

## *Policy Circular*

### Document No 17/04

**Owner:** Strategy & Communications Directorate

**Subject:** Pension Credits

**Version:** 2 of 2

**Last Amended:** July 2010

**Date Reviewed:** July 2010

**Next Review:** February 2012

### 1.0 Background

The state pension credit, better known as just the Pension Credit (PC) came into force on the 6<sup>th</sup> October 2003 and is operated by the Pensions Service. (An agency of the DWP).

There are two separate credits that can be claimed these are the Guarantee credit and the Savings credit. It is possible for a person to qualify for one or both of the credits.

#### 1.1 The Guarantee Credit (GC)

The age from which you can get the Guarantee Credit – the qualifying age – is gradually increasing from 60 to 65 between April 2010 and 2020.

It is possible for a person receiving the GC to also receive an additional amount of money for severe disability. This is akin to the SDP paid with Income Support and will be known as the Severe Disability Addition.

#### Independent Living Fund

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The Independent Living Fund is an Executive Non-Departmental Public Body of the Department for Work and Pensions

When calculating whether a person is able to receive a Guarantee Credit the Pension service will use a set figure for either singles or couples known as the Standard Minimum Guarantee (SMG). This will replace the personal allowances and premiums that are used within Income Support calculations.

## **1.2 The Savings Credit (SC)**

This is available to people over the age of 65 and is intended to provide extra money for those who have saved for their future.

The amount of Savings Credit a person receives will differ depending on their individual circumstances.

It is possible for a person to qualify for Savings credit whether or not they receive the Guarantee Credit.

## **1.3 Capital**

For both types of credit there is no limit to how much capital a person can have in order to qualify. A tariff charge is still applied.

## **2.0 Policy**

### **2.1 Guarantee Credit**

The majority of users over the age of sixty will no longer receive Income Support. For those who qualify, the Guarantee Credit will be awarded instead.

ILF users who are granted the Guarantee Credit will be treated in the same way as those who are awarded Income Support i.e. a notional assessment will not be required.

Any additional amount that is paid with the Guarantee Credit for Severe Disability will be taken into account on the assessment summary sheet in the same way as SDP.

## **2.2 GC Procedure**

Where a user states they are in receipt of the Guarantee credit the assessment should be processed as though it were an Income Support case. A notional assessment will not be required and half DLA will be taken to be the Available Income. A tick should be placed in the Guarantee Credit box on ici to signify that a notional assessment is not required.

Where the user states they are receiving the Severe Disability Addition this will also be included when calculating the users Available Income. This should be noted on the assessment summary sheet and input on ici as with SDP.

MIDAS will be used to check the stated facts are accurate as with Income Support cases.

As there is no capital limit where the Guarantee Credit is concerned it is essential that section staff check how much capital a user has before calculating an offer. The Financial information form is designed to verify the capital held by all ILF users/applicants, irrespective of whether or not they are in receipt of IS/GC. If this question has not been answered on the financial information form staff should clarify facts before completing an assessment and then collect evidence in the normal way.

## **2.3 Users over 60 who do not receive IS or GC**

A full Notional assessment will be required for users over the age of 60 who do not receive either IS or GC.

## **2.4 Savings Credit**

The ILF will fully disregard any monies a user receives in the form of a Savings Credit for income purposes.

## **2.5 Savings Credit Procedure**

Users will not be asked to provide details of the amount of money received in the form of a Savings Credit but will be asked to confirm whether or not the credit is received for statistical purposes.

For users aged over 60 the appropriate section of the Notional assessment sheet should be used and the relevant Standard Minimum Guarantee (SMG) figure should be used in place of personal allowances and premiums.

SMG figures for both age categories will be published annually.

Any monies received in the form of a Savings Credit should not be noted on the Notional Assessment, as this should be totally disregarded.

## **3.0 Source**

Independent Living Fund Trust Deed 2006  
Conditions of Grant Agreement 2007

## **4.0 Cross References**

Available Income policy

## **5.0 History Date Reviewed**

12 February 2008  
July 2010

# Equality Impact Assessment

## Screening Template

This preliminary impact assessment form is to help you screen your policy, project, function or new service. It should help you consider whether a full Equality Impact Assessment is required by looking at whether there is a potential negative or positive impact on any of the equality groups, if there is an opportunity to promote equality, and whether further data is needed.

**Title of policy, project, function or service:**

Pension Credit

**Short description of aims and objectives**

Outlines how we assess the income and capital of a person in receipt of pension credit

**Thinking about each group below, does (or could) the policy, project, service or function have an impact on members of each equality group? If so, how?**

Equality Group	Yes – negatively	Yes – positively	Unclear	No impact
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transgender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Socio-economic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## What information or research has been considered in judging these impacts?

Income Support (IS) regulations, ILF Conditions of Grant Agreement (COGA)

You should consider a full Equality Impact Assessment (EIA) if:

- (a) you feel one or more equality groups will be negatively impacted by the policy, project or service, or
- (b) there is an opportunity to promote equality and eradicate discrimination.

You may also consider further research if it is unclear, at this stage, what the impact may be.

### Based on your findings, is a full EIA required?

Yes  No

### Please provide a short summary of your decision-making below:

We are obliged by the COGA to assess as per income support regulations but we carry out a separate capital test because there is no capital limit for pension credit. The policy ensures all users are treated in the same way with regards to capital.

However, this policy reflects the provisions made within the COGA. The COGA is one of the formal legal documents that govern the operations of the ILF. The content of this policy is a procedural explanation of mandatory provisions and does not include any decisions made by the Trustees or ILF management.

**Notes:**

- The completed EIA Screening Template should be sent to Jon Duckworth, User Liaison Manager for approval by the Equality Impact Assessment Board (EIAB).
- We will contact you with any comments or queries about the completed form.

**This form was completed by:**

Joanna Mora