Managing your money

Practical tips for keeping costs down

Money matters
Introduction

Retirement is something that many of us look forward to – more time to relax and do the things that we enjoy and more time to spend with friends and family.

But along with more free time may come a drop in income. Even if you have a reasonable income from your pensions and other investments, it still makes sense to review your outgoings. You’ll make your money go further by looking for the best deals in what you buy, taking advantage of any benefits or concessions and looking at how you might otherwise increase your income. By using your money effectively, you’ll have more left over for the things you want to do.

This guide is split into two sections. The first helps you assess your finances, balance your budget and deal with any debts. The second looks at how you can boost your income.

For further information about how to get investment advice, read our guide Money matters.

Throughout this guide you will find suggestions for organisations that can offer further information and advice about your options. Their contact details can be found in the ‘Useful organisations’ section (see pages 36–46). Contact details for organisations near you can usually be found in your local phone book. If you have difficulty finding them, your local Age UK should be able to help (see page 36).
As far as possible, the information given in this guide is applicable across the UK.

**Key**

- This symbol indicates where information differs for Scotland, Wales and Northern Ireland.
- This symbol indicates who to contact for the next steps you need to take.

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**Assess your present situation**

Before you make any decisions about your money, it’s a good idea to look at your present circumstances carefully. On pages 32–35, you’ll find four handy worksheets to help you assess your current financial situation and, if you need to, work out a budget. This can help you decide what to do about savings, borrowings or investments, or negotiate any debt repayments.

- List all the sources of your household income and how much you get from each under ‘Household income’ in your personal budget. Update your income list every April when pension and benefit rates go up, or if your income changes.

- List everything you and your household spend money on under ‘Household expenses’. Make the best estimate you can for variable or irregular payments, such as home repairs, energy and telephone bills, car servicing, holidays and entertainment.
• Are any items not fully paid for? Do you still owe money on your mortgage? Make a note of the amount owing against the item under ‘Household expenses’.

• List your assets – the amount that you have in any savings accounts, premium bonds or savings certificates – under ‘Your net assets’. Also note down the value of your car, house and any life insurance policies.

• Are you on top of your mortgage, rent or other bills? Do you have a credit card or loan? Enter the amounts that you owe (including any arrears) and the weekly or monthly repayments that you are currently expected to make under ‘Credit/debt/repayments’.

Remember to work in either weekly or monthly figures – don’t mix the two.

If you’d prefer to assess your finances online, you could visit the Money Advice Service Budget Planner at www.moneyadviceservice.org.uk/en/tools/budget-planner and answer the questions about your debts, income, assets and spending. If you’re finding it difficult to gather all this information yourself, ask Citizens Advice or the Consumer Credit Counselling Service for help (see pages 39 and 40).

If you want someone else to either manage your finances completely or help you out with them, you could consider setting up a power of attorney. Our free guide Powers of attorney has more information. In Scotland, see Age Scotland’s free factsheet Help with managing financial affairs.
Balancing your budget

Once you have all the facts and figures about your money, the next stage is to balance your budget, so your outgoings match your income.

Add your household expenses to the totals in your credit/debt/repayments budget. This is the amount you need to pay out each week/month. Compare it with your household income. Have you got money to spare? Or do you have less than you need to pay your bills?

If you have less, start by getting a benefits check and tax check to find out whether you can maximise your income (see pages 15 and 30). You may discover that you are entitled to more money than you are currently getting or that you are overpaying your tax.

You may be tempted to sell antiques or jewellery to make some extra money. Remember that this is something you can only do once, and it may not solve any long-term debt issues. Get several valuations and don’t rush into selling anything. Beware of selling to doorstep callers – see our free guide Avoiding scams to learn more.

If you still don’t have enough money coming in, now is a good time to review your spending. Are there any non-essential items that you could reduce or cut out? For example, if you pay for satellite or cable television, do you need the full package or do you tend to watch just a few favourite channels? Be realistic and don’t cut down on essentials like food and heating. Instead, assess whether you are spending more than you need to on things like energy bills (see pages 18–21). If you’re having difficulty with debts, see page 11.
If you find you have a few pounds left over after all of your expenses are paid, it’s a good idea to put some money aside into an ‘emergency fund’. This will enable you to deal with any sudden or unexpected costs – for example, if your washing machine breaks down. Read more about managing unexpected costs on page 9.

See our free guides More money in your pocket: a guide to claiming benefits for people over pension age, Claiming benefits: a guide for people of working age and Tax guide to see if you can boost your income. Age UK produces LifeBook, a handy book where you can keep financial and other useful information in one place. Call 0845 685 1061 for a free LifeBook.

**Priority bills**

‘Priority bills’ are the bills for which non-payment could lead to serious trouble. For example, if you do not pay your mortgage or secured loan, your home could be repossessed. Or, if you don’t pay your gas or electricity bills, your energy supply could be cut off. If you’re behind on any of these bills, don’t panic. Act quickly to either pay off all the debt or to arrange to pay it off in instalments, and you should be able to stop these things happening. Don’t take out a loan to repay the debt unless you’re sure you can repay it.
Priority bills include:

- mortgage
- second mortgage or secured loan
- rent
- Council Tax
- water
- gas and electricity
- TV licence
- unpaid fines
- hire purchase
- telephone (if you rely on it).

See our free factsheet *Debt advice* to find out more about the potential consequences of not paying different priority bills.

Never ignore a bill that you can’t pay. Contact the organisation you owe money to as soon as possible. Creditors can only take action against you after giving you warning and, in many cases, after civil court proceedings.

If you aren’t sure which bills should be top priority, or can’t find enough money to pay priority bills, get advice from a debt advice agency, such as National Debtline (see page 42).

Contact your local Age UK for a benefits check to ensure that you’re claiming everything you’re entitled to. For practical tips on saving money on your energy bills, see our free guide *Save energy, pay less.*
Managing your money

How do you pay your bills?

You may be able to save money and make your bills more manageable by reviewing the way you pay. Big bills can place a strain on anyone’s budget and you can avoid them by using some of the following methods:

• Pay bills through a regular budget scheme. You can often pay bills in this way without any extra expense. Ask your suppliers for details.

• Pay your bills by direct debit. You will often get a discount if you pay this way.

• Buy savings stamps from the Post Office or join a payment card scheme to pay your bills. These allow you to put small, regular amounts towards your bills. Contact your telephone, gas and electricity suppliers for more details.

• Join a credit union to spread the cost of expensive events like Christmas (see page 13).

• You may be able to get a payment card for many household costs such as rent (if you are a social housing resident), council tax, and utilities. Contact your local authority’s housing department for more information.

• Consider opting for ‘paperless billing’ for some of your utility bills. This means you check your bills online rather than getting a paper copy of them. You may get a discount on your bills and could make savings each year.

If you aren’t confident using the internet, your local Age UK or UK Online Centre can help you access computers and the internet and give you advice. Call Age UK Advice, or call UK Online Centres on 0800 77 1234 free to see whether there’s an Online Centre near you (see page 45). You can also ask whether your local library offers computer training.

what next?

8 Managing your money
Unexpected costs

Although you can spread the cost of the bigger bills that you have to pay, you may sometimes encounter a sudden or unexpected cost such as a broken washing machine or boiler.

It’s a good idea to build up some savings that you can draw on in the event of an unexpected bill. Review your budget using the worksheets on pages 32–35 and try to put something aside – no matter how small. Of course, this isn’t always possible, and the following options may be useful if you suddenly find that you’re unable to afford an essential item.

• Apply for a grant. There are many types of grant available that you may be able to claim if you have an unexpected bill. Grants offered by charities cover many things, from white goods to funeral expenses. Charity Search and Turn2Us can help you search and apply for grants (see pages 38 and 44).

• If you claim certain benefits, you may be eligible for a Budgeting Loan from the Social Fund of between £100 and £1,500. These can be used to pay for essential expenses such as clothes, furniture and home improvements, but you’ll need to repay them from your weekly benefits.

• You may be able to claim a Crisis Loan or Funeral Payment from the Social Fund. See our free guides More money in your pocket: a guide to claiming benefits for people over pension age and Claiming benefits: a guide for people of working age for more information. The Social Fund is changing from April 2013. Call Age UK Advice after this date to find out more.
‘Before my local Age UK gave a talk about benefits I had no idea I could get any help towards my Council Tax. I own my home and I thought it was only paid to people who rent. Age UK helped me to make a claim and now I’m much better off.’
Struggling with debts?

It can be stressful and upsetting to know that you can’t afford to pay your bills in full, but don’t panic. If you have enough money coming in to pay your important bills and essential household expenses, but not enough to pay your creditors, then try to make arrangements to pay reduced amounts.

Only agree to a repayment plan if you’re sure that you can meet the payments. It’s better to arrange to pay back small amounts, which you know you can afford, rather than agree to unrealistic repayments that you won’t be able to keep up with. Put these amounts in the ‘Payment offer’ column of your Credit/debt/repayments list (see page 35).

If you live in England, Wales or Scotland, see the National Debtline self-help pack *Dealing with your debts* for more information about how to make these arrangements (see page 42). In Northern Ireland, contact Advice NI (see page 37).

Creditors that bombard you with letters and phone calls may not be the most important ones. There are rules about how creditors may attempt to collect debts owed to them and how they must treat you fairly. If you think you are being harassed, contact your local trading standards service, the police or an advice agency.

If you still don’t have enough money to offer your creditors, seek free advice on the other options that may be available. See pages 36–46 for details of useful organisations.
Debt advice agencies

Make sure that you get free debt advice if you need it. If you pay additional fees for debt advice, it might end up taking you a lot longer to get out of debt. Ignore any texts, telephone calls or emails advertising debt advice services.

Call Age UK Advice to find your nearest free, reputable debt advice agency (see page 36). They can help you look at all the options available to you, from debt management plans to bankruptcy.

Summary of debt advice

• Make sure you’re getting all the money you’re entitled to.

• Don’t borrow more money to pay off your debts. Get free advice first from your local Citizens Advice Bureau, the National Debtline, the Consumer Credit Counselling Service or another local advice agency.

• Don’t ignore the problem. It won’t go away and the longer you leave it, the worse it will get.

• Review your spending, pay your priority bills and make arrangements to bring them up to date.

• Write everything down using the personal budget worksheets (see pages 32–35).

• Read our free factsheet Debt advice.

• Get advice from one of the agencies listed at the end of this guide for further help (see pages 36–46).
Shopping around for financial services

Check that you’re making the most of your savings and getting the best possible deal with the financial services that you use.

• Invest your savings to produce greater income, for example, in Income Bonds or Fixed Rate Savings Bonds, or in a monthly income account with a bank or building society. Check your savings rates at least once a year to make sure that you’re still getting a good rate. You can check the rates of different accounts online and discover the best deals.

• Join a credit union. These are financial co-operatives run by groups of people with something in common – they may live in the same area or attend the same church or club. Members of the credit union save together. The money they save is then available to give out as low-cost loans. Contact the Financial Services Authority to find out whether there is a credit union in your area (see page 40). Or visit the Association of British Credit Union’s website at www.abcul.org to find your nearest one.

• You may want to consult an Independent Financial Adviser (IFA) for money advice. You can find one by visiting www.unbiased.co.uk. There are changes coming in to the way that financial advice is regulated from January 2013. They include clearer charges – advisers will have to agree fees with you upfront, so you’ll know exactly what you’re paying for.
• Review your home and motor insurance. Compare insurance quotes from different companies to make sure that you get the best deal for your circumstances. Age UK’s commercial arm, Age UK Enterprises Limited, offers insurance for older people through Ageas Insurance. Call Ageas on 0800 032 5594 for more information on home insurance, or on 0800 055 6541 for more information on car insurance.*

See our free guide *Money matters* to learn more about bank accounts and savings. See the Money Advice Service’s free guide *Credit unions* for more information (see page 42).

*Products and services listed are offered through Age UK Enterprises Limited, which is a commercial services arm of Age UK (registered charity number 1128267) and donates its net profits to Age UK. Age UK Enterprises Limited is authorised and regulated by the Financial Services Authority for insurance mediation. Registered in England and Wales number 3156159. Registered address: Tavis House, 1–6 Tavistock Square, London WC1H 9NA.

If you call the 0800 numbers for Home and Car Insurance, you will be dealing with Ageas Insurance Limited. Calls to 0800 numbers are free if made from a UK BT landline. Call charges from other providers or mobiles may vary. Calls may be recorded to improve customer service. Registered address: Ageas House, Tollgate, Eastleigh SO53 3YA, England. Registered number 354568.
Ways to boost your income

Even after following the advice on balancing your budget, it might be that you still don’t have enough money coming in. This section of the guide will help you to make sure that you’re claiming all the benefits and concessions you are entitled to and getting the best deals.

Help with the cost of living

Many retired people do not claim all the benefits that they’re entitled to. Benefit rules are not needlessly generous, so if you qualify for help you should take up your entitlement.

Some benefits, including Pension Credit, Housing Benefit and Council Tax Benefit, are means-tested. Whether you qualify and how much you get depends on your income and savings. If you qualify for a means-tested benefit this can make you eligible for other concessions, such as help with health costs, and grants and loans from the Social Fund. The Social Fund is changing from April 2013. Call Age UK Advice after this date to find out more.

Most people born before 6 July 1951 are eligible for a Winter Fuel Payment in 2012–13 to help with their heating costs. This isn’t means-tested. Read our free guide Winter wrapped up for more information about the Winter Fuel Payment and heating grants.

Contact your local Age UK to arrange a benefits check to identify your entitlements. Read our free guide More money in your pocket: a guide to claiming benefits for people over pension age. Use our online benefits calculator to check your entitlement – go to www.ageuk.org.uk/benefitscheck
Help with the costs of disability and care

Attendance Allowance (AA) is a benefit paid to people aged 65 or over who have personal care needs or who need supervision to keep them safe. Personal care includes help with activities such as washing, dressing, going to the toilet or getting around the house. Attendance Allowance is not means-tested, so your savings and income do not affect your eligibility.

There is a similar benefit called Disability Living Allowance (DLA) for people who are under 65. It also includes a mobility component for people who have great difficulty in walking or can’t walk at all. It has to be claimed before you are 65 but can continue after that age. Personal Independence Payment (PIP) will start to replace Disability Living Allowance from April 2013.

If you look after someone who gets Attendance Allowance or Disability Living Allowance, you may be able to boost your income by claiming Carer’s Allowance. You may want to read our free guide Advice for carers too.

See our free guides More money in your pocket: a guide to claiming benefits for people over pension age and Claiming benefits: a guide for people of working age, to find out more. These guides also include information on how to complete the forms for Attendance Allowance and Disability Living Allowance.
Help with health costs

Everyone aged 60 or over in England, and everyone in Wales, Scotland and Northern Ireland is eligible for free NHS prescriptions. You can also get a free NHS sight test when you reach 60. In Scotland, everyone is eligible for one, regardless of age.

If you get the Guarantee Credit part of Pension Credit, you will qualify for free prescriptions, dental treatment, and sight tests, a voucher for the cost of glasses and contact lenses, free wigs and fabric supports, and help with travel costs to hospital. If you don’t get Guarantee Credit, but have a low income and savings, you may get some help through the NHS Low Income Scheme. There may be other ways of getting help if you have certain medical conditions.

For more information about the NHS Low Income Scheme, see our free factsheet Help with health costs or call Help with Health Costs on 0845 850 1166. You can also visit www.nhs.uk/healthcosts (in Wales, visit www.wales.nhs.uk; in Scotland, visit www.scotland.gov.uk and search for ‘NHS Low Income Scheme’ in the search box; in Northern Ireland, visit the ‘Health and Wellbeing’ section of www.nidirect.gov.uk).
Cutting the cost of heating your home

There are other ways that you can save money on your energy bills without switching supplier. Improving the energy efficiency of your home means that you will use less energy heating it, resulting in lower bills.

• Check that your home’s thermal insulation is up to date – do you have suitable insulation and draught-proofing? If it has been a while since your loft was insulated, it may need topping up.

• If you’re buying a new refrigerator or freezer, think about getting one recommended by the Energy Saving Trust. They have an energy label rating of A+ or A++ and are cheaper to run.

• Low-energy light bulbs use less electricity but produce the same amount of light.

• Only heat the rooms you use and keep the thermostat set to the right level.
In England, a scheme called Warm Front offers grants to provide homes with adequate heating and insulation, if you receive certain means-tested benefits such as Pension Credit. Both homeowners and private tenants can apply. To be eligible, the property must also be assessed as not being energy efficient.

Contact Warm Front in England – similar schemes operate in Wales, Scotland and Northern Ireland (see page 45). Warm Front will end in April 2013. There will be a new scheme available from October 2012 called Green Deal. Through Green Deal, customers can take out loans to have their homes made energy efficient, and repay the money over 25 years through additional charges on their energy bills.

See our free guide Save energy, pay less for more information on lowering your bills. Ask your energy supplier whether they can help with home insulation or provide energy efficiency advice. The Energy Saving Trust provides information and tips on how to reduce your energy use (see page 40).
Changing your gas and electricity supplier

As we all know, energy costs have risen sharply in recent years. However, you may be able to save some money by changing your energy supplier. Prices are not the only reason to switch. Check which energy suppliers offer special discounts, such as dual-fuel discounts, or other services, such as cheaper telephone charges.

Energy suppliers have social tariffs available on request that may offer good savings. Ask your current supplier about their best offer before thinking about switching. The Warm Home Discount scheme is gradually replacing social tariffs. Your energy supplier will contact you about this if you’re on a social tariff. You may find that you won’t qualify for help under the Warm Home Discount scheme, or that you won’t receive as much as you currently get under the social tariff.
See our free factsheet *Switching energy supplier* for more information. Consumer Focus, the Government’s consumer organisation, provides information on its website about how to choose and change energy suppliers (see page 40). It also has details of price comparison websites that follow the Consumer Focus Confidence Code. In Northern Ireland, visit the website of the Consumer Council for Northern Ireland for information about switching suppliers (see page 39). The Age UK Group has an association with E.ON, which offers an Age UK Energy tariff. For more information, call E.ON on 0800 015 6784.*

*Age UK Energy is a trading name of Age UK Enterprises Limited (the commercial services arm of Age UK, which donates net profits to that charity. Registered in England and Wales number 3156159). Address: Tavis House, 1–6 Tavistock Square, London WC1H 9NA. E.ON Energy Solutions Limited, registered office Westwood Business Park, Westwood Way, Coventry CV4 8LG (registered in England and Wales number 340430).
‘Although I was used to looking for the best-value suppliers for my company, I’d never really done the same at home.’

John, 70, retired from his own small business three years ago.

‘My wife Gill and I made sure that we were reasonably well provided for in our retirement, but we still like to check we’re using our money smartly.

‘It’s funny, but although I was used to looking for the best-value suppliers for my company, I’d never really done the same at home. It’s partly habit, I suppose – for most of my life there was only one place to get your power or phone services. It was only after I retired that I looked into whether I was getting the best deal.

‘We changed gas and electricity suppliers, but not just for the sake of it. Our current phone company seemed best for us, so we stayed with them.

‘I had a few different jobs before I set up on my own. When I looked into it, I found that I had a small works pension due to me from one of them. It’s not a huge amount but it’s worth having. I felt a bit silly asking at first, as I’d mislaid the paperwork, but I’m glad I did.

‘Gill wants me to start trading on internet auctions. She’s probably dropping a hint about my football programmes. I might give it a go – I enjoyed being in business and it might be quite good fun.’
Water meters

If you have a big home with few occupants, you may save money by installing a water meter. They are usually installed free for domestic customers, but water companies can refuse to fit a meter if it is too expensive or difficult.

In Scotland, Scottish Water charges a survey fee and installation costs, but the water meter itself is free.

It may be beneficial to switch to a meter if:

• you use very little water

• your property has a high rateable value
  (or, in Scotland, a high council tax band)

• you want to control how much water you pay for.

See our free factsheet Water advice for more information. Websites such as www.buy.co.uk and www.uswitch.com can help you estimate whether a meter would help you cut down on your bills.

Television licence concessions

TV licences are free for households with a person aged 75 or over. People who are registered blind can get a 50 per cent reduction. There is also a £7.50 concessionary licence for people who live in a care home or in certain sheltered housing schemes.

Contact TV Licensing for further details on TV licence concessions (see page 44).
Changing your telephone service provider

You may also be able to save money by changing your telephone service provider. Look at the costs of the line rental, calls and connection charges, and check what discounts are available, how many calls you can make for free and what type they are – international, national, local. There are also deals that include broadband internet access.

Check the bill payment options. Companies increasingly offer cheaper tariffs or discounts if you pay by direct debit.

If you change provider, the new contract will often be for 12 months but there should always be a ‘cooling-off’ period, during which you have the right to change your mind.

Ofcom produces guides on price comparison and the different telephone service providers (see page 43).
**Housing options**

Moving to a smaller property can be one way to reduce your cost of living. It’s a big step, so take your time to think it over and get expert legal and financial advice first. Remember that the cost of moving and setting up a new home can be expensive. See our free guide *Housing options* to find out more.

Equity release is a way to release cash from your home without having to move. You borrow money against the value of your home, but pay nothing back until the debt is repaid from the sale of your home – either after your death or if you go into a care home. Alternatively, you can raise money by selling your home, or part of it, but continue to live in it until you die or go into a care home. Equity release is a big decision and isn’t suitable for everyone. See our free leaflet *Equity release* to find out more.

Get financial advice from an equity release specialist if you’re considering equity release. Find one from [www.unbiased.co.uk](http://www.unbiased.co.uk) or the Society of Later Life Advisers (see page 43).
Paying your mortgage

If you own your own home and are having difficulty paying the mortgage, you may be eligible for Support for Mortgage Interest as part of Pension Credit. Our free factsheet Pension Credit has more information.

If you bought a house with an interest-only mortgage and are coming to the end of the mortgage term, you may be worried that you don’t have enough money to pay off the loan. Talk to your lender if this is the case. You may be able to pay the shortfall from savings, discuss a new repayment plan, or sell your property to repay the mortgage and buy a cheaper home instead. Read the Money Advice Service’s free guide Dealing with your mortgage shortfall for more information (see page 42).

Before you make any decisions about your money, it’s a good idea to look at your present circumstances carefully.
Cutting the cost of travel

Older people are entitled to concessions or free travel on local public transport. You are eligible if you are over 60 and live in Northern Ireland, Scotland and Wales, or once you reach women’s State Pension age (regardless of whether you are male or female) in England.

• In England, you are entitled to free off-peak bus travel on local buses anywhere in England. If you live in London, you can apply for a Freedom Pass, which entitles you to free travel at any time of day on the tube, bus, tram and DLR.

• In Northern Ireland, you can get a pass offering free travel on buses and trains in Northern Ireland.

• In Scotland, you are entitled to free local bus and long-distance coach travel. Contact Transport Scotland (see page 44) for more information.

• In Wales, you can get a pass offering free local bus travel. You can also use it on some long-distance services. The Welsh Assembly Government is currently operating a concessionary fares rail-pilot scheme, so if you have a bus pass you may also be eligible for free train travel on certain services (see page 46).

Contact your local council for details of concessions or free travel in your area and how to apply.

If you are over 60 and travel by train, you can buy a Senior Railcard. The savings you will make may outweigh the cost of the card in only one or two trips, depending on the length of the journey. Further information about the Senior Railcard is available from main railway stations, or by visiting the website at www.senior-railcard.co.uk
You can get a Senior Coachcard if you’re over 60 or a Disabled Coachcard if you’re disabled from National Express. The card costs £10 and offers a third off standard fees. For more information, visit the National Express website at www.nationalexpress.com/coach/offers/index.aspx. Other companies offer discount cards for older travellers too.

See our free factsheet Public transport and concessions to find out more.

**Education and leisure**

Taking part in your favourite activities doesn’t have to be expensive. Here are some suggestions.

• If you want to learn a new skill or follow up an interest, remember that people over pensionable age generally get concessions for the cost of adult education classes and leisure facilities. Check your local colleges, libraries and education authority for what is available.

• Reduced-price tickets are often available to older people for the theatre, concerts and at galleries and other attractions. Ask your local venues or mention that you are over pension age when you make a booking.

• Businesses are not obliged to offer discounts to older people but many do, particularly at less busy times. Hairdressers, restaurants and pubs may all have special deals. Keep an eye out for discounts and offers and don’t be afraid to ask.

See our free guide Leisure and learning for more ideas about hobbies and activities.
Are you paying the right tax?

Your personal Income Tax allowance (the income you are allowed before paying any tax) increases when you reach 65 and again at 75, although this extra allowance can be reduced if your income is above a certain level. The system is changing so eventually everyone will have the same personal allowance. From April 2013, people turning 65 will no longer receive a larger personal allowance than people of working age.

State Pension is paid with no tax deducted, but it is taxable. Any tax due on it will be collected from your other income sources or through the self-assessment system.

You are allotted a tax code so that your pension provider or other source of income knows how much tax to deduct. There is no guarantee that it will be right, particularly if you have more than one pension. Check that you are getting the correct allowance and that you have the right tax code. Use the tax calculator on the Age UK website by visiting www.ageuk.org.uk/taxcalculator. Find your local Tax Enquiry Centre in your local phone book or by visiting the website for HM Revenue and Customs (see page 41).
Make sure you are not paying any more tax than you have to. A financial adviser may help you arrange your financial affairs to minimise your tax liability. Interest on savings is usually paid with tax deducted from it, but can be paid without the deduction if you are not a taxpayer. Ask your bank or building society for a form. If you have overpaid tax, you can reclaim the overpayment for up to six years. Savings held within Individual Savings Accounts (ISAs) are exempt from Income Tax and Capital Gains Tax.

See our free *Tax guide* for more information. Tax Help for Older People (TOP) provides tax advice for older people who are not able to afford a specialist adviser (see page 44).

*Interest on savings is usually paid with tax deducted from it, but can be paid without the deduction if you are not a taxpayer.*
**Personal budget worksheets**

**Household income**
Make sure that all your amounts are either weekly or monthly. Do not mix the two. Choose the one that suits you best.

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<th>£ (weekly/monthly)</th>
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<tr>
<td>Wages – you</td>
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<td>Wages – your partner</td>
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<td>Pension Credit</td>
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<td>State Pension – you</td>
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<td>State Pension – your partner</td>
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<td>Occupational pension – you</td>
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<td>Carer’s Allowance</td>
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<td>Disability Living Allowance</td>
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<td>Attendance Allowance</td>
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<td>Housing Benefit</td>
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<tr>
<td>Other social security benefits</td>
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<tr>
<td>Non-dependant contributions (e.g. relative, lodger)</td>
</tr>
<tr>
<td>Investment income</td>
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<tr>
<td>Other</td>
</tr>
</tbody>
</table>

**Total income**


Household expenses

£ (weekly/monthly)

Rent
Mortgage
Second mortgage
Council Tax (minus Council Tax Benefit and discounts)
Water charge
Ground rent
Service charges
Life insurance
Building/contents insurance
TV rental and licence
Telephone/broadband
Electricity and gas
Clothing
Housekeeping
Home repairs
Transport/car running and maintenance costs
Entertainment
Christmas/holiday expenses
Other expenses

Total expenses

Balance
### Your net assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>Value (£)</th>
<th>Amount owing (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>House value</td>
<td></td>
<td></td>
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<tr>
<td>Car</td>
<td></td>
<td></td>
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<tr>
<td>Savings – you</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings – your partner</td>
<td></td>
<td></td>
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<tr>
<td>Other investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Credit/debt/repayments

### Priority debts
- Mortgage arrears
- Loan secured on your home
- Rent arrears
- Council Tax arrears
- Water rates arrears
- Gas and electricity arrears
- Other

**Total**

### Non-priority debts
- Credit card
- Store card
- Non-secured loan
- Bank overdraft
- Catalogue
- Other (if you have multiple credit cards or store cards, add them here)

**Total**

### Overall total (priority debts + non-priority debts)
**Calculation**
**Total value of assets – total amount owing = net assets**
Useful organisations

Age UK
We provide advice and information for people in later life through our Age UK Advice line, publications and online.

Age UK Advice: 0800 169 65 65
Lines are open seven days a week from 8am to 7pm.
www.ageuk.org.uk

Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

In Wales, contact
Age Cymru: 0800 169 65 65
www.agecymru.org.uk

In Northern Ireland, contact
Age NI: 0808 808 7575
www.ageni.org

In Scotland, contact
Age Scotland: 0845 125 9732
www.agescotland.org.uk
**Advice NI**  
Provides free advice about managing your money and bills for people in Northern Ireland.

1 Rushfield Avenue  
Belfast BT7 3FP

Tel: 028 9064 5919  
Email: info@adviceni.net  
www.adviceni.net

**Association of British Credit Unions (ABCUL)**  
Trade association for credit unions in England, Scotland and Wales.

Holyoake House  
Hanover Street  
Manchester M60 0AS

Tel: 0161 832 3694  
Email: info@abcul.org  
www.abcul.org

**Association of British Insurers**  
Provides information on insurance cover, including a leaflet specifically for older motorists.

Tel: 020 7600 3333  
www.abi.org.uk
**British Bankers’ Association**
The leading trade association in the UK financial services industry. Includes an account-tracing scheme.

Tel: 020 7216 8800
www.bba.org.uk

**Building Societies Association**
The trade association for all the UK’s building societies. Includes an account-tracing scheme.

Tel: 020 7520 5900
www.bsa.org.uk
www.mylostaccount.org.uk (to trace a lost account)

**Charity Search**
Helps people in financial need to find a charity that could provide them with a grant.

Freepost (BS 6610)
Avonmouth
Bristol BS11 9TW

Tel: 0117 982 4060
Email: info@charitysearch.org.uk
www.charitysearch.org.uk
Citizens Advice
National network of free advice centres offering free, confidential and independent advice, face to face or by telephone.

020 7833 2181 (for details of your local Citizens Advice Bureau)

In Wales there is a national phone advice service on 0844 477 2020. It is available in some parts of England on 0844 411 1444.

To find details of your nearest Citizens Advice Bureau (CAB) in: England or Wales, go to www.citizensadvice.org.uk Northern Ireland, go to www.citizensadvice.co.uk Scotland, go to www.cas.org.uk

Visit www.adviceguide.org.uk for online information.

Citizens Advice Consumer Service
Consumer advice and complaints service.

Tel: 0845 404 0506
(0845 404 0505 for a Welsh-speaking adviser)

www.adviceguide.org.uk

In Northern Ireland, contact Consumer Council for Northern Ireland

116 Holywood Road
Belfast BT4 1NY
Tel: 0800 121 6022

Email: info@consumercouncil.org.uk
www.consumercouncil.org.uk
**Consumer Credit Counselling Service**
A charity giving debt-counselling sessions (lasting about two hours) in person or by phone.

Tel: 0800 138 1111  
www.cccs.co.uk

**Consumer Focus**
Champions consumer interests and provides information on its website.

Fleetbank House  
Salisbury Square  
London EC4Y 8JX  

Tel: 020 7799 7900  
Email: contact@consumerfocus.org.uk  
www.consumerfocus.org.uk

**Energy Saving Trust**
Provides information on how to make your home more energy efficient.

Tel: 0300 123 1234 (0800 512 012 for Scotland)  
www.energysavingtrust.org.uk

**Financial Services Authority (FSA)**
Regulates financial services, including credit unions. Contact them to find out whether there is a credit union in your area.

Tel: 0845 606 1234  
www.fsa.gov.uk
**Financial Services Compensation Scheme (FSCS)**
Statutory compensation scheme for customers of UK-regulated financial services firms.

10th Floor Beaufort House  
15 St Botolph Street  
London EC3A 7QU  

Tel: 0800 678 1100  
Email: enquiries@fscs.org.uk  
www.fscs.org.uk

**HM Revenue and Customs (HMRC)**
For more information about taxes, contact your nearest HMRC enquiry centre – you should be able to find contact details in your local phone book or on their website.

www.hmrc.gov.uk

**Home Heat Helpline**
Provides advice for people having difficulty paying their fuel bills. It offers advice on cheaper payment schemes, grants for insulating homes, how to get on to the Priority Services Register for extra services and information on extra government benefits.

Tel: 0800 33 66 99  
www.homeheathelpline.org.uk
Money Advice Scotland
Provides details of agencies throughout Scotland that provide a free, independent, impartial and confidential advice service.

Tel: 0141 572 0237
Email: info@moneyadvicescotland.org.uk
www.moneyadvicescotland.org.uk

Money Advice Service
Provides impartial information and guidance to help you manage your money. It produces a wide range of materials on finance-related matters. It also provides tailored advice, over the phone or face to face.

Tel: 0300 500 5000
www.moneyadviceservice.org.uk

National Debtline
A national helpline and website for people with debts, giving self-help advice, counselling and support over the telephone. Sends out free information packs.

Tel: 0808 808 4000 (free call)
www.nationaldebtline.co.uk

NHS Choices
Provides information about health conditions, treatments and services.

www.nhs.uk
In Wales, visit www.wales.nhs.uk
In Scotland, visit www.nhsinform.co.uk
Ofcom (Office of Communications)
The independent regulator and competition authority for the UK communications industries.

Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 0300 123 3333
Textphone: 020 7981 3043
http://consumers.ofcom.org.uk

Pension Tracing Service
If you think that you may have an old pension, perhaps from a former employer, but are unsure, the Pension Tracing Service can usually trace it for you.

Tyneview Park
Whitley Road
Newcastle upon Tyne NE98 1BA

Tel: 0845 600 2537
Textphone: 0845 3000 169
www.direct.gov.uk/pensions

Society of Later Life Advisers
Helps you to find a financial adviser who understands the financial needs of older people. Search online for a local adviser.

Tel: 0845 303 2909
Email: admin@societyoflaterlifeadvisers.co.uk
www.societyoflaterlifeadvisers.co.uk
**Tax Help for Older People (TOP)**
An independent and free tax-advice service for older people on low incomes.

Tel: 0845 601 3321/01308 488 066  
www.taxvol.org.uk

**Transport Scotland**
Provides information on the concessionary travel scheme for over-60s and disabled people.

Tel: 0141 272 7170  
Email: freebus@transportscotland.gsi.gov.uk  
www.transportscotland.gov.uk/public-transport/concessionary-travel

**Turn2us**
Helps people to access the money available to them through welfare benefits, grants and other help.

Tel: 0808 802 2000  
www.turn2us.org.uk

**TV Licensing**
Provides free TV licences for those aged 75 and over, as well as other concessions.

Tel: 0300 790 6131  
Textphone: 0300 790 6050  
www.tvlicensing.co.uk
UK Online Centres
Encourages the 8 million people in the UK who don’t use the internet to get online through offering free/low-cost training courses and computer access.

The Workstation
15 Paternoster Row
Sheffield S1 2BX

Tel: 0114 227 0010 (call 0800 77 1234 for details of nearby courses and computer centres)
Email: help@ukonlinecentres.com
www.ukonlinecentres.com

Warm Front
Scheme offering heating and insulation grants in England, run by Carillion Energy Services on behalf of the Government.

Tel: 0800 316 2805
Textphone: 0800 072 0156

Email: enquiry@carillionplc.com
www.warmfront.co.uk

In Northern Ireland, contact Warm Homes Scheme
Tel: 0800 988 0559
www.warm-homes.com

In Wales, contact Nest
Tel: 0808 808 2244
Email: advicewales@est.org.uk
www.nestwales.org.uk

In Scotland, contact the Energy Assistance Package
Tel: 0800 512 012
www.energyassistancepackage.com
**Welsh Assembly Government**
The devolved government for Wales. Currently operating a pilot scheme for concessionary rail travel for over-60s in certain areas.

Tel: 0300 060 3300 (English) 0300 060 4400 (Welsh)
Email: wag-en@mailuk.custhelp.com
www.wales.gov.uk

**Winter Fuel Payment helpline**
For information and application forms to claim the payment.

Tel: 0845 915 1515
Textphone: 0800 601 5613
www.direct.gov.uk/winterfuel
Can you help Age UK?

Please complete the donation form below with a gift of whatever you can afford and return to: RSXZ-KTTS-KSHT, Age UK, Tavis House, 1–6 Tavistock Square, LONDON WC1H 9NA. Alternatively, you can phone 0800 169 87 87 or visit www.ageuk.org.uk/donate. If you prefer, you can donate directly to one of our national or local partners. Thank you.

Personal details

<table>
<thead>
<tr>
<th>Title:</th>
<th>Initials:</th>
<th>Surname:</th>
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</thead>
<tbody>
<tr>
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<td></td>
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<tr>
<td>Address:</td>
<td>Postcode:</td>
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</table>

Tel: Email: 

By providing your email address and/or mobile number you are agreeing to us contacting you in these ways. You may contact us at any time to unsubscribe from our communications.

Your gift

I would like to make a gift of: £

☐ I enclose a cheque/postal order made payable to Age UK

Card payment

I wish to pay by (please tick) ☐ MasterCard ☐ Visa ☐ CAF CharityCard

☐ Maestro ☐ American Express

(Maestro only)

Signature X

Expiry date / Issue no. (Maestro only) /

Gift aid declaration

☐ (please tick) Yes, I want Age UK and its partner organisations* to treat all donations I have made for the four years prior to this year, and all donations I make from the date of this declaration until I notify you otherwise, as gift aid donations. I confirm I pay an amount of income tax and/or capital gains tax at least equal to the tax that the charity will reclaim on my donations in the tax year. Date: / / (please complete). *Age Cymru, Age Scotland and Age NI

We will use the information you have supplied to communicate with you according to data protection guidelines. Age UK (registered charity number 1128267) comprises the charity, its group of companies and national partners (Age Cymru, Age Scotland and Age NI). If you would prefer not to hear from them or carefully selected third parties, let us know by phoning 0800 107 8977.
Money matters

You may be interested in other guides in this range

- Avoiding scams
- Can I afford to retire?
- Claiming benefits: a guide for people of working age
- Equity release
- Help with legal advice
- How to be an executor
- Lesbian, gay or bisexual
- Looking after someone else’s affairs
- Money matters
- More money in your pocket: a guide to claiming benefits for people over pension age
- Powers of attorney
- Save energy, pay less
- Tax guide
- Tracing lost money
- When someone dies
- Wills and estate planning
- Your consumer rights

To order any of our free publications, please call Age UK Advice free on:

0800 169 65 65
www.ageuk.org.uk/moneymatters
What should I do now?

For more information on the issues covered in this guide, or to order any of our publications, please call Age UK Advice free on 0800 169 65 65 or visit www.ageuk.org.uk/moneymatters

Our publications are also available in large print and audio formats.

The following Age UK information guides may be useful:

- Money matters
- Tax guide
- Tracing lost money

The Age UK Group offers a wide range of products and services specially designed for people in later life. For more information, please call 0800 169 18 19.

If contact details for your local Age UK are not in the box below, call Age UK Advice free on 0800 169 65 65.