

Money Matters



Who we are

Age Scotland is the national charity for older people. We work to improve the lives of everyone over the age of 50 so that they can love later life.

Our vision is a Scotland which is the best place in the world to grow older.

Our mission is to inspire, involve and empower older people in Scotland, and influence others, so that people can make the most of later life.

Our three strategic aims are to:



Help older people to be as well as they can be



Promote a positive view of ageing and later life



Tackle loneliness and isolation

How we can help

We know that growing older doesn't come with a manual. Later life can bring changes and opportunities to your life and you may need to know about rights, organisations and services which are unfamiliar to you.

That's why we provide free information and advice to help you on a range of topics including benefits and entitlements, social care, legal issues such as Power of Attorney, housing and much more. All of our guides are available to download for free from our website, or you can contact our helpline team to have copies posted to you for free.

The Age Scotland **helpline** is a free, confidential phone service for older people, their carers and families in Scotland looking for information and advice.

Later life can bring times when you just need someone to talk to. Our **friendship line** is part of our wider helpline and older people can call us for a chat. We're here to listen, provide friendship and offer support.

For information, advice and friendship



Call us free on:
0800 12 44 222
(Mon – Fri, 9am - 5pm)



Visit [agescotland.org.uk](https://www.agescotland.org.uk)
to find out more.

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Money Matters

This guide looks at some common money issues in later life. Earlier in life, lots of information and advice is available about saving for retirement and pensions. Once you have retired, you will be living on what you have managed to save but you could have new entitlements, additional costs and need information about situations you have not come across before.

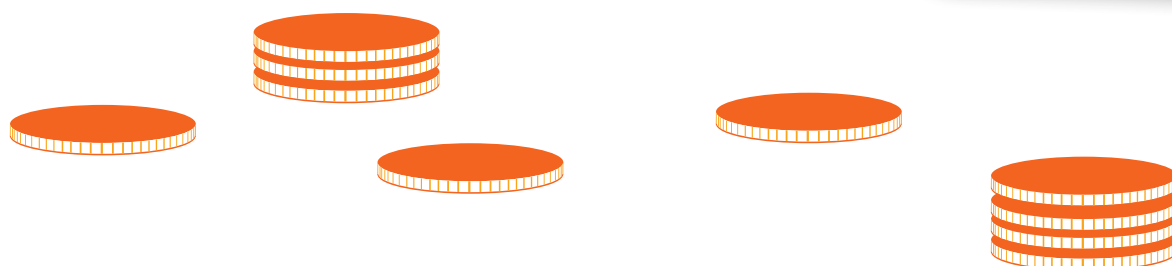
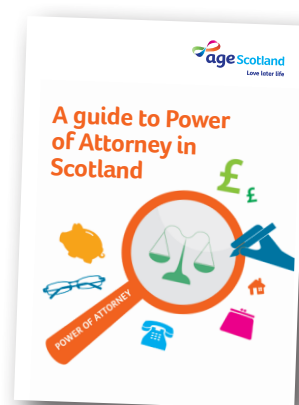
This guide includes information for older people who may:

- have had a change in income
- face new or increased costs
- have difficulty balancing their budget
- need to make changes in how they manage their money because of a bereavement or a change to their caring responsibilities
- want to be more confident about managing their money and planning for the future
- be looking at how best to support someone else to manage their money
- be concerned that other people are interfering in how they want to manage their money.

Some people find it difficult to discuss personal money matters, but there are many sources of free and confidential information and advice that can provide guidance and support.

This guide looks at the basic steps of making sure you receive all you are entitled to, planning for common money matters in later life, putting together a budget and what to do if your budget is out of balance.

If you would like support to manage your money because you are starting to have problems with your memory or concentration, you may be able to set up a Power of Attorney and choose someone to help you look after your money. Call the **Age Scotland helpline** on **0800 12 44 222** or see our **Guide to Power of Attorney in Scotland**.



Benefit and social security entitlements

The benefit and social security system can be confusing. Millions of pounds of benefits such as Pension Credit, Attendance Allowance and Council Tax Reduction go unclaimed each year.

Some benefits are means-tested, so will take into account your income and savings (but not the value of your normal home). Others can be paid regardless of your income and savings. Some benefits are paid to help with your day-to-day costs and others can help with one-off costs such as funerals.

It is important to check your entitlements if your family circumstances change. If you are living with a disability or health condition you should recheck your benefit entitlement if your health becomes worse, as you may become entitled to other benefits if you need care or supervision day to day.

If you need support to claim benefits, you may be able to get help with this, either by having an **appointee** (agreed with the Department for Work and Pensions or Social Security Scotland) or by granting someone Power of Attorney to claim your benefits on your behalf.

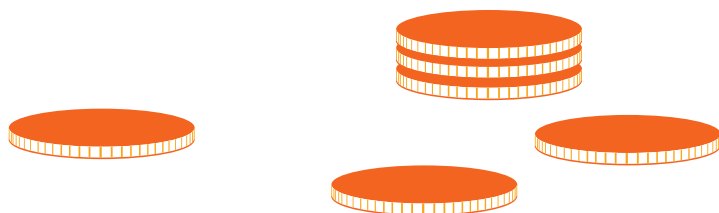
To find out if you are receiving all you are entitled to, call the **Age Scotland helpline** on **0800 12 44 222** and ask an adviser for a benefits check.

To check your benefit entitlement we will need to know (for yourself, and for your partner):

- your income
- which benefits you currently receive
- how much rent or mortgage and council tax you are paying
- any savings you have
- if you live alone or with a partner or other people
- whether you have any health conditions or a disability.



Our **Benefit Check guide** explains more.



Making the most of your money

To keep your spending on track and stay in control of your money it is good to:

- keep a close eye on your bank account and credit card to avoid fees. You can check your account regularly over the phone, online, by visiting your bank or at a cash machine.
- if you pay income tax, check that you are paying the right amount; have a look at the letters you have from HMRC and make sure they have the correct information about your income. If you have paid too much tax you may be able to claim a refund. You can find information about income tax on the **Tax Help for Older People** website www.taxvol.org.uk. If you are over 60 and have annual income of less than £20,000 you can call them on **01308 488 066**.
- If you receive calls, texts or emails saying you are owed a tax refund these may be fraudulent. Call **Consumer Advice Scotland** on **0808 164 6000** if you suspect a scam.
- check your insurance policies, fuel tariffs and telephone and broadband charges when they are due for renewal to make sure you are getting the best deal.
- check if your home could be more energy efficient – you could be warmer at home and reduce your bills too. Get a free energy check by calling **Home Energy Scotland** on **0808 808 2282**, see their website www.homeenergyscotland.org.uk or call the **Age Scotland** helpline on **0800 12 44 222** and speak to our Energy adviser.
- find out if you can reduce the costs of travel:
 - ~ if you are 60 or over, or are assessed by the National Entitlement Card scheme as having a disability, you qualify for free Scotland-wide bus travel. You can get information about the scheme from **Transport Scotland** on **0141 272 7100** or at www.transport.gov.scot.
 - ~ the **Blue Badge Scheme** provides access to parking in certain restricted areas, and free parking at on-street parking meters and in pay-and-display bays. You can find more information at www.mygov.scot/apply-blue-badge/ or by contacting your local council.
 - ~ you can purchase a **Senior Railcard** to reduce the cost of rail fares if you are 60 or over. Call **0345 3000 250** for more information or see www.senior-railcard.co.uk. **Scotrail** also has regular offers for older people, see their website www.scotrail.co.uk.

Common money matters in later life

Money matters planning

If you are on a fixed retirement income, it is more important than ever to plan for the costs you may face in later life. Common money problems faced by older people are:

- the costs of maintaining or repairing your home: general maintenance costs are not covered by insurance
- pressure from family members for a gift or loan of money which you will need for yourself in the future
- giving away money or property and later finding that this affects entitlements to benefits or help with the costs of care.

Call the **Age Scotland helpline** on **0800 12 44 222** if you would like more information.

Pensions savings and investments

If you want to know more about your pension options you can get free advice from **MoneyHelper** on their website www.moneyhelper.org.uk/en/pensions-and-retirement or by calling them on **0800 011 3797**. If you are 50 or over you can make a free appointment for pensions guidance with Pensionwise through the Moneyhelper website or by calling **0800 138 3944**.

If you want individual professional advice about making the best use of your pension, savings and investments or advice about tax you will need to pay for **regulated financial advice**. Businesses providing this advice need to be qualified, insured and licensed.

You can find details of independent financial advisers on the website www.unbiased.co.uk or call their consumer helpline **0800 023 6868**.

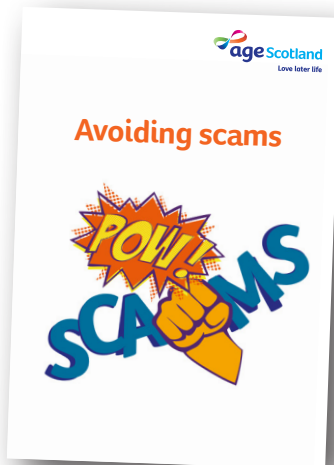
You can find a list of licensed agencies, and information about avoiding scams, on the **Financial Conduct Agency** website www.fca.org.uk/consumers.

Scams

There are a number of scams around which will try to trick you into putting your money into fake or falsely described financial products. A scammer can take a lot of money from you quickly if they manage to get access to your pension or life savings.

Some common scams are:

- firms asking for up-front fees for compensation, for things that never happened to you
- aggressive selling of things you do not need, and pressure to make quick decisions
- letters saying you have won a prize in a competition you have not entered
- calls or emails pretending to be from your bank trying to trick you into giving your bank account details
- cyberscams that target you through your computer, tablet or smartphone which try to get access to your personal or banking details.



If in doubt, contact **Advice Direct Scotland** for advice on **0808 164 6000** or see our guide **Avoiding Scams**.

Managing on a lower income

Most people find that their income reduces when they retire, and it can take a while to adjust to a new budget.

Some costs will reduce, as you will not need to travel to work every day, but others such as heating costs will increase if you are spending more time at home.

You may have more time to do the things you want to, but retirement is not like being on holiday, when you can splash out then earn money to cover the cost later. For most people, their retirement income is likely to be about the same for the rest of their lives, so it may take a few attempts to balance a new budget.

Some older people use credit cards to support their spending when they first retire. If you find yourself doing this have a fresh look at your income and outgoings and be realistic about what you can afford; if you make only the minimum payments on your credit cards you could be paying lots of interest for many years.

Looking after yourself

Surveys have shown that many older people would rather go without than check their benefit entitlements or spend their savings. They will hang on to their savings for a rainy day even when it would be safer to spend the money to look after themselves. Examples include:

- not heating their home properly, which can lead to an increased risk of heart attack, stroke and premature death
- not eating a balanced diet, which can lead to an increased risk of stroke, heart disease, some cancers, low energy, a weakened immune system and weaker bones
- not repairing faulty electrics. People sometimes use candles when they have an electrical fault, which increases the risk of fire. If you have faulty electrical wiring contact the **Age Scotland helpline** on **0800 12 44 222** or **Care and Repair Scotland** on **0141 2219879** for details of your local Care and Repair service
- making DIY repairs to faulty gas and electrical equipment – the **Scottish Fire and Rescue Service** has identified this as a common cause of fire and other dangers. You can contact them for a free fire check on **0800 0731 999** or see **www.firescotland.gov.uk**
- living with worn and damaged carpets, which increases the risk of falls and serious injury.

Staying safe

Some older people find that they are under pressure from friends or family to give away or lend money they need for themselves. If you are being pestered in this way or your money is going missing this could be financial abuse.



If you want to discuss this call the Age Scotland Helpline on **0800 12 44 222** or see our guide **Elder abuse: keeping safe.**

Care and health costs

In later life many older people will be living with one or more health condition or disabilities. Many of these cause extra costs, but help can be available with these costs too.

You may get help with **care costs** if you need support to live comfortably and safely at home or if you need to move into a care home. You can apply to your local council for a **care needs assessment**. They will look at what help you need then carry out a financial assessment to see what you will have to pay. Personal and Nursing Care is free in Scotland for those assessed as needing it, so many older people will receive help with the costs of care.



Call the **Age Scotland helpline** for advice on **0800 12 44 222** or see the Age Scotland guides **Care and support at home: assessment and funding** and **Care home guide: funding**.

Many **health costs**, such as prescriptions, eye tests and dental check-ups are free in Scotland. If you are on a low income you may also qualify for help with items such as glasses, wigs and travel to hospital for NHS treatment. Call the **Age Scotland helpline** to find out more.

Power of Attorney

A Power of Attorney is a legal document which gives someone else the authority to make specific decisions about your life if you need help, or if you lose the ability to make decisions for yourself.

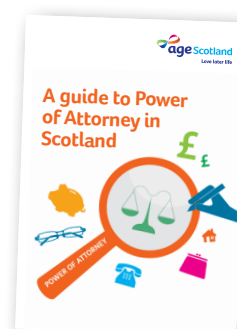
It is important to choose the right person to make decisions on your behalf, discuss with them what is important to you for your welfare and tell them how you would like them to look after your money.

There are two main types of Power of Attorney:

Continuing Power of Attorney allows you to appoint someone to look after your property and financial affairs, and could include the powers to manage bank accounts or sell a house.

Welfare Power of Attorney enables someone to make decisions about your health and welfare, but only if you become unable to do so. They cannot make decisions about your welfare if you have the capacity to decide for yourself.

For more information see our **Guide to Power of Attorney in Scotland**. Ask the **Age Scotland helpline** for a copy on **0800 12 44 222**.



Making your Will

A Will lets people know your wishes after your death. In your Will, you name your executor or executors (the people you want to sort out your estate after your death) and give instructions about what you want to happen to your money or property. You may also include information about how you want your funeral to be arranged.

You can write a Will yourself, but it is safest to use a solicitor to check that everything you have said is clear, that the Will has been prepared as it should be, and that it has been signed and witnessed properly.

If you do not leave a Will, or your Will has not been properly prepared, there are legal rules that will be used to decide who will inherit your money and property, regardless of what you planned.

You can change your Will at any time, for any reason and it is a good idea to review and update it if your family changes, particularly if you get divorced or married, enter into a civil partnership, end a civil partnership or have children. You should check with a solicitor that you have made the changes properly so they will be taken into account when your estate is distributed.



For more information call the **Age Scotland helpline** on **0800 12 44 222** or see the Age Scotland guide **Making your Will**.

Funeral costs

Funerals can be expensive; in Scotland the average cost of a funeral is around £3,870.

Some ways you could provide for the costs of your funeral are:

- setting aside savings to cover the costs
- taking out insurance
- saving with a funeral plan. Funeral plans are now regulated by the Financial Conduct Authority so are a safer way of saving than they used to be.

If you do not have any savings to pay for the funeral, the person arranging your funeral may qualify for a **Funeral Support Payment** to help with the cost. Some funeral directors will require a deposit before agreeing to arrange a funeral.

You need to think about:

- what type of funeral you want
- what will be covered by the amount you save
- whether the way you save the money will affect any means-tested care or benefits you receive.

For more information see the Age Scotland guides **Arranging a funeral** and **Funeral Support Payment**.



Preparing a budget

The best way to keep track of your money is to prepare a budget for yourself.

You will need to gather together all the information you have about your income, your spending, the bills you have to pay and anyone you owe money to. You might find this information from bills, bank statements, letters or online accounts.

You need to look at how much money you have coming in and how much is going out. If you are not sure how much you are spending, you could keep a spending diary for a while to keep a note of where your money goes and look at all the payments going out of your bank account.

There is a sample budget sheet on page 11. You can complete this on a monthly or a weekly basis, depending on how you manage your money.

If you are helping someone else with their money, this sheet is a guide to what you need to know to help them too.

Income - include all your income from the following:

- take home pay
- benefits - some benefits are paid weekly, fortnightly or every four weeks
- pensions, including work and private pensions
- any other income - for example, income you receive from others living in your home.

If you have a partner you may budget together, separately or a mixture of the two. Whatever works for you is fine, but if you have bills which are solely in your name your partner is not normally liable to pay them. Get advice about this if you need to make arrangements with anyone you owe money to.

Spending - list what you need to spend either weekly or monthly.

For bills such as fuel, add up what you spend in a year then divide it into weekly or monthly figures.

If you have internet access, there are online budget planning tools available through **MoneyHelper** at www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner. You can call **MoneyHelper** on **0800 138 7777**.

Budget Sheet

What is your income?

Take home pay (after tax)	£
Partner's take home pay (after tax)	£
Pension / Benefit / Tax Credit (which benefit and who receives this?)	£
Pension / Benefit / Tax Credit (which benefit and who receives this?)	£
Pension / Benefit / Tax Credit (which benefit and who receives this?)	£
Works pension	£
Other pension	£
Money from other people	£
Income from savings or investments	£
Any other income	£
Any other income	£
TOTAL INCOME	£

Where does your money go?

Rent	£
Mortgage	£
Second mortgage or secured loan	£
Service charges (stair cleaning, shared insurance, garden etc.)	£
Buildings / contents insurance	£
Mortgage Endowment or Mortgage Payment Protection Insurance	£
Pension contribution	£

Council Tax	£
Gas	£
Electricity	£
Coal / oil / other heating	£
Housekeeping – food	£
Housekeeping – toiletries, cleaning materials etc	£
Health costs	£
Care costs	£
Telephone / Broadband / Internet	£
Mobile phone	£
TV licence	£
Travel costs (bus, train, tram and taxi costs)	£
Car costs (petrol, tax, insurance, maintenance)	£
Clothing	£
Child related costs	£
Household maintenance and repairs	£
Emergencies	£
Other	£
TOTAL SPENDING	£

Spending on credit and debt

Many people use credit, which can be a sensible way of managing spending if used carefully, but it is easy for credit to become debt if payments are late or missed, or if circumstances change.

Creditor	Total owed	What is due weekly or monthly?
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
TOTAL	£	£

If you cannot manage the payments for credit or debt, you are using your overdraft all the time or you are only making the minimum payments on credit cards, you should get advice.

Call the [Age Scotland helpline](#) on **0800 12 44 222** for information about agencies who can give you free, confidential advice about the options you have for managing your money.

Saving for a rainy day

If it is possible within your budget, it is good to put money aside for a rainy day.

There are bound to be times when household items wear out and need to be replaced or unexpected bills arrive. If you have some savings, you can have peace of mind knowing that if something essential breaks down, you can afford to repair or replace it without borrowing money, or having to do without.

How you save is linked to how you budget and how you think about money. You may want to:

- transfer a regular amount from your bank account to a savings account so saving happens without you having to think about it
- save for a particular item or goal and have a sense of achievement when you reach your total
- have a fund for emergencies separate from your day-to-day spending
- have a treats fund for holidays, or to buy things you do not need but would like
- have money put away to cover funeral costs so you can have control over the type of funeral you would choose and know that this will be paid for.

There is no straightforward way of choosing the best place for you to keep your savings; this will depend on how much you can save, how much tax you have to pay, whether you need access to your money at short notice or can leave your savings untouched for a while, the level of interest you want and your attitudes to ethical investment. Keeping cash at home is risky as it could be stolen.

The **MoneyHelper** website has advice about savings at www.moneyhelper.org.uk/en/savings/types-of-savings.

You can call **MoneyHelper** on **0800 138 7777**.



Who can help?

Age Scotland helpline 0800 12 44 222

The Age Scotland helpline provides information, friendship and advice to older people, their relatives and carers.

If you need an interpreter call **0800 12 44 222** and simply state the language you need e.g. Polish or Urdu. Stay on the line for a few minutes and the Age Scotland helpline will do the rest.

You can call us **on 0800 12 44 222** for a copy of our publications list or download / order copies from our website at **www.agescotland.org.uk**.

Citizens Advice Bureau

You can call Scotland's Citizens Advice Helpline on **0800 028 1456** for advice or for details of your local bureau or see their website

www.citizensadvice.org.uk/scotland/about-us/get-advice-s/

MoneyHelper

Free and impartial money and pensions advice set up by the government.

See their website **www.moneyhelper.org.uk/en** or call **0800 138 7777** (money) or **0800 011 3797** (pensions).

Disclaimer

While we aim to ensure that the information in this document is factually correct at the time of production, Age Scotland cannot be held liable for any errors or omissions. Please ensure that you have an up to date factsheet and that it clearly applies to your situation.

No factsheet can ever be a complete guide to the law, which changes from time to time. Legal advice should always be taken if you are in doubt. Please note that the inclusion of named agencies, companies, products, services or publications in this factsheet does not constitute a recommendation or endorsement by Age Scotland.

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How you can help

Our vision is a Scotland which is the best place in the world to grow older.

All the information and advice we provide is free and completely impartial and in helping people access their rights and entitlements, it can be life changing.

We are an ageing population and more people than ever are coming to us for support. You can help us be there for those that need us most.



Make a donation

No matter how small or large, donations make a massive difference and help us continue our important work.

- ▶ Call **03330 15 14 60**
- ▶ Visit **age.scot/donate**
- ▶ Text **LATERLIFE** to **70085** to donate £5.*



Fundraise

Whether it is having a bake sale, running a marathon or knitting small hats for the Big Knit, there are so many ways to raise vital funds to support our work. To find out more, call **0333 323 2400** or visit **age.scot/fundraise**.



Leave us a gift in your Will

By choosing to leave us a gift in your Will, you can help Age Scotland to continue being there for vulnerable older people in the years to come. To find out more, call **0333 323 2400** or visit **age.scot/legacy**.

* Texts cost £5 plus one standard rate message

Let's keep in touch



Sign up to our newsletter

Our regular newsletters by email contain details of our campaigns, services and how you can support our work.

Sign up today by visiting **age.scot/roundup**



Follow us on social media

Our social media channels are a great way to keep up to date with our work and issues that affect older people.



/agescotland



@AgeScotland



@age_scotland



/AgeScotland

Age Scotland is the national charity for older people. We work to improve the lives of everyone over the age of 50 so that they can love later life.

Our vision is a Scotland which is the best place in the world to grow older.



Contact us:

Head office

0333 323 2400

Age Scotland helpline

0800 12 44 222

Email

info@agescotland.org.uk

Visit our website

www.agescotland.org.uk

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