



IFA

Your Guide to Non-Contributory State Pension

What is a Non-Contributory State pension?

It is a means-tested payment for people aged over 66 who do not qualify for a Contributory State pension or who only qualify for a reduced contributory pension based on their PRSI record. This pension is taxable but you are unlikely to pay tax if it is your only income.

What are the qualifying criteria for the Non-Contributory State pension?

To qualify an individual must:

- Be aged 66 or over*
- Pass a means test
- Meet the habitual residence condition (you are residing in Ireland and have a proven close link to the state).

* The qualifying age for pension will rise to 67 in 2021 affecting those born between 1st January 1955 and 31st December 1960 and will rise to 68 in 2028 affecting those born after 1st January 1961

What is assessed in the means tests?

Your means is assessed under the following headings:

Cash income

- Any cash income you have is assessed in the means test, this includes income from a pension from another country.
- Your net income from farming or leasing is fully assessed with no disregards. The net income is worked out by deducting expenses incurred from the gross income. If you own land that is

not productively used or leased this is assessed on its capital value.

- Earnings from employment up to €200 per week is not assessed.

Value of capital

Savings, investments, cash in hand and any property you own (excluding your home) is assessed as capital. All your capital from different sources is added together and a formula is used to find your weekly means from capital. The formula for assessing means from capital is as follows:

Capital	Weekly means assessed
First €20,000	Nil
Next €10,000	€1 per €1,000
Next €10,000	€2 per €1,000
Balance	€4 per €1,000

Income from property personally used

The value of the house you live in is not taken into account in the means test. However, any income (rent) you are getting maybe taken into account. There is an exception - if renting the room means that you are not living alone then your income from rent is not taken into account.

Your total means under the headings are added together to see what level of pension, if any, you can get. If you are one half of a couple (married couple, civil partners or a cohabiting couple of the same or opposite sex) then your means are taken to be half of the total means of you and your spouse, civil partner or cohabitant.

If you were getting Farm Assist and the different means test that applies to the non-contributory pension results in you getting a lower level of payment, you keep your entitlement to the higher amount for Farm Assist.

You must always contact the Department of Social Protection if there are any changes to your circumstances, as a change could mean an increase or decrease in payment. By contacting the Department, you will either get an increase faster or avoid repaying overpayments.

What are the Non-Contributory State pension rates?

State Pension (Non-Contributory)	Rate per week (maximum)
Personal rate, aged 66 and under 80	€219
Personal rate, aged 80+	€229
Increase for a Qualified Adult *	€144.70
Increase for a Qualified Child	€29.80

* Since 27 September 2007 the Increase for a Qualified Adult is paid directly to your adult dependant.

OTHER BENEFITS AND ALLOWANCES

What other benefits or allowances may I be entitled to when in receipt of Contributory or Non-Contributory State Pension?

In addition to your pension and Increase for Qualified Adult, if relevant, you may also qualify for some other increases in payment:

Increase for a Qualified Child (IQC)

If you have a child that normally lives with you that is aged under 18 or up to 22 in full time education who is being supported by you, you may qualify for IQC. You can no longer claim an IQC if your spouse, civil partner or cohabitant has an income of over €400 per week. You will get a half rate IQC if your spouse, civil partner or cohabitant earns between €310 and €400 a week. This only applies to a claim made after 6th July 2012. The full IQC rate is €29.80 and the half IQC rate is €14.90.

Living Alone Increase

If you are aged 66 or over and living alone, you are entitled to an additional €9 per week. To qualify for the increase, you must live completely alone. However, there are some exceptions if you:

- Live in an extension of a family member's home, for example, in a granny flat, but can show that you have facilities to cook and eat alone. You must also have your own living/dining and sleeping accommodation.
- Are aged or infirm and have a friend or relative to stay for security reasons at night-time only. The friend or relative must not contribute to the household financially.
- Live alone during the day but stay with relatives or friends at night, or if you live alone during the week but have a relative to stay at the weekend.
- Live alone but occasionally take in paying guests.

Aged 80 Allowance

You automatically get paid an extra allowance of €10 per week when you reach 80 years of age. This increase is not paid to qualified adults.

Fuel Allowance

The Fuel Allowance pays you an increase of €22.50 per week to help with the cost of heating your home during the winter months. There is only one Fuel Allowance payment per household. It is a means-tested payment, which is linked to the maximum rate of the Contributory State pension. You are eligible for a Fuel Allowance if your assessable income limit is for a:

- Single person under 80 - €333.30 (€100 plus €233.30 i.e. max pension)
- Couple (where the qualified adult is under 66) - €488.80 (€100 plus €233.30 plus extra €155.50)
- Couple (where the qualified adult is 66 or over) is €542.30 (€100 plus €233.30 plus extra €209)

If you are aged over 80, you get €32.50 per week.

Household Benefits Package

The package is available to everyone over 70 and to some people under 70 in certain circumstances. There are two allowances: Electricity/Gas allowance of €35 per month and Free Television Licence allowance.

When and how do I apply for my Contributory or Non-Contributory State pension?

You should apply three months in advance of reaching the age of 66. Application forms are available from your local social welfare office, post office or Citizens Information Centre. If you need assistance call the Department of Social Protection on Locall 1890 500 000. The completed application form should be returned to Social Welfare Services, College Road, Sligo.

If you do not claim within 6 months of becoming eligible, you could lose some payment.

The IFA Farm Family and Social Affairs committee has compiled this information leaflet to assist farm families. Answers in this leaflet have been approved by the Department of Social Protection. The leaflet does not claim to represent a legal interpretation of the relevant regulations.



THE IRISH FARMERS' ASSOCIATION
Irish Farm Centre, Bluebell, Dublin 12
Tel: (01) 4500266 Fax: (01) 4500421
www.ifa.ie