

Pension Credit and Carer's Allowance

Smoothing the journey, combatting pensioner poverty and recognising unpaid care



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Executive summary

The Government decision to change eligibility for Winter Fuel Payments to those in receipt of Pension Credit only, has brought into sharp focus the need to change the processes by which older carers apply for financial support, as well as the need to increase payments for older carers facing poverty who receive little other recognition.

Summary of recommendations:

Simplify claims processes

- DWP should ensure there is an automatic check for entitlement to Pension Credit for carers in receipt of Carer's Allowance when reaching State Pension age.
- DWP should create a simple tick box on forms and one route of establishing entitlement to Carer Addition when applying for Pension Credit, without having to apply for Carer's Allowance separately.

- * For those people already in receipt of Pension Credit who start caring and might be entitled to Carer Addition, DWP needs to find ways to radically simplify this process eg by not having to apply for Carer's Allowance separately if they would otherwise meet similar conditions. It should deliver this new system within a year.

DWP should work with the Scottish Government and Social Security Scotland to ensure that these measures also apply in relation to Carer Support Payment.

- Introduce these new measures before Winter 2025 to ensure better take-up of Pension Credit by carers.

Make carers and others aware of entitlements

- DWP should create simple awareness campaigns, using digital and traditional methods, to ensure that unpaid carers are aware of potential new entitlements to Carer's Allowance. Social Security Scotland should create similar campaigns to raise awareness of Carer Support Payment.

Lift older carers out of poverty

- The UK Government should raise the level of Carer Addition by £36.60 per week lifting 20,000 older carers out of deep poverty at a cost of £300 million per year.¹
- As a minimum, raise the level of Carer Addition by £11.10 per week lifting 10,000 older carers out of poverty at a cost of £80 million per year.²

Recognise and value older carers

- DWP should model the introduction and delivery of a new additional payment for older carers on top of their State Pension which recognises caring.
- DWP should introduce the new payment within three years.
 - The Scottish Government should deliver on its commitment to consider the introduction and delivery of a new additional payment for older carers on top of their State Pension which recognises caring.
- The Scottish Government should introduce legislation to deliver this new payment within the first session of the new Parliament elected in May 2026.

¹ These estimates of cost are based on work that was published in 2024 using previous benefit rates. The work can be found here: carersuk.org/reports/poverty-and-financial-hardship-of-unpaid-carers-in-the-uk/

² Ibid.

Key points:

This report finds that older carers over State Pension age are missing out on key financial entitlements because of a confusing and complex benefits system combined with a lack of awareness or frustration with the claims process.

Age UK's new analysis for this report has found that an estimated 65,000 carers are eligible for Pension Credit but not receiving it.

There are 1.3 million carers aged 65 and over in the UK.³ Many of those carers are caring for a high number of hours: over 600,000 older carers in the UK are caring for 50 or more hours a week. In England and Wales, it is women aged between 75 and 79, and men aged between 85-89 who are most likely to provide 50 hours or more of care.⁴

A significant proportion of older carers are struggling to make ends meet, with 1 in 5 carers of State Pension age living in poverty. The rate of poverty for carers aged 65 and over is 54% higher than non-carers of the same age group (20% vs 13%).⁵

Pension Credit is an important benefit for people on low incomes who are over state pension age. However, only 65% of those eligible for Pension Credit received it in 2023.⁶

Carers over State Pension age are entitled to a Carer Addition of £46.40 a week (2025-26 rates) added to their minimum amount, but many are unaware that they may be eligible for Pension Credit and are missing out on this vital financial support.

If carers have an entitlement to Carer's Allowance, this means that they will have a Carer Addition factored in when the DWP works out whether and how much Pension Credit a carer might receive. The inclusion of a Carer Addition means that they are more likely to be eligible for Pension Credit and increases the level of a Pension Credit award. However, as the rules are complex there is often a misunderstanding amongst carers about what the underlying entitlement means.⁷

Some older carers do not claim Carer's Allowance after they have reached State Pension age because they have heard it overlaps with the State Pension and that it is unlikely they will be paid Carer's Allowance. As a result, without the underlying entitlement to Carer's Allowance which gives them a Carer Addition, they find they are not entitled to Pension Credit.

Even if they are entitled to Pension Credit, misunderstandings or lack of knowledge about the Carer Addition means that their Pension Credit award is not maximised, missing out on vital income.

When carers who are already in receipt of Carer's Allowance reach State Pension age, they generally find that payments of Carer's Allowance stop and are advised by the DWP that they have an underlying entitlement to Carer's Allowance. However, these carers do not always go on to claim Pension Credit and are unaware that the underlying entitlement to Carer's Allowance gives them the benefit of a Carer Addition which means that they are more likely to qualify for Pension Credit and to receive a higher award.

Our survey found that three quarters (75%) of older carers didn't know that submitting a claim for Carer's Allowance makes it more likely that carers will be eligible for Pension Credit, and more likely to receive a higher amount.

³ Carers UK analysis of UK Census data 2021-2022

⁴ ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/socialcare/articles/unpaidcarebyagesexanddeprivationenglandandwales/census2021

⁵ carersuk.org/reports/poverty-and-financial-hardship-of-unpaid-carers-in-the-uk/

⁶ hansard.parliament.uk/commons/2025-03-17/debates/B585FBEC-E30D-418E-B9F4-3BEDF74822F1/PensionCreditUptake

⁷ In this report we refer to the rules on receiving Carer's Allowance at State Pension Age. In Scotland, Carer's Allowance has been replaced by Carer Support Payment in November 2024 and all current claimants are being transferred from Carer's Allowance to this new benefit. The rules on receiving this benefit at State Pension age are the same as Carer's Allowance. We have therefore used the term Carer's Allowance for ease of reading but please note that this also includes Carer Support Payment.

It is concerning that many carers are not receiving the support they are entitled to, particularly as Pension Credit is the gateway to receiving other benefits such as the Winter Fuel Payment.

- Carers who have submitted a claim for Pension Credit also tell us that the application process is lengthy and complex. There are 225 questions to respond to in the application form.⁸ Our survey found that a third (34%) of carers who claimed Pension Credit found the process difficult/very difficult. Our research has found that over half of carers feel overwhelmed 'often' or 'always' which is often in part due to the amount of administration involved in caring.⁹
- Scotland has devolved powers for certain carers' benefits and has introduced Carer Support Payment (CSP) to replace Carer's Allowance which remains in England, Wales and Northern Ireland. Carer Support Payment is delivered by Social Security Scotland. Pension Credit processes are still reserved by the UK Government. This means that the challenges faced by carers described in this report will also affect carers in Scotland. We have used the term Carer's Allowance throughout for ease of reading and where references are made to Carer's Allowance, similar issues will be faced by carers in Scotland in relation to the Carer Support Payment.

What is an underlying entitlement?

An underlying entitlement is when a person meets all the benefit criteria but a rule or another benefit prevents that person from being paid it. This essentially means that a person has a right or entitlement to the benefit, but does not receive it. However, having an underlying entitlement can be beneficial. It can either increase mean-tested benefits or it can lead to access to other benefits that people would not have been entitled to before.

Carers of State Pension Age often have an underlying entitlement to Carer's Allowance. This is due to the overlapping benefit rule which means that two social security benefits that are classed as the same type of benefit only one will be generally be paid, whichever is greater. Carer's Allowance and the basic State Pension are both classed as earnings replacement benefits.

⁸ hansard.parliament.uk/commons/2025-03-17/debates/B585FBEC-E30D-418E-B9F4-3BEDF74822F1/PensionCreditUptake.

⁹ Carers UK (2025) State of Caring: the impact of caring on carers' mental health and the need for support from social care services. carersuk.org/media/rjknz2jt/state-of-caring-mental-health-and-social-care-feb-2025.pdf

Introduction



Carers UK undertook a large piece of work looking at carers and poverty published in September 2024, *Poverty and Financial Hardship of Carers in the UK, a WPI Economics Report for Carers UK*, supported by abrdn Financial Fairness Trust, providing robust evidence of carers' poverty and setting out key recommendations for change. This included recommended changes for older carers' financial support.

Since the publication of that report, the decision was made by Government to change eligibility for Winter Fuel Payments to those in receipt of Pension Credit only. This created an added and urgent imperative to look more deeply into older carers, poverty and the relationship with Pension Credit.

Along with Age UK, Independent Age and many others, Carers UK ran take-up campaigns to try to increase awareness of and appropriate claims for Pension Credit, with Carers UK focussing primarily on older carers.

Our take-up work brought into sharp focus the need to change the processes by which older carers apply for additional financial support, as well as the need to increase payments for older carers facing poverty and who receive little other recognition.

This report explains the history of older carers' financial support, and the processes and solutions for tackling carers' poverty and improving outcomes and wellbeing.

Background



History of Carer's Allowance and pensioners

Legal provisions laid in 2002 made a ground-breaking change to claiming Carer's Allowance by removing the upper age limit of 65.¹⁰ Until the law was changed, it wasn't possible for unpaid carers to make a new claim for the main carer's benefit, Invalid Care Allowance (now named Carer's Allowance), for the first time if they were over 65. Carers could continue to be paid Invalid Care Allowance past State Pension age if their State Pension was lower than Carer's Allowance. At the time, the majority of those carers were women with very low state pensions ie less than the value of the Invalid Care Allowance which was worth £42.45 in 2002. Carers in receipt of Invalid Care Allowance were also entitled to a top up Carer Premium if they were providing 35 hours of care for someone in receipt of a relevant disability benefit and on a very low income.

Carers UK (named Carers National Association at the time) produced a key report in June 2000 entitled *Caring on the breadline: the financial implications of caring*¹¹ which provided evidence of the need for change. We also ran a campaign calling for a number of improvements to carers' benefits and provided evidence to various Select Committees. We argued that it was unfair for the poorest pensioners who became unpaid carers later in life to be unable to access top up income that was designed to help

those on the lowest incomes with the additional costs of caring. The majority of those missing out were women as they were more likely to be providing care and significantly more likely to be on very low incomes in retirement. Carers UK estimated at the time that 20,000 additional unpaid carers - most of whom were women - would benefit from changes to the system.

Following the Carers UK campaign, the Government announced a suite of improvements to Invalid Care Allowance which allowed unpaid carers over State Pension age to make a new claim for this benefit (now renamed Carer's Allowance) for the first time. This was part of the biggest set of changes to carers' benefits since their introduction in 1976.

The Social Security Amendment (Carer's Allowance) Regulations 2002 removed the age limit for new claims, allowing more carers to claim the benefit and to gain access to the Carer Premium top-up. When Pension Credit was introduced in October 2003, Carer Premium became Carer Addition with Pension Credit.

Two decades on from the introduction of that policy estimating 20,000 carers a year would benefit, at least 100,000 carers a year are now seeing benefits from this. However, there are more carers who are still missing out on Pension Credit.

¹⁰ See Art 4 of [The Regulatory Reform \(Carers Allowance\) Order 2002](#)

¹¹ Holzhausen E, *Caring on the breadline: the financial implications of caring*. 2001, Carers National Association.

Pension Credit and Carer Addition

Pension Credit is an important benefit for people over state pension age on low incomes. There are two parts, the Guarantee element and the Savings element.

Guarantee Pension Credit tops up a person's income to a guaranteed minimum amount set by the Government. A person could get a higher amount if they're a carer, disabled, or have certain housing costs.

Savings Pension Credit is an extra payment for people who have saved some money towards their retirement. It is being phased out and a person can only claim it if they reached State Pension age before 6 April 2016.

In 2025/26, Guarantee Pension Credit is £227.10 a week for a single person and £346.60 for a couple. Pension Credit is also the gateway to other key entitlements which either provide more income or reduce significant household costs including:

- Winter Fuel Payment
- Housing benefit
- Council tax reductions
- Free TV licence if aged 75 or over.

Many energy companies also have social tariffs for people on low incomes who are in receipt of benefits such as Pension Credit. This extra support can be critically important for carers who often struggle with the costs of gas and electricity due to the extra costs of caring.

If carers have an underlying entitlement to Carer's Allowance, they can also get a Carer Addition of £46.40 (2025-26) a week added to their guaranteed minimum amount. This effectively increases the standard minimum guarantee for an individual claimant or within a joint claim. WPI research commissioned by Carers UK estimated that around 120,000 unpaid carers are in receipt of Carer Addition in Pension Credit. A parliamentary question published since the research was published suggests this might be 100,000.

Number of older carers in the UK and hours of care

Census data shows that there are 1.3 million older carers in the UK. About 11% of the 65+ population in the UK are providing unpaid care.

Table 1: Total number of people aged 65 and over providing unpaid care

	England	Wales	Scotland	N. Ireland	UK total
Total number of people aged 65+ providing unpaid care	1,088,235	79,691	123,462	38,865	1,330,253

Table 2: Proportion of the over 65 population providing unpaid care

	England	Wales	Scotland	N. Ireland	UK total
Proportion of the over 65 population providing unpaid care	10%	12%	11%	12%	11%

Many older carers are providing a high number of hours of care.

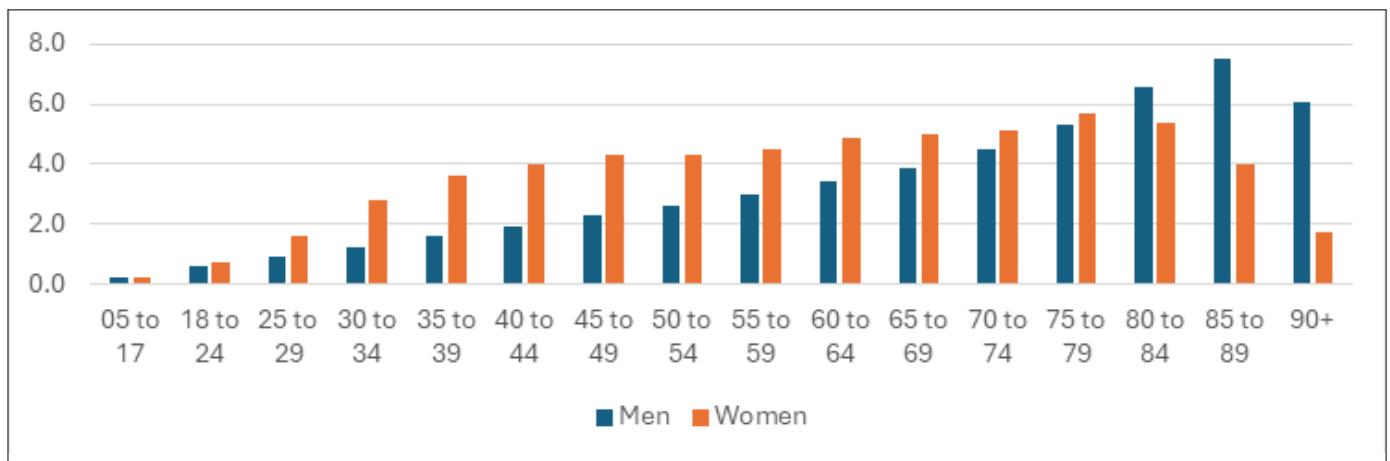
Table 3: Carers aged 65 and over by hours of care per week

	England	Wales	Scotland	N. Ireland	UK total
19 hours or less	413,273	25,094	52,890	11,246	502,503
20-49 hours	165,501	12,876	19,889	6,696	204,962
50 or more hours	509,461	41,721	50,681	20,923	622,786

The Census in England and Wales found that it is the older age groups who provide the highest hours of unpaid care per week.

- For women, it was those aged between 75 and 79 who were most likely to provide 50 hours or more of care.
- For men, it was those aged between 85-89 who were most likely to provide 50 hours or more of care.

Figure 1: Percentage of people in England and Wales providing 50 or more hours of care per week by age and gender



Research by the Centre for Care found that 22% of people who become an unpaid carer each year are aged 66 and over.¹² Whilst not the largest group of people becoming unpaid carers in a year the report shows that they are more likely to be providing higher intensity care compared to younger age groups.

¹² Petrillo, M., Bennett, M.R., and Pryce, G. (2022) Cycles of caring: transitions in and out of unpaid care. London: Carers UK. carersuk.org/media/bgolg5u2/cuk-carers-rights-day-research-report-2022-web.pdf

The case for change



The issues with the current system

Additional financial support for the poorest pensioners in the form of Carer Addition with Pension Credit is critically important. However, the system for applying is complex, confusing, difficult to explain and off-putting meaning that many miss out. Carers are already under a lot of strain whilst caring and older carers in retirement often have their own health issues to deal with. This means that complex systems are likely to be even more off-putting and frustrating, reducing the number of potential claims.

If the system was simplified, this could save administrative costs and allow quicker access to financial support. This would reduce poverty and hardship, ensuring that help is provided quicker to those who need it most. It would also help to improve carers' health and wellbeing later in life and demonstrate the value older carers provide to society.

Currently, to receive the Carer Addition with Pension Credit, unpaid carers must make a claim for Carer's Allowance or already have a Carer's Allowance claim in place when they reach State Pension age. The overlapping benefit rules mean that because Carer's Allowance is an earnings replacement benefit, it is in the same class of benefit type as the State Pension. Two benefits of the same kind cannot be paid at the same time. The contributory benefit is paid in preference to a non-contributory benefit. This means that a retirement pension is paid instead of Carer's Allowance with a top up to the level of the non-contributory benefit if it is higher.

This means that the State Pension can be topped up by Carer's Allowance to the amount of Carer's Allowance award. However, the State Pension is generally higher than Carer's Allowance (£83.30 a week at 2025/6 rates) which means that in the majority of cases, Carer's Allowance isn't paid and the carer feels they have lost their Carer's Allowance. Whilst not being paid Carer's Allowance doesn't reduce carers' overall incomes, the loss of recognition and their own payment is an issue which they feel very strongly about.

Older carers with Carer's Allowance in payment

The following table shows the difference in Carer's Allowance cases in payment between carers who are pre-state pension age (65) and carers aged 66 or over. Only 9,749 carers over State Pension age were paid Carer's Allowance compared with 28,070 of those just aged 65. Those being paid Carer's Allowance over State Pension age represent less than 1% of the overall numbers of people who are paid Carer's Allowance).¹³

Table 4: Numbers of cases of Carer's Allowance in payment by age and gender, August 2024, Great Britain.¹⁴

Age	Male	Female	Total
65	9,373	18,696	28,070
66 or over	3,134	6,618	9,749

Although Carer's Allowance is not paid to older carers in the majority of cases due to the overlapping benefit rule, carers still retain an underlying entitlement to it. There are currently 327,801 older carers in Great Britain aged 66+ with entitlement to Carer's Allowance (which includes underlying entitlement and those who are paid Carer's Allowance) and are caring for at least 35 hours a week for someone who needs care and support.¹⁵ For pensioners on the lowest incomes, underlying entitlement could mean they are entitled to a higher Pension Credit award than the amount they currently receive or that they become eligible for Pension Credit as their underlying entitlement raises the minimum level above which a Pension Credit award can be made.

The number of people who are paid Carer's Allowance for those under State Pension age ie aged 65 and under is very similar to the number of people with entitlement, including underlying entitlement. However, as soon as carers reach State Pension age, the numbers change dramatically because of the overlapping benefit rule. There are vast differences between the number of cases with entitlement in older age and the number of cases in payment (see Table 5). Only 3% of carers aged 66 and over with entitlement to Carer's Allowance are paid it.

Not all of these carers will be entitled to receive Pension Credit, but the number of carers entitled to Carer's Allowance demonstrates the scale of caring amongst older people.

Table 5: Number of carers by age and gender with entitlement to Carer's Allowance, August 2024, Great Britain.¹⁶

Age	Male	Female	Total
65	10,543	20,754	31,303
66 or over	135,950	191,852	327,801

In Great Britain there are 12,221 unpaid carers aged 90 who have entitlement to Carer's Allowance.¹⁷

¹³ 1,029,545 total cases of Carer's Allowance in payment, Aug 2024, GB, DWP StatXplore accessed April 2025. Note that these figures include Scotland and are before Carer Support Payment was introduced in Scotland in November 2024.

¹⁴ DWP StatXplore accessed April 2025

¹⁵ DWP StatXplore accessed April 2025

¹⁶ DWP StatXplore accessed April 2025

¹⁷ There are 1,438,886 people entitled to Carer's Allowance, Aug 24, across Great Britain. Entitlement includes both underlying entitlement and cases in payment. DWP StatXplore accessed April 2025



How many carers are affected and how many are missing out?

New Age UK analysis has found that an estimated 65,000 carers are eligible for Pension Credit but not receiving it.¹⁸ Some of those carers could then be entitled to Carer Addition within Pension Credit.

If the policy were changed to make the system simpler, those on low incomes and women would be the biggest beneficiaries. Women are 59% of people over State Pension age with entitlement to Carer's Allowance. Women are 65% of people who are in receipt of Guarantee Credit for Pension Credit. Taking Age UK's figures on the estimated numbers missing out on Pension Credit (65,000), we estimate that **between 38,350 to 42,250 women who are carers are missing out on Pension Credit**, and all the additional financial support and income that comes with Pension Credit. For some, this might also mean Carer Addition, boosting their incomes further.

The need for eligible carers to receive Pension Credit has become more urgent. In 2024, the Government changed the eligibility requirements for the Winter Fuel Payment. Only those over State Pension age who are receiving Pension Credit or other means-tested support are now eligible for the Winter Fuel Payment. The Government estimated that 10 million people will have lost out on the Winter Fuel Payment in the first year of the policy, of which around 880,000 would be pensioners who would be entitled to Pension Credit if they claimed it, but had not done so.¹⁹

Research by WPI for Carers UK²⁰ found that unpaid carers aged 65 and over are more likely to be in poverty compared with non-carers in that age group (20% vs 13%), which means that 1 in 5 retirement-age carers live in poverty. As older carers are providing the highest number of hours of care, the costs of caring are likely to remain high. Yet many older carers have reduced pensions because they had to reduce their working hours or give up work to provide care, and many no longer have savings because they have had to pay for costs associated with caring.

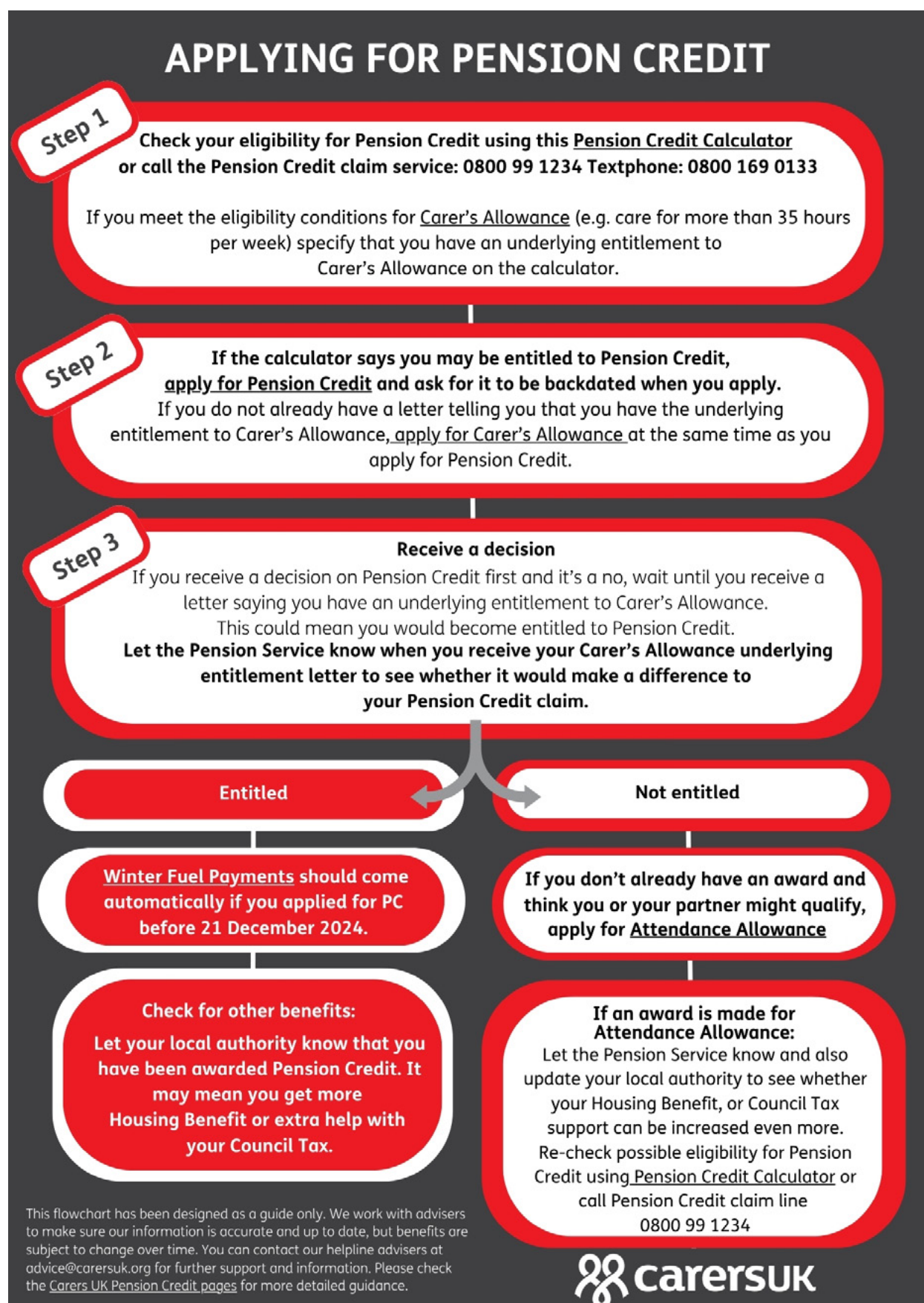
¹⁸ Age UK analysis of Family Resource Survey 2022-23, scaled up using Department for Work and Pensions (DWP) Benefit take-up statistics 2022-23.

¹⁹ gov.uk/government/publications/responses-to-freedom-of-information-requests-on-equality-impact-assessments-produced-for-targeting-winter-fuelpaymentsp-freedom-of-information-response

²⁰ Poverty and Financial Hardship of Carers in the UK, op cit

Misinformation and the complexity of the current system

Figure 2: The graphic below sets out the complex benefit pathways that carers have to negotiate (pathway for England shown).





As the system is complex, understandably many carers do not realise that having the underlying entitlement to Carer's Allowance might increase their eligibility for Pension Credit, and enable them to receive a higher amount. The rules are often misunderstood. Many carers over State Pension age do not apply for Carer's Allowance because they know it is unlikely they will receive it. If they already have the underlying entitlement many do not realise that a successful claim for Pension Credit is more likely if they already have the underlying entitlement to Carer's Allowance. There is little awareness of the concept of having an underlying entitlement to Carer's Allowance:²¹

“You can't claim Carer's Allowance if you are older.”

“You can't get Carer's Allowance and have a pension.”

In evidence provided to the Work and Pensions Select Committee, dating back to 2008, the system has been called “kafkaesque” and administratively over-complex. Advisers reported that “you lose people along the journey”.²²

The impact on carers' health and wellbeing

Our recent State of Caring survey found that over half of carers (57%) feel overwhelmed often or always.²³ Carers often tell us that they are exhausted from the amount of administration they have to deal with. The complexity of the benefits system can make things even more difficult and stressful for carers who are already extremely busy, tired, and often struggling with poor health themselves. In an Independent Age report, *Two Million Too Many*, a participant summed up how unpaid carers feel:²⁴

“If you're a carer for somebody, you're tired out, so you think 'I've got to fill that blooming form in when I just want to sleep'.”
Tower Hamlets roadshow participant.

²¹ Quotes taken from Carers UK's engagement with carers cited in this research.

²² Valuing Carers, Work and Pensions Select Committee report, 2008.

²³ carersuk.org/reports/state-of-caring-the-impact-of-caring-on-carers-mental-health-and-the-need-for-support-from-social-care-services/#:~:text=The%20State%20of%20Caring%202024,often'%20or'%20'always'.

²⁴ Two Million Too Many: Poverty in later life and how to tackle it, Independent Age, September 2024 independentage.org/two-million-too-many-report

Evidence from carers: survey with carers

We asked unpaid carers to share their experiences, via a survey, during February 2025. This was a non-representative survey which was promoted through Carers UK networks. A total of 344 carers of State Pension age responded with 94% currently caring, and 6% who said they are former carers. The majority are providing a substantial amount of care – 73% are caring for 50 or more hours a week. 58% have been caring for 10 years or more.

Pension Credit status

- Only 8% of carers in the survey receive Pension Credit (27 people). 92% do not receive it.

We asked carers who do not receive Pension Credit to what extent they were aware of Pension Credit eligibility criteria.

Awareness of Pension Credit and eligibility criteria

Of the carers who do not receive Pension Credit:

- 59% know about the benefit but have never claimed it
- 30% had tried to claim it previously but were unsuccessful
- 11% said they didn't know anything about Pension Credit.

- Three quarters (75%) didn't know that submitting a claim for Carer's Allowance makes it more likely that carers will be eligible for Pension Credit, and more likely to receive a higher amount - even if you know you will not be paid Carer's Allowance itself due to overlapping benefits such as State Pension. 25% knew this.
- More than two thirds (67%) didn't know that if you're entitled to Carer's Allowance, you may be able to get a Carer Addition of £45.60 (2024/5 rates) a week added to the Minimum Income Guarantee of your Pension Credit. 33% knew this.
- 3 in 5 (61%) didn't know that you need to have a low income to qualify for Pension Credit, but carers may still be eligible even if their income is above the Minimum Income Guarantee (single or couple) for Pension Credit. 39% knew this.
- Over one third (37%) didn't know that the Minimum Income Guarantee for Pension Credit is currently £218.15 a week for a single person and £332.95 (2024/5 rates) for a couple. 63% knew this.
- 1 in 5 people (19%) didn't know that carers are more likely to be eligible for Pension Credit if they are on a low income. 81% knew this.



We also asked carers who do not receive Pension Credit whether they were aware of the advantages of claiming Pension Credit. Substantial minorities didn't know about these key advantages.

- 38% didn't know that Pension Credit can help you get money off your gas and electricity bill through the Warm Home Discount Scheme, or access to a Cold Weather Payment when the temperature is 0 Celsius or below (or, in Scotland, access an annual Winter Heating Payment). 62% knew this.
- 34% didn't know you can get free NHS dental treatment and sight tests, help with the cost of glasses or contact lenses, and help with travel costs to hospital. 66% knew this.
- 30% didn't know it can help those over 75 get a free TV licence. 70% knew this.
- 29% didn't know it can help with rent and council tax. 71% knew this.
- 21% didn't know it can help with the winter fuel payment. 79% knew this.

We asked carers who had never submitted a claim for Pension Credit whether they had checked to see whether they were entitled to it, by phoning the Pension Credit claim service, or using the Pension Credit calculator. Responses were fairly evenly split:

- 43% of carers said they had checked
- 53% said they had not checked.
- 4% were unsure.

Reasons for not claiming Pension Credit

We asked carers who had not submitted a claim for Pension Credit why not. The main reason was because carers didn't think they were eligible (81%).

- “Because of a small work pension, I have always been above the rate for eligibility.”
- “We are above the threshold because my husband is not able to sustain our standard of living and support our son without remaining in full time work.”

The second most reported reason was carers not needing the financial support – over a fifth (22%) said this was the case.

- “I can get by without claiming it, there are others in greater need.”

Some carers said there were other reasons for not claiming Pension Credit, whilst less common, were still important. 1 in 10 (9%) said they didn't understand the rules around who is eligible, and 1 in 12 (8%) had had negative experiences with DWP in the past and this had put them off applying for benefits that they might be entitled to.

How carers found the process of applying for Pension Credit

We asked carers who had applied for Pension Credit how they found the process. 34% of carers said they found it difficult/very difficult.

- “The questions should be made clearer and simpler. There were duplicated questions which isn't necessary.”
- “Getting support for form is difficult as waiting in DWP queue takes long time, no chat online facility or email address.”
- “I am older than my husband and the rules for mixed age pension rights are abnormally complicated. It was during COVID lockdown so had to try and do it via telephone and online. No-one seemed to know the rules.”
- “It takes patience and time, both of which I was running short of as a consequence of my caring role.”
- “I could not complete the online forms so I had to ring the Pension Helpline. The lady I spoke to was rude, dismissive and would not tell me how much over the limit for Pension Credit I was. She would just tell me I had too much savings, but only just.”

Some carers who had been unsuccessful in their claim for Pension Credit felt there was no opportunity to demonstrate the specific financial challenges they had due to their caring role.

- “It seemed that the questions was not asked about any other cost I was spending not covered to help like heating, washing, medications, transport and private therapy.”
- “All tick boxes - no space to explain your circumstances.”
- “It was like many government agencies - very impersonal and black and white. There is no room for differences in personal circumstances - if you don't fit the boxes then you don't get the help.”

What might help carers submit/resubmit a claim for Pension Credit

We asked carers what, if anything, might help them to make or resubmit a claim for Pension Credit. Carers mainly wanted clearer guidance on eligibility. 40% of carers said they would like clearer advice and information about carers' eligibility for Pension Credit.

“ [Want to have] confidence that I won't be wasting my time if I invest time claiming.”

37% of carers said they would like clearer advice and information about what it means to have an underlying entitlement to Carer's Allowance, and how this affects Pension Credit

Other things that carers said might help were an easier way to indicate that they are a carer on the application form (27%) and someone to help them apply for Pension Credit (18%).

“ It is assumed that everyone is competent enough to apply online or has access to a computer. You need to be proactive to find out about this yourself, no one tells you or supports you.”

“ ...an opportunity to speak with an advisor at the turning point of pension age would be helpful.”

“ I applied three times and was rejected on the first two attempts; some support from Age UK meant I felt able to apply again and it was successful on the third application.”

“ Make the forms easier to understand, use less complicated language.”

However, many carers said that there wasn't anything that would help them make/resubmit a claim, because they already knew they weren't eligible.

“ I have been turned down due to the fact my husband is younger than me. I find that grossly unfair.”

Carer's Allowance underlying entitlement

We asked carers who do not receive Pension Credit whether they have an underlying entitlement to Carer's Allowance.

- 44% of carers who have not claimed Pension Credit said they do not have an underlying entitlement. 39% said they do.
- A third (33%) of carers who submitted a claim for Pension Credit previously but were unsuccessful said they did not have an underlying entitlement to Carer's Allowance at the time of claiming.

Comments from carers indicate that there is misunderstanding around the underlying entitlement.

“ Entitled but can't be paid?? Can't that be made simpler please?”

“ As far as I know you can't claim once on state pension.”

Carers' financial situations and what might help

We asked carers about their finances. A quarter (26%) said they were struggling to make ends meet.

- “It is the loss of the winter fuel payment that has hit me as I need the heating on 24/7 as Mum is 101 and bedbound.”
- “At the moment I am dividing what free time I have between going to warm spaces, such as my library, or going to bed to keep warm.”
- “Our son requires air and chemical filters to run 24/7, he generates a lot of washing and we have to keep the house spotlessly clean. This uses a lot of electricity approximately £280/month (our heating and hot water generated by oil).”

Many carers said that struggling with finances was having a negative impact on their health and wellbeing. Nearly half (48%) said that they feel anxious or stressed when thinking about their financial situation.

72% of carers said that caring has affected their retirement savings or income.

- “Caring for decades has meant I have no work pension to draw upon...Just heard I need a new roof- to find £11,000 now to literally keep a roof over our heads. How do you contingency plan for poverty in your final years, when system takes your Carer's Allowance away?”
- “I had to take part time, poorly paid, unskilled work in the years from age 60 to state pension age 66, to care for my father.”
- “Once I reached retirement age for State Pension, I lost [Carer's Allowance] - the only support I'd ever had from the State to help me with my 27 years of caring duties...I took early retirement from my NHS job at the age of 55 and lost my salary of £40,000 a year to care for my wife full time, which has saved the government hundreds of thousands of pounds.”

Some carers who were claiming Pension Credit said this had helped them to manage financially.

- “It takes the pressure off. I honestly don't know if I could survive without it, without building up large debts.”
- “We couldn't survive without this support.”
- “The support has been beneficial and helps me to budget.”

Many carers said they were struggling because of not being able to receive Carer's Allowance alongside State Pension. Some carers felt that having their Carer's Allowance stopped demonstrated that they were not valued by Government.

- “I used to receive Carer's Allowance then it stopped when I received the State Pension but I still do the caring and take her out on trips, get teas etc, I feel very undervalued, used and extremely annoyed.”
- “...why when you reach pension age [do you] lose Carer's Allowance? Because you reach pension age your caring responsibilities do not disappear.”
- “It's utterly disrespectful of the government to not allow us to keep Carer's Allowance when we have been carers for years and still are.”
- “To cut everything off at 66 implies that the government no longer recognises that pensioners can be carers, but that is far from true. Often, as in my case, we are caring for two generations - parents and grown up children. Plus I am also disabled and worried about that financial support being pulled away.”

We asked carers what financial support, if any, they would find helpful.

- 77% of carers said they would like Carer's Allowance, or an equivalent non-means-tested payment, on top of State Pension.
- Over half (52%) of carers said they would like more data sharing between different public authorities and the NHS so that their status as a carer is flagged to the right people.
- 40% would like more guidance and information about what benefits they might be entitled to.

Many carers said that more financial support would be helpful, in allowing them to afford essentials, and pay for additional costs of care.

- “I would find it easier to pay my bills and not go from month to month just about managing.”
- “It would help towards the cost of care I provide.”
- “[It would allow me to] buy healthier foodstuffs: to heat our home more; to travel to hospital by taxi and to purchase medicines and aids that we cannot get prescribed.”
- “I could heat the upstairs of my house and not just live in one room downstairs when it is cold.”
- “It would enable me to treat mum more often to help her feel more cared for. To help with transport to appointments etc. To be able to arrange additional care arrangements so I can have a break without worrying or relying on unreliable people to give me some help.”

Carers also said that more financial support would have a positive impact on their health and wellbeing.

- “It would make life so much less stressful. I would not have to worry about whether I could afford to eat, or pay my bills.”
- “I would feel valued as a Carer who is a pensioner.”
- “It would make my life so less stressful by taking pressure off me regarding finances. My caring duties are stressful enough & cause me enough worries.”
- “It would make what little quality time we have left to live life rather than just exist.”
- “It would enable me to take a break, which would better my health and wellbeing.”
- “I could look after myself better as my physical and mental health has suffered greatly over the 25 years of being a carer.”

Evidence from carers: interviews

We carried out interviews with a small number of older carers.

Sue

Sue (aged 71-75) has been a full-time unpaid carer for over 40 years. She currently cares for her son who has autism and other learning and physical disabilities, and her daughter who has severe ME and is completely housebound. She also used to care for her mother until she passed away from dementia a few years ago, and she has cared for both her neighbours too. Both of Sue's adult children live with her, and she is providing constant care: neither are able to live independently or be left alone.

Sue has never qualified for Carer's Allowance: she was widowed many years ago, and received a Widowed Mothers Allowance which was an overlapping benefit with Carer's Allowance. She finds it hard to pay for essentials – "I used to be able to afford to keep [the heating] going all day, I can't now. It's on for a maximum of two hours a day and even that now is a struggle." Her food bill has "more than doubled" and costs are higher due to allergies that family members have. Sue's transport costs are also high as there is no disabled access at the local train station, so she has to pay for taxis. Her State Pension is not enough to cover her costs:

Sue applied for Pension Credit after the Government announced changes to eligibility for the Winter Fuel Payment. She initially applied online but had difficulties doing so, so she telephoned for help. Sue felt that the member of DWP staff she spoke to was "so rude and so

dismissive of me, it wasn't nice." She was told she wasn't eligible for Pension Credit, but the call handler did not provide any more information, such as how much she was over the limit by.

Having more financial support would make a difference:

“*In an ideal world, not having to count the pennies would make life easier – I could enjoy life a bit more, if you're not worrying about can I put the heating on or can I afford to buy that, can I get a treat for the kids. When you're looking at that, it takes the enjoyment out of life, when you're struggling so much.***”**

Many years ago, Sue had started training to be a teacher, but when her husband died she gave this up. Because she'd started caring for her mother and her daughter in addition to her son, she was unable to go back to paid employment. She did run her own business from home but found this difficult when her caring role could be unpredictable. Sue is unable to take a break from caring, and her health has suffered:

“*I'm blind in one eye at the moment because of putting everybody's needs before mine, I didn't get care, I didn't get help when I needed and as a consequence I'm suffering. So that's made my job even harder.***”**

She had a Carer's Assessment about a year ago but was not given any support after this.

Myra

Myra (aged 66-70) cares for her mother who has mobility issues as well as other health conditions. Myra has always been the main carer but her responsibilities have increased in the last couple of years since her mother's health has declined. Because of the deterioration in her mother's health, she has now moved in with Myra, and the last 12 months have been a struggle. Myra will be having a Carer's Assessment soon because "we are finding it harder."

Both Myra and her mother have lost their Winter Fuel Payment, and neither are eligible for Pension Credit. Myra isn't eligible because her husband is under State Pension Age and is still in employment. She doesn't receive any financial support other than her Personal Independence Payment which she has had to spend more of recently to make ends meet. Myra has never received Carer's Allowance. Until about eight years ago she was working in paid employment, but gave up work when her health declined. She wasn't able to pay into a private pension.

Myra finds it difficult to manage financially, particularly in terms of paying for essentials as "everything's gone up" but feels she has a responsibility to give her mother a good

quality of life. She finds it hard to afford "run of the mill things like food" as well as items her mother needs, like incontinence pads. She also has transport costs: she has to use her car for appointments as neither her nor her mother can walk very far. Myra doesn't have any support with her rent or council tax, and has to cut back on things in order to make ends meet: "it's a struggle." Taking a break can be difficult due to extra costs involved – for example, any holiday must be risk-assessed in advance, and the property must be fully accessible – "everything costs much more money, takes way more time planning!"

Myra thinks that the Government has "no concern at all...once you reach a certain age they do not want to know." She said that on the one hand Government wants care to be done more in the community rather than people going into hospital or care homes, but at the same time they are not providing enough support for family carers. When she applied for Pension Credit she found the process "intrusive" She thinks it is unfair to encourage people to pay into private pensions, only for this to then "go against you." She is also concerned that in the future the Government will make it harder for people to get a State Pension.

Julie

Julie (aged 71-75) cares for her son, who has severe autism and OCD, for over 100 hours a week. As the legal deputy for her son, her caring role involves a significant amount of paperwork. Julie also previously cared for her mother who had a stroke and needed personal care and other support. Her mother died of COVID-19 in hospital during the pandemic, and Julie was unhappy with the quality of care she received.

Before retiring, Julie worked in part-time employment. She has never received any benefits from the social security system. She tried to claim Carer's Allowance previously, but was over the earnings limit for this: "I don't get a penny for looking after [my son]."

Julie submitted a claim for Pension Credit previously, but she was not eligible for this because her husband is not yet State Pension age, and still in part-time employment: "it's not my income, it's the household income and that's the problem". Although Julie doesn't think she is as worse-off financially as other people, she doesn't have any savings, does not receive a full State Pension, and does not get a private pension at all. She did pay into a private pension many years ago, but had to stop doing this as

she couldn't afford it. In addition, when Julie was in employment, her caring role restricted the number of hours she was able to work and this had a negative impact on her income. She has also recently lost her Winter Fuel Payment: "I've ended up where I don't get Carer's Allowance, I had reduced earnings, I've not been able to pay into a private pension."

Julie feels that the lack of financial support suggests that carers are undervalued: "it's not about money, it's about recognition." Julie said that additional financial support would be beneficial, mainly in allowing her to take more breaks from caring:

“What it would do for us, is it would make us a little bit more independent. So for instance you could save up a bit of that money and not only go away for a weekend but pay someone to look after [my son]. We virtually don't get a break from him, except a couple of nights once or twice per year.

“And bless him...he's a dear soul, but it's just constant...it drains you, to be honest, the constant caring, and constant form-filling, constant battles.”

Recommendations

Simplifying processes

A key goal for the DWP should be to establish caring status and entitlement at the same time as applying for Pension Credit to simplify processes for unpaid carers. Carers should be able to respond to simple questions to establish caring eligibility, through one single process.

We looked at whether it would be possible to receive Carer Addition in Pension Credit without having to apply for Carer's Allowance (or Carer Support Payment in Scotland) in order to reduce the complexity of the process for carers. Carers UK has been advocating simplification of processes for decades. In 2008, in their evidence to a parliamentary select committee, Age UK recommended legislative provisions which could be used positively to streamline provision:²⁵

The Welfare Reform Act 2012 has a provision whereby a carer does not necessarily have to be entitled to Carer's Allowance in order to qualify for additional amounts in Pension Credit. This means that change could be introduced without the need for new primary legislation.

Recommendations for simplifying processes:

- DWP should ensure there is an automatic check for entitlement to Pension Credit for carers in receipt of Carer's Allowance when reaching State Pension age.
 - DWP should create a simple tick box on forms and one route of establishing entitlement to Carer Addition when applying for Pension Credit, without having to apply for Carer's Allowance separately.
 - DWP should swiftly investigate whether there are simpler ways of obtaining Carer Addition once someone is in receipt of Pension Credit, by not having to apply for Carer's Allowance separately and deliver new systems within a year.
- DWP should work with the Scottish Government to ensure that these measures also apply in relation to Carer Support Payment.
- Introduce these new measures before Winter 2025 to ensure better take-up of Pension Credit by carers.

Welfare Reform Act 2012 - Section 74 State pension credit: carers

(1)The State Pension Credit Act 2002 is amended as follows.

(2)In section 2 (guarantee credit), in subsection (8), for paragraphs (a) and (b) there is substituted—

“(a)the claimant has regular and substantial caring responsibilities, or

(b)the claimant is a member of a couple the other member of which has such responsibilities;”.

(3)In section 17 (interpretation), in subsection (1), in the appropriate place there is inserted—

““regular and substantial caring responsibilities” has such meaning as may be prescribed;”.

²⁵ Valuing Carers, Work and Pensions Select Committee report, 2008, UK Parliament. publications.parliament.uk/pa/cm200708/cmselect/cmworpen/485/48506.htm#a36

Raising awareness of Carer Addition and increasing take-up

Government should be utilising digital advances in AI, data matching and traditional communication methods to ensure that carers are aware of the Pension Credit and Carer Addition. Local organisations supporting older people and unpaid carers need resourcing to support advice and form filling to increase take-up. This would bring much needed income into financially pressed families.

Recommendations for making carers and others aware of entitlements:

- DWP should create simple awareness campaigns, using digital and traditional methods, to ensure that unpaid carers are aware of potential new entitlements to Carer's Allowance. Social Security Scotland should create similar campaigns in Scotland to raise awareness of Carer Support Payment.
- Local older people's and carers organisations need adequate resourcing to support take-up.

Additional measures to combat older carers' poverty

In 2024, Carers UK published new research, *Poverty and financial hardship of unpaid carers in the UK A WPI Economics Report for Carers UK*²⁶, supported by the abrdn Financial Fairness Trust, which looked at modelling different scenarios which would help to combat unpaid carers' poverty. This found that 120,000 older carers in receipt of Pension Credit and Carer Addition are in poverty, 40,000 of whom are in deep poverty. 20% of carers are in poverty over the age of 65 compared with 13% of non-carers in the same age group.

The modelling looked at raising the level of the Carer Addition to £11.10 per week, effectively matching the rate that Scotland's carers receive as a result of the Carer's Allowance Supplement which was worth £288.60 for six months in 2024/25.²⁷

This measure would take 10,000 older unpaid carers out of poverty. However, it does not have an impact on older unpaid carers deep poverty. It would cost an estimated £80 million.

There are 40,000 unpaid carers in receipt of Pension Credit and Carer Addition in deep poverty. These numbers are halved, ie they drop by 20,000 people when Carer Addition is raised by £36.60 per week, costing an estimated £300 million per year.

Both measures would increase the numbers of unpaid carers entitled to Pension Credit, as increases in the Carer Addition would raise the minimum guarantee level of Pension Credit. This would then mean that those with low incomes would become entitled to the Winter Fuel Payment and other financial support for the first time. These could be some of the people who currently just miss out, but are in financial hardship.

Recommendations for lifting older carers out of poverty:

- Government should raise the level of Carer Addition by £36.60 per week lifting 20,000 older carers out of deep poverty at a cost of £300 million per year.²⁸
- As a minimum, raise the level of Carer Addition by £11.10 per week lifting 10,000 older carers out of poverty at a cost of £80 million per year.²⁹

²⁶ Poverty and Financial Hardship of Unpaid Carers in the UK - carersuk.org/reports/poverty-and-financial-hardship-of-unpaid-carers-in-the-uk/#:~:text=1.2%20million%20unpaid%20carers%20live,deep%20poverty%20in%20the%20UK.

²⁷ These numbers correlate to when the research was undertaken. Carer's Allowance Supplement Scotland, is worth £293.50 every six months (2025/26 rates).

²⁸ These estimates of cost are based on work that was published in 2024 using previous benefit rates. The work can be found here: carersuk.org/reports/poverty-and-financial-hardship-of-unpaid-carers-in-the-uk/

²⁹ As above in note 6

Table 6: Modelled change in poverty rates amongst Carer Addition recipients after uplifts to the value of Carer Addition, UK, 2024

Carer Addition uprate (per week)	Number of Pension Credit Carer Addition recipients in poverty	Base poverty rate amongst Carer Addition recipients	Fall in poverty rate amongst Pension Credit Carer Addition recipients	Poverty rate after reform amongst Pension Credit Carer Addition recipients	Fall in the number of Pension Credit Carer Addition recipients in poverty due to reform	Overall net change in the number of people in poverty due to reform
£11.10	120,000	59%	-4pp	55%	-10,000	-10,000
£36.30	120,000	59%	-6pp	53%	-10,000	-20,000

Source: WPI Economics modelling based on Family Resources Survey 2019/20 - 2021/22.

Table 7: Modelled change in deep poverty rates amongst Carer Addition recipients after uplifts to the value of Carer Addition, UK, 2024

Carer Addition uprate (per week)	Number of Pension Credit Carer Addition recipients in deep poverty	Base deep poverty rate amongst Carer Addition recipients	Fall in deep poverty rate amongst Pension Credit Carer Addition recipients	Deep poverty rate after reform amongst Pension Credit Carer Addition recipients	Fall in the number of Pension Credit Carer Addition recipients in deep poverty due to reform	Overall net change in the number of people in deep poverty due to reform
£11.10	40,000	19%	0pp	19%	---	---
£36.30	40,000	19%	-11pp	8%	-20,000	-20,000

Source: WPI Economics modelling based on Family Resources Survey 2019/20 - 2021/22.

Valuing older carers – introducing an additional payment

Carers UK has also called for an additional payment to be made which is non-means tested to carers over State Pension age who would otherwise be in receipt of Carer's Allowance. This is a key issue for older unpaid carers as this report sets out.

Carers feel it is a great injustice that it is not possible to get Carer's Allowance as well as the basic State Pension.

Recommendations for recognising and valuing older carers:

- DWP should model the introduction and delivery of a new additional payment for older carers on top of their State Pension which recognises caring.
- DWP should introduce the new payment within three years.
- The Scottish Government should deliver on its commitment to consider the introduction and delivery of a new additional payment for older carers on top of their State Pension which recognises caring.



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financialfairness.org.uk



Carers UK is a charity set up to help the millions of people who care unpaid for family or friends. We are a membership organisation of carers, run by carers, for carers. We provide information and advice about caring alongside practical and emotional support for carers. We also campaign to make life better for carers and work to influence – using carers’ insights and lived experiences – policy makers, employers, and service providers, to help them improve carers’ lives.

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