2025	65.10 – 65.9
6 February 1960 to 5 March 1960	6 January 2026	65.11 – 65.10
6 March 1960 to 5 April 1960	6 March 2026	66.0 – 65.11
6 April 1960 to 5 April 1968	66 th birthday	66.0
Increase from 66 to 67		
6 April 1968 to 5 May 1968	6 May 2034	66.1 – 66.0
6 May 1968 to 5 June 1968	6 July 2034	66.2 – 66.1
6 June 1968 to 5 July 1968	6 September 2034	66.3 – 66.2
6 July 1968 to 5 August 1968	6 November 2034	66.4 – 66.3
6 August 1968 to 5 September 1968	6 January 2035	66.5 – 66.4
6 September 1968 to 5 October 1968	6 March 2035	66.6 – 66.5
6 October 1968 to 5 November 1968	6 May 2035	66.7 – 66.6

6 November 1968 to 5 December 1968	6 July 2035	66.8 – 66.7
6 December 1968 to 5 January 1969	6 September 2035	66.9 – 66.8
6 January 1969 to 5 February 1969	6 November 2035	66.10 – 66.9
6 February 1969 to 5 March 1969	6 January 2036	66.11 – 66.10
6 March 1969 to 5 April 1969	6 March 2036	67.0 – 66.11
6 April 1969 to 5 April 1977	67 th birthday	67
Increase from 67 to 68		
6 April 1977 to 5 May 1977	6 May 2044	67.1 – 67.0
6 May 1977 to 5 June 1977	6 July 2044	67.2 – 67.1
6 June 1977 to 5 July 1977	6 September 2044	67.3 – 67.2
6 July 1977 to 5 August 1977	6 November 2044	67.4 – 67.3
6 August 1977 to 5 September 1977	6 January 2045	67.5 – 67.4
6 September 1977 to 5 October 1977	6 March 2045	67.6 – 67.5

6 October 1977 to 5 November 1977	6 May 2045	67.7 – 67.6
6 November 1977 to 5 December 1977	6 July 2045	67.8 – 67.7
6 December 1977 to 5 January 1978	6 September 2045	67.9 – 67.8
6 January 1978 to 5 February 1978	6 November 2045	67.10 – 67.9
6 February 1978 to 5 March 1978	6 January 2046	67.11 – 67.10
6 March 1978 to 5 April 1978	6 March 2046	68.0 – 67.11
6 April 1978 onwards	68 th birthday	68

Summary of other changes to be made as a part of Pensions Reform

New contribution condition for basic State Pension Men currently need 44 qualifying years and women 39 for a full basic pension. This will be reduced to 30 years for both men and women reaching State Pension age on or after 6 April 2010. The requirement to have at least one qualifying year from paid (not credited) National Insurance contributions will no longer apply. A person with fewer than 30 qualifying years will get 1/30th of the full rate for each complete qualifying year.

Home Responsibilities Protection is being replaced for customers reaching State Pension age on or after 6 April 2010. From 6 April 2010 parents and carers will be able to build up qualifying years through new weekly credits for the basic State Pension and additional State Pension.

Class 3 National Insurance Contributions (NICs) The Pensions Act 2008 allows certain people to buy up to an additional six years of voluntary Class 3 NICs. This is over and above those permitted under the current time limits, in order to enhance their basic State Pension entitlement. The new rules came into effect from 6 April 2009. The new measure applies to individuals who:

- reach State Pension age between 6 April 2009 and 5 April 2015
- already have 20 qualifying years (including any full tax years of Home Responsibilities Protection).

Individuals who reach State Pension age between 6 April 2008 and 5 April 2010 must have at least one qualifying year from paid or treated as paid NICs or earnings

Category B pension Subject to the relevant contribution conditions being met, a married man or a civil partner will be entitled to a Category B pension based on their wife's or civil partner's contributions when they reach State Pension age, provided the wife or partner were born on or after 6 April 1950. Also, from 6 April 2010, provided the person from whose NI record the Category B pension is derived has reached State Pension age, it will no longer be a condition that they have also claimed their own State Pension for a Category B pension to be payable. This change also applies to Category B pensions payable to married women.

Widowers and surviving civil partners who reach State Pension age on or after 6 April 2010 will be able to inherit a Category B pension in the same circumstances as a widow. Category B inheritance rights do not currently apply to widowers bereaved under pension age before 2001, and widowers and surviving civil partners who are over State Pension age when bereaved and whose wife or partner died aged less than State Pension age.

<p>Women awarded Graduated Retirement Benefit (GRB) on or after 6 April 2010 will have their GRB units recalculated to mirror the calculation for men. Widowers and civil partners will be able to inherit half of the monetary value of GRB based on their late spouse's or late civil partner's graduated contributions irrespective of the age of their deceased partner.</p>
<p>Inheritance of the reward for deferring the State Pension widowers and surviving civil partners reaching State Pension age on or after 6 April 2010 will be able to inherit the reward accrued by the deceased, irrespective of whether they were under or over State Pension age at the time of bereavement, subject to the same conditions that currently apply to widows.</p>
<p>Winter Fuel payment the qualifying age will increase gradually from age 60-65 in line with the equalisation of women's State Pension age.</p>
<p>Auto credits will be gradually phased out as female pension age increases and so will become available to men only for the tax years in which they have attained the pension age of a woman of the same age, up to the tax year before the one in which they reach 65.</p>
<p>Bereavement Allowance in line with the increase in women's State Pension age, payment can be made beyond the age of 60 for women.</p>
<p>Bereavement Payment in line with the increase in women's State Pension age can be made beyond the age of 60 for women regardless of whether their late spouse or civil partner was entitled to Category A pension when they died.</p>
<p>Widows Pension (WP) will continue in line with the extension of State Pension age from 2024. This will only apply to women who have become eligible for WP on cessation of Widowed Parents Allowance prior to 2024</p>
<p>Social Fund The age 60 or over 'age related' higher capital rules for both men and women will move in line with the increase in women's State Pension age. The capital rule when both partners are under 60 will change in line with the increase in women's State Pension age.</p>
<p>Attendance Allowance Minimum age (currently 65) for eligibility and DLA upper age limit to align with the rising of State Pension age from 2024.</p>
<p>Industrial Injuries Disablement Benefit (Reduced Earnings Allowance (REA) and Retirement Allowance (RA)) Maximum age at which women can receive REA will increase in line with women's State Pension age. The minimum age at which women can receive RA will increase in line with women's State Pension age.</p>
<p>Christmas Bonus The rise in women's State Pension age will be reflected in the payment of Christmas Bonus for Adult Dependents.</p>
<p>Uprating of basic State Pension During the next Parliament, the uprating of the basic State Pension will be re-linked to average earnings. The intention, subject to affordability and the fiscal position, is to do this in 2012, but in any event by the end of the next Parliament at the latest.</p>