

CASE REFERENCE: MCFLM001
CLIENT NAME: MR NIGEL SMITH

WELFARE BENEFIT ADVICE – MR NIGEL SMITH

Thank you for instructing Money Carer Foundation to check Mr Smith's benefit entitlement. Please find attached completed welfare benefit entitlement calculation and below advice in respect of the calculation. This attached calculation also provides a 'before and after' calculation based on the information provided as to the potentially inheritance Mr Smith is due to receive, if there are any changes to the inheritance, please contact us and we can advise on any effects this may have.

INFORMATION PROVIDED:

- Mr Smith is sixty-five-year-old single gentlemen living in a housing association property.
- Mr Smith has physical disabilities and complex mental health issues.
- Mr Smith requires daily support which is provided within his property and funded by the local authority.
- Mr Smith has savings in a Cashplus account of £5264.21.
- Mr Smith has a court-appointed Deputy.
- Mr Smith is due to inherit £53,002.41 in two months' time from his late mother's estate. This will be paid as a lump sum.

CURRENT ENTITLEMENT:

Mr Smith currently receives State Pension (New Style) of £164.35 per week and Pension Credit Guarantee Credit of £62.95 per week. Mr Smith also receives Personal Independence Payments of Daily Living component of £85.60 per week and Mobility component of £59.75 per week. Mr Smith is liable to pay £162.40 per week rent and £15.82 per week council tax. Mr Smith currently receives full Housing Benefit and Council Tax Support from the local authority which covers in full his rental and Council Tax liabilities.

State Pension

You confirmed that Mr Smith is receiving State Pension of £164.35 per week, State Pension is a contributory benefit which is based upon an individual's national insurance contributions. As Mr Smith reach State Pension age after 06/04/2016 he falls under the 'New Style State Pension' rules.

Mr Smith's State Pension has been used to assess his entitlement to means-tested benefits.

Personal Independence Payments

You have confirmed that Mr Smith has been awarded Personal Independence Payments and is currently in receipt of this. Personal Independence Payments has two components, Daily Living and Mobility, Mr Smith has been awarded enhanced Daily Living and enhanced Mobility. The award of Personal Independence Payments at any rate affects Mr Smith's entitlement to means-tested benefit which will be outlined below.

Money Management for Vulnerable Adults

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Pension Credit

Pension Credit is a means-tested benefit for persons of State Pension age whose income and capital is low enough to qualify. Pension Credit is intended to top-up an individual's income. There are two types of Pension Credit;

- Guarantee Credit ensure a minimum level of weekly income, if an individual is in receipt of Pension Credit Guarantee then they will automatically qualify for the maximum amount of Housing Benefit and Council Tax Support. An award of Guarantee Credit also qualifies a claimant for free NHS dental treatment.
- Savings Credit is an extra payment for people who saved some money towards their retirement, for example an occupational pension. Savings Credit was abolished for claimants who reached State Pension age on or after 06/04/2016, as Mr Smith reached State Pension age after 06/04/2016 he does not qualify for Pension Credit.

Mr Smith as you have already confirmed qualifies for Pension Credit Guarantee, this is because his current capital and income falls below the 'minimum guarantee'. If Mr Smith was not in receipt of Personal Independence Payments or Disability Living Allowance, he would not qualify for Pension Credit Guarantee as his 'minimum guarantee' would be lower as he would not qualify for the Severe Disability Premium which increases his 'minimum guarantee'.

For Guarantee Credit, capital below £10,000 is disregarded and therefore Mr Smith's current capital does not affect his entitlement.

Pension Credit Guarantee

Retirement Pension (New) 164.35
Standard guarantee credit 163.00
Addition (severe disability) 64.30
Minimum guarantee 227.30
Minimum guarantee 227.30
Less income 164.35

SPC (guarantee credit) payable £62.95 per week

Housing Benefit and Council Tax Support

As Mr Smith is in receipt of Pension Credit Guarantee he is entitled to full Housing Benefit and Council Tax Support which covers his rent and Council Tax liabilities in full.

ENTITLEMENT BASED ON APPLICATION OF NEW CIRCUMSTANCES:

You have advised that Mr Smith is due to receive £58,266.62 from his late mother's estate. This will impact on some of Mr Smith's benefits which is outlined below. The effect on his entitlement assumes that the exact amount of £53,002.41 is inherited.

State Pension

As Mr Smith's State Pension is a contributory benefit, this will not be affected.

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Personal Independence Payments

As Mr Smith's award of Personal Independence Payments is a non-contributory benefit, this will not be affected.

Pension Credit

Pension Credit is a means-tested benefit which is affected by capital over £10,000. Any capital over this amount is seen as 'deemed income', a tariff of £1 for every £500 the claimant has over £10,000, or part thereof, will be added to their income for the purposes of calculating Pension Credit Guarantee.

As Mr Smith would have savings of £58,266.62, a tariff income of £97 per week would be assumed and therefore Mr Smith would no longer qualify for Pension Credit. Mr Smith's capital would need to fall below approximately £40,000 in order for him to requalify for Pension Credit Guarantee.

Pension Credit Guarantee

Retirement Pension (New) 164.35
Standard guarantee credit 163.00
Assumed income from savings 97.00
Addition (severe disability) 64.30
Net income 248.35
Minimum guarantee 227.30
SPC (guarantee credit) payable £0.00 per week

There is no entitlement to state pension credit (guarantee credit) as appropriate minimum guarantee does not exceed net income.

Housing Benefit and Council Tax Support

As Mr Smith no longer would qualify for Pension Credit Guarantee, no Housing Benefit or Council Tax Support would be payable and Mr Smith would be liable in full for his rental and Council Tax liabilities. Mr Smith would however qualify for a 25% single-person discount on his full Council Tax liability if he remains living in the property on his own.

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SUMMARY

Mr Smith is currently in receipt of the correct benefits based on the information provided. If Mr Smith receives the inheritance due then both the DWP Pension Service (0800 731 049) and relevant local authority will need to be informed as he will no longer qualify for Pension Credit Guarantee, Housing Benefit and Council Tax Support. As a result, Mr Smith's weekly benefit income would be £241.17 lower.

Thank you again for instructing Money Carer Foundation to complete a Welfare Benefit Assessment. If you require further clarification of any of the information above or there is a change of circumstances, please don't hesitate to contact me.

Please also find enclosed invoice for our fee for the completion of the work undertaken.

Yours sincerely,

Scott Billingsley

Head of Welfare Benefits
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Claimant's Details

Case Reference: [LM] As at 5 December 2018: The Claimant (Mr Smith), age 65, does not work. The Claimant receives Retirement Pension (New) of £164.35. Claimant receives Attendance Allowance or DLA/PIP(Care/Daily Living Component) of £85.60. The Claimant receives DLA/PIP (Mobility Component) of £59.75. The claimant is liable to pay £162.40 per week rent and £15.82 per week council tax.

State Pension Credit

Guarantee credit:-

Income		Minimum Guarantee	
Retirement Pension (New)	164.35	Standard guarantee credit	163.00
	<hr/>	Addition (severe disability)	64.30
Net income	<u>164.35</u>	Minimum guarantee	<u>227.30</u>
	Minimum guarantee	227.30	
	less income	164.35	
		<hr/>	
	SPC (guarantee credit) payable	<u>62.95</u>	

Savings credit is abolished - claimant is too young to have claimed

Housing Benefit

As state pension credit (guarantee) is payable, full housing benefit is payable.

Housing Benefit	162.40
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NB your Housing Benefit may be lower than this if your eligible rent is subject to a rent restriction.

Council Tax Reduction (England Default Scheme - No Authority Selected (Pension Age))

England Default Scheme - No Authority Selected (Pension Age)

As state pension credit (guarantee) is payable, there is no taper reduction for CTR.

CTR

15.82

Change in circumstances

The claimant now has savings of 52000.00.

State Pension Credit

Guarantee credit:-

Income		Minimum Guarantee	
Retirement Pension (New)	164.35	Standard guarantee credit	163.00
Assumed income from savings	84.00	Addition (severe disability)	64.30
Net income	<u>248.35</u>	Minimum guarantee	<u>227.30</u>

There is no entitlement to state pension credit (guarantee credit) as appropriate minimum guarantee does not exceed net income.

Savings credit is abolished - claimant is too young to have claimed

Council Tax Reduction (England Default Scheme - No Authority Selected (Pension Age))

No entitlement to CTR: No CTR: savings are above the relevant limit [£ 16000.00]

Summary (benefits)

	Before	After
State Pension Credit	62.95	0.00
Housing Benefit	162.40	0.00
CTR	15.82	0.00
Non Means Tested Benefits	309.70	309.70
	<hr/>	<hr/>
Total	<u>550.87</u>	<u>309.70</u>

Total is £241.17 lower

Whilst every effort has been made to ensure the accuracy of the calculation it is not an authoritative statement of law and no responsibility is accepted by the author from any losses arising from actions or advice consequent upon its use.