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Guide to Benefit Changes for family carers and people with learning disabilities from 2013

Contents:

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Guide to Benefit Changes from 2013

There are lots of changes being made to welfare benefits over the next few years.

This guide has information about changes to benefits and how they might affect you. The information is correct at time of writing (January 2013) and may be subject to change as the Government responds to consultations.

Although we have aimed to keep this guide as simple as possible, benefit information can be complex. You might not want to read the guide from start to finish. It is split into sections so you can read about any benefit which might affect you or your relative.

If you feel concerned, particularly about Universal Credit, we would suggest you read the section named 'Transitional Protection' on page 10.

The Government's new digital strategy

The Government has said that all its services will become 'digital by default'. It aims to make all its services accessible through the internet with an aim to provide "easy to use, cost effective services" which "are so straightforward and convenient that all those who can use them will choose to do so whilst those who can't are not excluded".

The Government has said that access to non-digital channels will be available for people who need them.

The Government is aware of issues related to the use of phone lines for people to apply for new benefits or to access information about a benefit they already claim. A debate in the House of Commons in November 2012 referred to:

- the use of 0845 telephone numbers for Department for Work and Pensions (DWP) departments and the cost to call them,

and;

- the length of time people are kept on hold before speaking to a DWP officer

It was highlighted that telephone calls to the DWP lines for most benefits are free to call from major UK landline and mobile providers, even if it is a 0845 number. The mobile operators listed are: O2, Orange, Vodafone, T-Mobile, Hutchison 3G, Tesco Mobile, Virgin Mobile and Cable and Wireless.

Universal Credit

Universal Credit (UC) is a new benefit which will replace the following benefits in Great Britain from October 2013:

- Income Support
- Income-based Jobseekers Allowance
- Income-related Employment Support Allowance
- Housing Benefit
- Child Tax Credit
- Working Tax Credit
- Parts of the Social Fund

UC is not an 'in work' or 'out of work' benefit, but one benefit for people whether they are employed or not. It is an attempt to simplify the current benefit system where separate benefits, which often overlap, are administered by different agencies, with different premiums and different ways of taking earnings into account.

The new system is intended to remove barriers to people getting and keeping work by removing the need to transfer to a different benefit as their situation changes. This should ease the transition of moving into and out of work.

It is hoped that UC will also save the Government money in the long term, but in the short term, the new system is expected to be expensive to set up.

Who can claim Universal Credit?

To claim UC you will need to:

- be 18 or over
- be under state pension credit age
- be in Great Britain
- not be in education
- have accepted a ‘claimant commitment’ (see below)

You cannot get UC if you are aged 16-17 unless you:

- have dependent children
- are sick and have satisfied the work capability assessment (WCA) or are waiting to be assessed under WCA
- are caring for somebody who has disabilities
- are without parental support

If you are a student, you will be able to claim UC if you:

- have dependent children or qualifying young persons*.
- are a foster parent
- have a disability
- have a partner who is entitled to UC
- are over the qualifying age for pension credit and you have a partner who is entitled to UC
- are in non-advanced education (up to age 21) or until the end of the academic year in which you reach 21 - or the end of the course (if earlier) - and have no parental support

*The definition of a ‘qualifying young person’ is someone who is in the age range between 1 September following his or her 16th birthday to 31 August following their 19th birthday. They must be enrolled in or accepted for a course of non-advanced education or approved training. They must also not be receiving Universal Credit, Jobseeker’s Allowance or Employment and Support Allowance in their own right.

How to make a claim and how to report changes

Everyone claiming UC will have an online account through which they can access information about their claim and UC payments, similar to online banking services. The financial rewards from work will be made clearer; people will be able to view the positive effect of increased earnings on their household income through the online system.

Significant changes of circumstances will have to be reported through the online system. For changes of circumstance such as moving into work, losing a job, having a child or becoming sick, in most cases there will be an automatic re-assessment.

Existing information held by the DWP will be used as much as possible to avoid people having to repeat themselves when making a claim or reporting a change in circumstance. During the transition period however, people may be asked to provide a lot of information to ensure that all data in the new system is correct from the start.

If members of a household claiming UC find their total earnings increase to the point that they no longer receive any benefit, it is likely that they will not be removed from the UC online system. Instead, the award will remain open for a fixed period, perhaps three months, so that it can be reactivated and payment made without the need for a new claim if the household become eligible for UC within that time.

Claimant Commitment

As the structure of UC is aimed to improve work incentives, there will be requirements set according to your individual capability and circumstance.

Everyone who makes a claim for UC will have to attend a face to face assessment to determine their ability to work. This is known as the work capability assessment (WCA). You will find detailed information about how the work capability assessment is carried out here: www.disabilityrightsuk.org/f31.htm

Each person who claims UC will be placed in one of four groups:

1. No work-related requirements
2. Work-focused interview requirement only
3. Work preparation requirement
4. All work-related requirements

1. No work-related requirements

You will be placed in this group if you:

- are earning above your individual threshold – this is the amount that you would earn at the hourly rate of the national minimum wage if you worked 35 hours a week (or less in certain circumstance, for example if you are a family carer)
- have limited capability for work and work related activity element (LCWRA)
- you receive the carers element or are providing care for somebody with a disability for at least 35 hours a week
- are responsible for a child under the age of one
- have reached the qualifying age for state pension credit
- are pregnant and it is 11 weeks or less before your expected date of confinement
- were pregnant and it is 15 weeks or less since your confinement
- are an adopter (for up to one year after adoption)
- are aged 16-21 without parental support and you are in full time non-advanced education

2. Work-focused interview requirements only

You will be placed in this group if you:

- are responsible for a child between the ages of one and five
- you are a responsible foster parent for a child aged at least one
- you are a foster parent and a qualifying young person has care needs which make it difficult for you to meet this conditionally.

If you are in this group you will be required to stay in touch with the labour market through attending work focused interviews. You will not be required to apply for or take up a job or engage in work preparation activity.

3. Work preparation requirement

You will be put in this group if you are assessed as having a limited capability for work.

In this group you will be expected to prepare for a move into work, additional work, or better paid work, though you will not be required to take steps to apply for or take up this work as a condition of your claim.

4. All work-related requirements

In this group you will be required to look for and be available for work. You will usually be expected to look for full time work of 35 hours a week but this can be less in certain circumstances, for example if you are a family carer or you have physical or mental health problems.

Volunteering

You are allowed to do voluntary work under UC rules but you can only volunteer for a maximum of half the hours of work you are expected to look for over a period of a week. Therefore if you are expected to look for full time work of 35 hours a week, you could volunteer for 17.5 hours a week.

How much is it?

Claims to Universal Credit will be made by households rather than individuals, and the amount awarded will depend on the income and circumstances of all the household members. A 'household' is defined as a couple with or without children, or a single parent with children. Sometimes a 'qualifying young person'* aged between 16 and 20 will be included in this definition. It is worth noting that if you live with your son or daughter who is an adult, as a general rule, they will not be classed as part of your household.

Universal Credit will be a single payment made monthly to each household. It will normally be paid monthly in arrears (at the end of each month) to reflect the way that earnings from work are paid.

The Department for Work and Pensions (DWP) will have the ability to pay more often, or to split the payment into the different elements that make up the benefit, but this will only be done in exceptional circumstances, for example if you cannot manage your affairs or if alternative payments are needed to safeguard the rest of your family.

If you notify the DWP of a change of circumstances in the middle of your pay month, such as your earnings go up or down, any changes that affect the amount of UC you receive, will apply to the whole month.

*see page 3 for the definition of 'a qualifying young person'

Maximum benefit (benefit cap)

There will be a maximum amount of benefit payments a household can receive, including UC, based on the average earnings of a working family. The proposed maximum amounts are currently £500 per week for lone parents or couples (a 'household') and £350 per week for single people.

The benefit cap does not apply if anyone in your household is claiming:

- Attendance Allowance
- Disability Living Allowance
- Personal Independence Payment
- Industrial Injuries Benefits
- War Disablement Pension/Armed Forces Compensation Scheme payments (that are equivalent to Industrial Injuries Benefits)
- War Widows or War Widower Pension

or:

- if someone in your household gets the limited capability for work and work related activity element (LCWRA)
- if your (or you and your partner's) gross monthly earnings are equivalent to 16 hours a week at the national minimum wage

There will be a 'grace period' of 39 weeks (9 months), when you will not be capped, if you (or you and your partner) were working for a year and your combined gross earnings for each month were £430.

This grace period starts from the day after you finished working regardless of when your claim starts. So, if you finish work on the last day of January 2014 and claim UC in April 2014, your 39 weeks starts from February 2014.

Payments

You may be paid the following monthly elements under Universal Credit unless the benefit cap applies:

Age-related standard allowance (Basic Allowance)

The basic allowance rates are:

• Sincle claimant under 25	£246.81
• Single claimant aged 25 or over	£311.55
• Joint claimants both aged under 25	£387.42
• Joint claimants where either is aged 25 or over	£489.06

Additional amounts

There will be additional amounts available for people who have:

- a disability or health problem
- caring responsibilities
- children
- childcare costs
- housing costs

Limited capability for work element (disability or ill health)

There are two limited capability for work elements which are intended to reflect the two components of Employment and Support Allowance paid during the main phase of the benefit. They are:

1. limited capability for work element (LCW) £123.62
2. limited capability for work and work related activity element (LCWRA) £303.66

You will get one of these elements if you satisfy the work capability assessment (WCA).

Permitted work

There is no 'permitted work' under UC. In the current system this is the number of hours you can work and amount of money you can earn before your benefit is reduced. Instead you will be encouraged to do some work, even if only for a few hours a week, if you can manage it. There will be no time limit to how many weeks you work.

However, if you earn more than the equivalent of 16 hours a week, paid at the national minimum wage rate, you will not be able to get either of the capability for work elements unless you are also getting DLA or PIP.

Carer element £144.70

You can get this if you are caring for a person with disabilities for at least 35 hours per week.

You will not be allowed to get this element together with a capability for work element even if you are eligible for both.

You do not have to claim Carers Allowance to get this element.

Child element

You will get this if you are responsible for a child or qualifying young person who normally lives with you.

- First child or qualifying young person £272.08
- Second and each subsequent child or qualifying young person £226.67

Additional amount for disabled child or qualifying young person

- lower rate - for a child who gets DLA (mobility or care) apart from the highest rate of the care component £123.62
- higher rate - for a child who gets the highest rate of the care component of DLA or who is registered blind £352.92

Childcare costs element

You can get this if you pay for registered child care in order to stay in work, reflecting the childcare part of Working Tax Credit. There is no set number of hours you need to work to get this element. You will get 70% of your childcare costs met up to:

- maximum amount for one child £532.29
- maximum amount for two or more children £912.50

If you are part of a couple, both of you must be in work unless one of you is unable to look after a child because you:

1. have limited capability for work or limited capability for work related activity, or

2. have regular and substantial caring responsibilities for a severely disabled person, or
3. are temporarily absent from your household (ie. in prison/hospital/ residential care)

Generally the childcare must be provided by someone who is registered for child care or an equivalent. Relevant childcare is not care provided by a close relative, wholly or mainly in your home or care you provide as a foster carer.

Housing element

The 'housing element' is complicated and many changes have been made during the process of planning the introduction of Universal Credit. If you are worried or unsure about anything housing related, please refer to the Housing and Support Alliance for up to date expert advice:
www.housingandsupportalliance.org.uk
0845 456 1497
enquiries@housingandsupport.org.uk

If you live in 'exempt accommodation', housing support will be paid just as housing benefit is paid now through a local system, so the rules below will not apply. 'Exempt accommodation' is defined by the Department for Work and Pensions as:

(a) accommodation which is a resettlement place within the meaning of section 30 of the Jobseekers Act 1995(4) (grants for resettlement places) and which is provided by persons to whom the Secretary of State has given assistance by way of grant pursuant to that section.

(b) accommodation provided to a claimant by any of the following bodies, whee the body providing the accommodation, or a person acting on its behalf, also provides the claimant with care, support of supervision -

(i) an upper tier council

(ii) a housing association

(iii) a registered charity, or

(iv) a voluntary organisation

If your accommodation is provided by any of the above and the landlord gives care, support or supervision, or the landlord pays another organisation to do this, the accommodation is exempt from the new rules.

People living in social housing will have their housing benefit moved over to Universal Credit and in most cases the same rules will apply as for tenants renting privately.

For people who rent privately, housing benefit will become a part of Universal Credit and the amount for housing costs will be worked out in a similar way to the support provided by Housing Benefit under the current system. How much you receive will depend on the number of rooms you need This is called the 'size criteria'. You will be allowed one room for:

- You and your partner (one room only)
- any qualifying young person for whom you are responsible
- any two children under age 10
- any two children of the same sex
- any other child
- any non-dependent who is not a child
- an overnight carer

To get a room allowance for an overnight carer, you or your partner must need the overnight care and be on either middle or high rate DLA care component, attendance allowance or the daily living component of Personal Independence Payment. Your carer must not live with you but must need to stay overnight to provide care.

The payment will be made directly to the benefit claimant as part of Universal Credit, rather than directly to the landlord, to encourage people to manage their own budgets.

If you are an owner-occupier, you may get support for mortgage interest as well as certain service charges. There will be a waiting (qualifying) period before you can be paid this element.

If you are someone who has an ‘all work-related requirement’ you will only get the housing element for two years.

You will not be paid a housing element if you are in paid work though you may get an additional earnings disregard (see below).

The housing element will cover certain service charges as well as rent and mortgage payments.

Housing element and ‘non-dependents’

If you are renting you will have deductions from your benefit if you have non-dependents living with you. A non-dependent is someone who is 21 or over, who is not your partner or a joint tenant, boarder, lodger, sub-tenant or paid carer provided by a charity or voluntary organisation.

Non-dependent deductions will not be made if you or your partner:

- is registered blind
- receives middle or high rate DLA care component
- receives Attendance Allowance
- receives the daily living component of a Personal Independence Payment

No deduction will be made for the following non-dependents living with you:

- anyone under 21
- lone parents with a child under 5
- anyone getting state Pension Credit
- anyone getting middle or high rate DLA care component
- anyone getting Attendance Allowance
- anyone getting the daily living component of a Personal Independence Payment
- anyone getting Carer’s Allowance
- prisoners on temporary release

Discretionary Housing Payments

You may be able to get discretionary housing payments (DHPs) if your UC has been reduced because of:

- housing element size criteria restrictions
- a rent shortfall which may make you homeless
- rent officer restrictions such as local reference rent or shared room rate
- non-dependant deductions on your housing costs
- reductions in UC where the benefit cap has been applied
- reductions in UC if you are in the social rented sector (council housing, housing association tenancies) and your home is under-occupied
- loss of UC due to the income taper

Most local authorities will have a form on which to request a DHP. If your authority does not, write a letter instead.

You do not have any right to a DHP. It is up to the local authority whether they give you any payment.

Employed or Unemployed

People who are not working and have no other income will receive the basic allowance plus any additions relevant to their circumstances.

For those who are working, or have another source of income, this will be taken into account.

Earnings ‘disregards’

A ‘disregard’ is an amount of money that a person can earn before their benefit starts to be reduced. The calculation of your earnings is based on a net figure which does not include tax or national insurance contributions as well as any contribution to an occupational or personal pension scheme. Statutory sick pay, statutory maternity pay, ordinary statutory paternity pay, additional statutory paternity and statutory adoption pay will all be treated as earnings.

These are the proposed earnings disregards from April 2013. You are only allowed one earnings disregard, whichever is highest:

- If you are single and have rental costs and you:
  - are not responsible for a child or qualifying young person £1,330 (£110.83 a month)
  - are responsible for one or more children or qualifying young persons £3,159 (£263.25 a month)
  - have a limited capability to work £2,306 (£192.16 a month)
- If you are single and have no rental costs and you:
  - are not responsible for a child or qualifying young person £1,330 (£110.83 a month)
  - are responsible for one or more children or qualifying young persons £8,812 (£734.33 a month)
  - have a limited capability to work £7,759 (£646.58 a month)
- If you are have a partner and have rental costs and:
  - neither of you are responsible for a child or qualifying young person £1,330 (£110.83 a month)
  - you are responsible for one or more children or qualifying young persons £2,660 (£221.66 a month)
  - one or both of you have limited capability to work £2,306 (£192.16)
- If you are have a partner and have no rental costs and:
  - neither of you are responsible for a child or qualifying young person £1,330 (£110.83 a month)
  - you are responsible for one or more children or qualifying young persons £6,429 (£535.75 a month)
  - one or both of you have limited capability to work £7,759 (£646.58)

Savings rules

The savings/capital limit for UC will be £16,000 whether you are single or part of a couple making a joint claim. If you have savings over £16,000 you cannot get UC.

If you have savings over £6,000 this will be treated as giving you an income, known as 'tariff income'. £1 will be taken away from your UC payment for every complete £250 you have above £6,000.

Any savings you have under £6,000 will be disregarded and no deductions will be made.

Taper rates (reductions)

As people have an increase in earnings, their benefit is reduced. The rate at which the benefit is reduced as the earnings increase is called the taper rate.

In the current system there are several different taper rates, some apply to earnings before tax and some apply to earnings after tax, so it is difficult for a benefit claimant to know what effect an increase in income will have.

Universal Credit will have one taper rate for earnings set at 65%, so for every £1, 65 pence will be taken away from your payment. The Government says this is to make it affordable, but will still offer people an incentive to work.

Most income from other sources which a person could use to meet their living costs, such as savings and other benefits, will be taken into account in full, so that Universal Credit is reduced pound for pound.

There will be some exceptions to this rule, for example Disability Living Allowance, Constant Attendance Allowance and Personal Independence Payment will not be considered. Bereavement Support Payment will be disregarded from UC for 12 months.

National Insurance

Under the current system, being entitled to Income Support, Jobseekers Allowance or Employment and Support Allowance automatically brings entitlement to receive National Insurance credits towards State Retirement Pension.

The Government has still not announced arrangements for National Insurance credits, however it is suggested that most people who currently receive National Insurance credits will continue to do so.

Pensioners who work

At the moment, Pension Credit supports pensioners who are not in work, and Working Tax Credit helps pensioners who are in work. As there will no longer be Working Tax Credit, the Government is considering extending Universal Credit so that it covers not only working-age people, but also pensioners who choose to carry on working.

As Universal Credit replaces Housing Benefit and Child Tax Credit and is only for working-age people, pensioners who have costs of rent and dependent children will need to be supported in a different way.

Because of this, there will be some changes to Pension Credit so that it includes support for rent and an additional amount for those pensioners with dependent children.

Transition to Universal Credit

The transition to Universal Credit will take place in three phases over four years, between 2013 and 2017:

April 2013

Universal Credit will be piloted in April 2013 in four areas; Tameside, Oldham, Wigan and Warrington.

October 2013

From October 2013, most people making a new claim in Great Britain will receive Universal Credit in place of the benefits listed above.

All new claims to the old benefits will be phased out by April 2014, with new claims to Housing Benefit and Tax Credits being the last to end in April 2014.

You will also be moved onto Universal Credit if you are already receiving one of the benefits listed above and your circumstances change significantly, such as if you find work or if you have a baby.

From Mid-2014

You may be moved onto Universal Credit if it is considered that you will benefit from this. For example, if you are on Working Tax Credit and work a small number of hours a week but could work more hours with support from Universal Credit.

Universal Credit will be rolled out in Northern Ireland.

End of 2015 to 2017

If you have not been moved onto Universal Credit already, you will be moved during this time.

Transitional Protection

The government has said that if your circumstances remain the same when you move onto Universal Credit, and your Universal Credit entitlement is lower than the previous benefits you received, you will not receive less money. Instead, you will have a “cash top up” to make up the difference.

This Transitional Protection will be provided until there is a significant change in circumstances or the Transitional Protection becomes £0, by smaller changes to your circumstances that would affect the amount of Transitional Protection "cash top up" received. For example, if your previous benefits would have been decreased slightly by a change in circumstances, your transitional protection would decrease.

Universal Credit does not include:

- Attendance Allowance
- Bereavement Benefits
- Carer's Allowance
- Child Benefit
- Contributory Employment and Support Allowance
- Contributory Jobseeker's Allowance
- Council Tax Benefit (to change from April 2013, see page 19)
- Disability Living Allowance (to change from April 2013, see page 12)
- Industrial Injuries Disablement Benefit
- Maternity Allowance
- parts of the Social Fund (to change from April 2013, see page 20)
- Pension Credit
- Personal Independence Payment (see page 12)
- Statutory Maternity Pay
- Statutory Sick Pay
- War Pensions

If you are receiving any of the benefits listed above, you will continue to receive them; please note some of them are also changing. Please see the relevant sections if changes will apply to you or your relative.

Universal Credit and changes to in-work incentives

Three job entry payments are to be phased out in preparation for the introduction of Universal Credit which aims to improve work incentives and smooth the transitions into and out of work.

- Job Grant - a one off payment of £100 or £250 made to eligible people who have been on benefits for at least 26 weeks

In work credit (IWC) and return to work credit (RTWC)

- IWC - paid to eligible lone parents who leave benefits to start work. Claimants must have been on benefits for at least one year and can receive payments for up to 52 weeks
- RTWC - paid to eligible people with a health condition or disability who leave benefits to start work. They must have been on benefits for at least 13 weeks and can receive payments for up to 52 weeks.

	New claimants no longer build up eligibility	No new payments (IWC/RTWCs in payment continue)
Job Grant	Mon 1 October 2012	Mon 1 April 2013
Return to work credit	Tues 2 July 2013	Tues 1 October 2013
In work credit	Tues 2 October 2013	Tues 1 October 203

Personal Independence Payment (PIP)

Personal Independence Payment (PIP) is a new benefit that will begin to replace Disability Living Allowance (DLA) from April 2013.

PIP is intended to have a different approach to assessing disability than DLA. PIP will look at what a person with a disability can do, rather than what they can't do which is what the Government says DLA does now. There are many opinions on the differing approach; the shift to view people with disabilities as being able to take more part in society is fantastic, as the majority of people with disabilities want to work, however employers and the rest of society need to change to accommodate the different needs of people who have disabilities.

Who can claim Personal Independence Payment?

To claim PIP you will need to:

- be aged 16-64
- satisfy the daily living and/or mobility activities test for 3 months before claiming (known as the 'qualifying period') and be likely to continue to satisfy the test for a period of at least 9 months after claiming (known as the 'prospective test'). Different rules will apply for terminal illness.
- pass the residence and presence test
- pass the habitual residence test

You will not be able to claim PIP once you are 65 years old, but you will be able to stay on PIP if you claimed or received it before you reached the age of 65. This is the same as the current rules for DLA.

How much is it?

PIP will have two components with two different rates as follows:

Daily Living:

1. standard rate: limited ability to carry out daily living activities	£53.00
2. enhanced rate: severely limited ability to carry out daily living activities	£79.15

Mobility:

1. standard rate: limited ability	£21.00
2. enhanced rate: severely limited ability	£55.25

If you have a terminal illness (suffering from a progressive disease where death can be expected within 6 months) you will automatically receive the daily living component enhanced rate. You will also be able to apply for the mobility component and receive it immediately if you qualify (you will not have to satisfy the 'qualifying period' of 3 months).

If you are in a care home you will be entitled to the mobility component so long as you satisfy the qualifying conditions.

If you are paid PIP you are free to spend the money in the way that suits you best.

The Daily Living and Mobility Tests

To qualify for PIP you will have to score a certain number of points in relation to 12 activities

Daily Living:

1. Preparing food
2. Taking nutrition
3. Managing therapy or monitoring a health condition
4. Washing and bathing
5. Managing toilet needs or incontinence
6. Dressing and undressing
7. Communicating verbally
8. Reading and understanding signs, symbols and words

9. Engaging with other people face to face
10. Making budgeting decisions

Mobility

11. Planning and following journeys
12. Moving around

You will find full information on the activities and descriptors in appendix A.

Each activity has a set of 'descriptors'; these describe the different ways that someone might be able to do a particular activity. Points are awarded for each activity that you can do:

- safely: in a fashion that is unlikely to cause harm to themselves or to another person
- to a necessary and appropriate standard: given the nature of the activity
- repeatedly: as often as is reasonably required
- in a timely manner: in a reasonable time period

If you can show that a descriptor applies to you for at least half of the time (e.g. for 6 months within a 12 month period), you will be awarded the points allocated to that descriptor.

If your condition 'fluctuates' (some days are better or worse than other days), the descriptor that applies to you will be the one that is likely to apply for the greatest proportion of the time.

If more than one descriptor applies to you and those descriptors together apply to you for more than half of the time, the descriptor which applies for more of the time will be taken into account.

To be entitled to receive PIP, the proposed number of points you must score for both the Daily Living and Mobility components are:

Standard rate:	8 points
Enhanced rate:	12 points

How to make a claim

If you receive DLA now, the DWP will contact you and ask if you want to claim PIP. Please see the section below called Moving from Disability Living Allowance (DLA) to PIP.

1. Telephone call to the DWP

If you do not claim DLA now, you will need to telephone the DWP to tell them you want to claim PIP. Your claim will start from the date you make this phone call. If you are unable to make a phone call, paper claim forms will be available 'by exception'. The DWP is still to announce where people will be able to get these forms from.

The phone call can be made by someone supporting a claimant, such as a family member or support worker, but the claimant must be there during the telephone call and a 'quick identity check' will need to be made.

During the telephone call you will be asked for basic information covering:

- the claimant's personal and contact details
- residency details (see section below called Habitual residence and presence tests)
- relevant periods spent in hospital and/or residential care
- claims under special rules for people with terminal illness
- payment details (bank account information)

During the telephone call, the DWP will:

- identify communication needs (such as alternative formats) and consider if the claimant needs additional support
- explain what happens next

After the telephone call, the DWP will:

- send a 'disallowance letter' if you do not meet the basic eligibility criteria – such as age and residency tests

- post a form to you if you pass the basic eligibility criteria. The form will have a barcode to make processing faster

2. Completing the form

The form allows you to explain how your condition affects you in your own words. If you have a fluctuating condition that affects you in different ways on 'good and bad days' you will need to explain this on the form.

A family member or support worker can help with completing the form.

Information about how to complete the form will be included with the form posted to you, and will also be available online. The DWP will also provide advice and guidance for support organisations to help them to help claimants.

You will need to send any additional evidence to help support your claim with the form, such as a letter or report from a doctor or other health professional that you see about your condition.

You will then post the form and this information in a freepost envelope to the DWP.

3. Assessment

An independent healthcare professional will look at your claim and any medical evidence from your GP, consultant or other medical professional you see.

They will decide if there is a need for any more information and will make arrangements to get this.

Some assessments may be completed at this stage, for example if someone is claiming under the special rules for terminal illness or where the written evidence is enough for the DWP to make a decision.

Most people will then be asked to attend a face to face assessment with the independent healthcare professional. You will be able to contact the DWP for more information about the assessment or to rearrange appointments if you need to.

You will be able to take someone with you to the appointment, such as a family member or care worker. The DWP says that the supporter can 'take an active part in the discussion where necessary' however we do not know yet how much any input from the supporter during this appointment will influence the assessment. We hope this issue will be explained in the outcome of the consultation that we responded to in April 2012.

The independent healthcare professional will ask you how to explain how your conditions affect you on a day to day basis. You may also be able to provide additional evidence if you have any.

The independent healthcare professional will review all the evidence against the Daily Living and Mobility descriptors (see page 12) and assess the challenges you face.

The independent healthcare professional will send their report to a benefit decision maker at the DWP who will be the one who decides if you are entitled to PIP and whether one or both components apply to you.

Companies carrying out the assessments will only be paid for 'right first time' assessments. This means that if someone appeals against a wrong decision and their appeal is upheld because the decision based on the face to face assessment was wrong, the company who did the assessment will not be paid. Therefore there will be more accountability and the independent health professionals should pay great attention to ensuring they assess individuals properly, to achieve the right outcome.

4. The decision

The decision maker will also decide the length of your award and the date when it will be reviewed, based on the likelihood of your health condition or impairment changing.

Depending on your circumstance you may get a short award of up to 2 years or a longer award lasting up to 5 or 10 years. If you are given a longer award you may still be contacted during this time, to see if your needs have changed.

You will receive a letter telling you what the decision is and how the decision has been reached. It will also include information about other support available.

You can phone the DWP to ask for more information about the decision. If you disagree with the decision you can ask the decision maker to look at your claim again, which is known as a 'reconsideration'.

Details about further appeals have not yet been published, so at the moment we do not know what will happen next if you disagree with the reconsideration.

Habitual residence and presence tests

You will have to satisfy a 'habitual residence' and a 'presence' test to claim PIP:

- habitual residence: this will be the same as for other benefits which use the test. There is no clear definition of 'habitual residence', however, it is "intended to convey a degree of permanence in the person's residence…" and "intended to refer to a regular physical presece enduring for some time…" and "it implies an association between the individual and the country and relies substantially on fact".
- presence: you will have to have spent at least two out of the last three years in Great Britain. Serving members of Her Majesty's Forces and their families will be treated as habitually resident in Great Britain when serving and stationed abroad.

A temporary absence abroad of 13 weeks will be allowed (or up to 26 weeks if the absence is specifically for medical treatment).

Moving from Disability Living Allowance (DLA) to PIP

If you are receiving DLA now, and you are aged between 16 and 64, the DWP will write to you and ask if you want to apply for PIP.

If you want to continue to receive disability benefits, you will have to apply for PIP because DLA will be suspended after 4 weeks after the DWP contact you about moving from DLA to PIP. If you choose not to claim PIP, your DLA award will end as soon as the DWP receives news from you that you choose not to claim PIP. A discretionary provision to extend the period of 4 weeks will be available in 'exceptional circumstances' – for example where the claimant has recently gone into hospital.

While you apply for PIP, you will continue to receive your DLA. If you pass the tests for PIP you will be awarded it straight away and you will not have to meet the 3 month qualifying period. However, you will have to satisfy the 9 month prospective test.

Children under 16 who are on DLA may have to move onto PIP in the future, but there will be another Government consultation before this happens.

At the moment, there are no proposals to move you onto PIP if you are on attendance allowance or over 65 and claiming DLA.

It is thought that it will take from April 2013 to March 2016 to move everybody from DLA to PIP.

PIP and Carers Allowance

Both the standard and enhanced rates of the Daily Living component will act as a passport to Carer's Allowance in the same way as the middle and higher rate care component of DLA does now.

PIP and Motability

You will be able to qualify for the Motability Scheme if you are receiving the enhanced mobility component of PIP, in the same way that the higher rate of DLA mobility qualifies individuals for Motability now.

If you are admitted to hospital and do not completely fund your accommodation and treatment in hospital, both daily living and mobility components of PIP will stop after 28 days. If you have a Motability vehicle, you will no longer be eligible if your PIP mobility rate is stopped. Motability have said that they will allow a grace period of up to 28 days after PIP mobility payments have been stopped, during which they will contact you about terminating the lease and returning the vehicle. They will also consider deferring termination of the lease on a case by case basis.

For people who are getting DLA and are in hospital when the new PIP rules come in, a grace period of three years will be allowed in respect of Motability car leases.

PIP and transport

The DWP is working with the Department for Transport (DfT) to decide how people on PIP will be passported to help with transport needs and costs. We await the outcome of the recently closed consultation on how PIP will affect eligibility for a Blue Badge (Disabled Persons Parking Permit) and we will update you as we hear news.

Other transport related benefits will continue to be accessible as DLA allows now. You will be able to access the following support if you receive the rates of PIP shown:

- exemption from Vehicle Excise Duty (car tax):

  - Enhanced rate mobility component – full exemption

  - Standard rate mobility component – 50% reduction

- the age at which a driver's license can be issued (16 instead of 17):

  - Enhanced rate mobility component

- eligibility for concessionary travel (free off-peak travel on local buses)

  - Enhanced rate mobility component

Timetable for the introduction of PIP

The transition to PIP will take place over three years, between 2013 and 2016:

February 2013
The Department for Work and Pensions (DWP) will send general information about PIP to all existing DLA claimants in their DLA uprating letters. DLA claimants don't need to take any action as a result of this letter.

April 2013
New claims to PIP start for people living in areas including Cheshire, Cumbria, Merseyside, North East England and North West England. When a DLA claim is received from this area, it will be treated as a claim to PIP instead.

DLA new claims continue in all other parts of the country and for existing DLA claimants.

June 2013
New claims to PIP will start for the remaining parts of Great Britain. There will be no new claims to DLA for people aged 16 to 64.

October 2013
Reassessment to PIP starts for fixed period DLA awards coming up for renewal, young people turning 16 or where DLA claimants report a change in their condition.

October 2015
The DWP will begin selecting existing DLA claimants and tell them what they need to do to claim PIP. The DWP will prioritise DLA claimants who have turned 65 after 8 April 2013, when PIP was first introduced.

Carers Benefits

Could the planned cap on benefits affect family carers?

Most family carers will be protected from the benefit cap because the person they care about will be exempt however, some family carers will be affected.

The Government has said that single people will have their total household benefits capped at £350 a week, and couples and lone parents at £500 a week. Family carers caring about a child or partner who receives DLA or PIP will not be affected, because the Government has said that their child or partners' DLA will ensure that the benefit cap will not apply to them.

However, family carers caring about an adult son or daughter or other adult relative, might have their benefits capped, because the DLA or PIP of the person they care about is not considered to be in the same 'household' – even if they live together.

Most carers will not be affected by the cap because of these exemptions or because they already receive less than the cap levels, but the Government has said that around 5000 carers will see their benefits capped. We are unsure whether this figure is correct and have asked the Government to double check that 5000 is the correct number of carers who will be affected by the benefit cap.

How else could family carers be affected by the changes?

Family carers are worried about whether they will receive the same support as they do now if their relative receives a different level of PIP to the DLA they receive now. DLA 'passports' people through to receive other benefits, such as Carer's Allowance, disabled bus passes, the disabled person's parking badge (blue badge) and the Motability scheme. The Government has recently published details of what support will be passported and by which benefits. You will find this information in Appendix B. Please see below about PIP and the passport to Carer's Allowance.

What is happening to carer's allowance?

At the moment, to qualify for carer's allowance you need to be caring for someone on the middle or higher rate care components of DLA. The DLA care component is being replaced with a 'daily living' component of PIP. The government has said that both the 'standard' and 'enhanced' rates of PIP will act as a gateway to carer's allowance.

This does not mean that all carers will be protected. The number of people who will be entitled to PIP will reduce by around 23%.

Carers UK have estimated that there will be a 6% reduction of the number of people in the group where someone can get Carer's Allowance.

If these people can no longer claim disability benefits, family members or friends who care for them will no longer be able to get Carer's Allowance. The government has not assessed how many carers might be affected by this, but Carers UK have estimated that of the 580,000 people claiming Carer's Allowance, no more than around 10,000 people will be at risk of losing their Carer's Allowance.

Carer's Allowance and Universal Credit

There are currently three main groups of people getting carers' benefits:

1. Family carers who currently get only carer's allowance at £58.45 a week (2012/13 rate) as they do not qualify for means-tested benefits.

If you are in this group, you will not be directly affected by the introduction of Universal Credit. You will remain outside the new system as the Government has not announced any plans to reform Carer's Allowance.

2. Family carers who receive means-tested benefits like Income Support, Jobseeker's Allowance or Income-related Employment and Support Allowance; with a carer premium at £32.60 a week (2012/13 rate).

If you are in this group, you will have your means-tested benefits moved onto Universal Credit, which will also include an additional amount for being a carer.

You will get the 'standard allowance' of Universal Credit and may get an extra amount for caring, similar to the 'carer premium'. If you also qualify for Housing Benefit you may receive other additional amounts, to help with these costs. If your circumstances remain the same you should not be worse off.

3. Family carers over state pension age, who qualify for carer's allowance but cannot get it at the same time as their State Pension because of the rules of the benefits system. These carers may get a carer addition at £32.60 a week (2012/13 rate) in Pension Credit.

If you are a family carer in this group you will also not be directly affected by the introduction of Universal Credit and will continue to receive the same benefits and pension as you do now. However, the Government has announced that it is simplifying the process for claiming the carer addition in Pension Credit. New rules should mean that family carers in this group would not have to apply for Carer's Allowance (even though they cannot receive it) in order to get the carer addition to Pension Credit.

What if my partner gets income support and I get carer's allowance?

This situation is quite complicated because of the interaction of Carer's Allowance and Income Support, but moving onto Universal Credit should not leave you worse off.

<u>Current situation:</u>

If you are in a couple, you may receive a couple's rate of Income Support which is £111.45. As a carer you will also be entitled to a carer premium (an extra amount) in this payment, of up to £32.60, which could give a total of £144.05 in Income Support per week.

Your Carer's Allowance is not paid on top of the income support. Instead Income Support tops up your Carer's Allowance of £8.45 to £144.05. So that £144.05 Income Support total is made up of £85.60 in Income Support and carer premium, alongside your £58.455 of Carer's Allowance (based on 2012/13 rates). You may be receiving these two payments separately, one of you may receive the Income Support and the other may get Carer's Allowance.

<u>New System:</u>

There are two possibilities for what will happen under the new system. We await further news from the Government to explain exactly how this will be calculated:

1. Carer's allowance would continue to be claimed as an independent benefit by the family carer, whilst their partner would get Universal Credit to replace income support. Just as income support is now, this Universal Credit would be reduced by the amount of Carer's Allowance received.

Or:

2. Under the new system, the payments for income support and caring may be wrapped up together so you and your partner would get a single payment including the standard allowance of Universal Credit with an extra amount for caring responsibilities. Whilst you may no longer get a separate payment of Carer's Allowance, the total you get as a couple should be a similar amount as now – however other policies like the planned cap on benefits could also affect this.

But if I am moved onto Universal Credit, won't I be forced to look for work?

The Government has said that people with 'regular and substantial' caring responsibilities will not have to look for work.

Council Tax benefits

Council tax benefit is a means tested benefit that helps people with low or no income to pay their council tax. The benefit is administered and paid directly to individuals by the central government.

The government has announced that council tax benefit is ending from April 2013.

From April 2013, local councils will provide a local scheme, called ‘Council Tax Support’. The funding given by the Government to this local scheme will be reduced by 10% and therefore it is likely that you will have to pay more towards your council tax from April 2013.

This change will not affect pensioners. Pensioners will move onto the new scheme, but the government has decided that they will be protected and will not have their entitlement reduced.

Each local council will be able to provide ‘Council Tax Support’ to people in different ways. Your local council probably held a consultation late in 2012, to find out what local people think of the proposals about how ‘Council Tax Support’ will change in their area.

Some local councils have proposed to pay as much as 18.5% less Council Tax Benefit and others will pass on 10% reduction to people, which is the same as their budget has been reduced by.

If you do not receive enough ‘Council Tax Support’ to pay your council tax in full, and you cannot find the extra money to pay, you might be eligible for a ‘Discretionary Housing Payment’ (DHA). You can apply for this through your local council. Every council has their own eligibility rules for these payments so you will need to contact them directly for more information. The charity Shelter has a good factsheet about DHAs here:
bit.ly/shelterDHP

If you get Council Tax Benefit now and do not know how your local council will be making changes from April 2013, contact them by phone to ask them about the changes, or if you have access to the internet, check their website as it is likely to give details.

Social Fund

The social fund is split into two parts:

1. Regulated Payments:
   Cold Weather Payments,
   Winter Fuel Payments
   Funeral Payments
   Sure Start Maternity Grants
2. Discretionary scheme:
   Budgeting Loans
   Crisis Loans
   Community Care Grants

Regulated payments will be the same as they are now, and Universal Credit will become a ‘qualifying benefit’ for regulated payments.

The discretionary scheme will be abolished in April 2013.

Funding for community care grants and crisis loans for living expenses will be allocated to local authorities who will decide how to use this funding. They may or may not introduce their own system of assistance. You will need to contact your local authority directly to find out what they plan to do in respect of this funding and Community Care Grants and Crisis Loans for living expenses.

Budgeting loans and crisis loan alignment payments (urgent payment to support someone awaiting a benefit or work payment) will continue to be administered by the Department for Work and Pensions (DWP).

Crisis Loan Alignment Payments will be renamed ‘Short Term Advances’. Short Term Advances will also replace interim payments of benefit so that there is a single system of payments.

In addition to Budgeting Loans, ‘Budgeting Advances’ will also be available to support people moving over to Universal Credit as the new benefit will be paid monthly; a change to current payments which are often paid every two weeks.

Appeals process

The Department for Work and Pensions (DWP) is changing its appeals process for the benefits it administers and for child maintenance cases. It wants more appeals against DWP decisions to be resolved without being referred to Her Majesty's Courts and Tribunals Service (HMCTS) and to make the entire appeal process faster to move through. The new processes will also enable the DWP to clear the build-up of appeals it currently has waiting to be processed.

The DWP is making 3 changes:

1. Mandatory Reconsideration of decisions before going to appeal.

   If you think a benefit decision is wrong, you will have to ask the DWP to conduct a 'mandatory consideration' before you can make an appeal through HMCTS. The DWP expects more cases to be resolved at this stage, and says that those who decide to go on to make an appeal to HMCTS will be more informed as the decision made by the DWP at the 'mandatory reconsideration' stage will be explained clearly and in detail in the decision notice provided.

2. Direct Lodgement of appeals with HMCTS.

   Currently, appeals require you complete a form or write to the DWP, who forwards your appeal to HMCTS if they cannot change the decision with a reconsideration. The DWP will no longer forward your appeal.

   If, after a 'mandatory reconsideration' you still think the decision is wrong, you can make an appeal to HMCTS. You will submit your appeal directly to HMCTS to be heard by an independent tribunal.

3. Time limits for the DWP to return an appeal response to HMCTS.

   The DWP has agreed with the Tribunal Procedure Committee to introduce statutory time limits which would state how long the DWP has to respond to an individual appeal. The DWP is currently discussing with the Tribunal Procedure Committee what these time limits might be and when they would start.

When will these changes be introduced?

The DWP expects to introduce 'mandatory reconsideration' and 'direct lodgement' for Personal Independence Payment and Universal Credit from April 2013, and for other DWP benefits and child maintenance cases from October 2013. These dates may be subject to change. The DWP are still to announce when they propose to introduce time limits.

Different benefits, different appeals processes

Because the change to appeals process will be introduced for different benefits at different times, it means that if you appeal two different benefits, there is a possibility that there will be different appeals processes for each.

The DWP has said that the 'decision notice' for each benefit will clearly state the process of appeal for that benefit, so while the changes are being made it will be even more important to carefully read any written communication from the DWP. If you are considering making an appeal and you are unsure of anything, contact the DWP to ask how to make an appeal, stating which benefit decision you intend to appeal against.

Support for people with additional communication needs

The DWP has said that there is "special provision for people that need extra help and for those with additional communication needs". It says that there is guidance to help its staff to identify people for whom it would be more appropriate to communicate with face to face and "speaking to people about additional information and help establish whether a visit or interview would be more appropriate”.

HMCTS will also provide appeal forms in large print, Braille and in Welsh.

What else is changing?

No other rules are being changed, but the DWP has said it is investing in more training for decision makers so they can make the right decision, gather and use information appropriately and speak to people to explain their decision.

Several changes are being made to assessing, decision making and communicating with people going through the Work Capability Assessment. There is a particular focus on improving these in respect of people who have “mental, intellectual and cognitive impairment”. Atos Healthcare is now required to employ ‘mental function champions’ to “spread best practice and understanding of mental, intellectual and cognitive disabilities”.

More feedback and analysis of the fairness and effectiveness of the appeals process and decisions made will be provided and considered. A pilot is being run to test the value of the presence of ‘Presenting Officers’ at appeals to understand better the reasons why decisions are overturned at appeal and what can be improved in the future. Tribunal panels will have a quicker and easier way to give feedback on each case they consider, providing the reason they allowed an appeal. The information will be used to identify any trends which suggest inconsistencies in decision making.

Work related support

Access to work scheme

The Access to Work (AtW) scheme provides financial support to pay for 'reasonable adjustments' to support people with disabilities in work.

In addition to opening AtW to young people with disabilities on work placements, the government recently announced improvements to the support that AtW can provide to people with disabilities in work:

- Businesses with up to 49 employees will no longer pay a contribution towards the extra costs faced by people with disabilities in work, saving them up to £2,300 per employee who uses the fund
- Jobseekers with disabilities who want to set up their own business through the New Enterprise Allowance (see below) will now be eligible for AtW funding from day one of receiving job seekers allowance
- AtW advisers will be given more flexibility in deciding which equipment is funded through the scheme, ordering more choice to people
- Funding the physical transfer of equipment
- Introducing a 'fast-track' application process where appropriate
- Working with employers to find more imaginative solutions to support individuals

You can find out more about the Access to Work scheme here: www.gov.uk/access-to-work Employers should also have information about the scheme.

New Enterprise Allowance (NEA)

Jobseeker's Allowance claimants aged 18 and over who want to start their own business can get extra help through the New Enterprise Allowance (NEA). The government recently announced that there is no longer a 6 month period to wait until individuals can apply for the NEA.

You will get access to a volunteer business mentor who will provide guidance and support as you develop your business plan and through the early months of trading. Once your business plan has been approved and you start trading, you will be able to access financial support:

- a weekly allowance worth £1,274 over 26 weeks, paid at £65 a week for the first 13 weeks and £33 a week for a further 13 weeks, and;
- the facility to access a loan of up to £1,000 to help with start-up costs, subject to status

Work Programme for people on Employment and Support Allowance (ESA) in the Work Related Activity Group (WRAG)

The government announced that from 3rd December 2012, people who claim ESA and are in the WRAG can be required to carry out 'community benefit work placements'.

This means that organisations supporting people in this group to prepare for work in the future, can identify a work placement deemed as providing community benefit and require the individual to participate. These placements will mainly be with charities. Some well-known charities are providing Work Programme placements. There is some resistance to the introduction of this new measure, more information can be found on the internet.

If you fail to comply with the conditions for receiving benefit, you will receive a 'sanction'. See below.

Sanctions for Employment and Support Allowance claimants

From 3rd December 2012, the sanctions regime was changed for people who claim Employment and Support Allowance (ESA) and are in the Work Related Activity Group (WRAG). The government says the changes are part of a wider package of measures aimed at moving claimants closer to the regime planned for Universal Credit.

Sanctions are also given for people claiming jobseekers allowance and will apply when Universal Credit is introduced, likely to apply as described below.

The sanctions system now

Under the current system, if you are in the WRAG and fail to attend or participate in a work focused interview, or fail to carry out work related activity agreed with your adviser, you will receive an open ended sanction.

This means your benefit will be reduced by 50% of the work related activity component. After four weeks, all of the work related activity component will be deducted, until you re-comply, when the work related activity component will be fully reinstated.

The new sanctions

From 3rd December 2012, if you are claiming ESA and in the WRAG and fail to comply with the conditions for receiving ESA, you will receive an open ended sanction (as before), followed by a fixed period sanction when you re-comply.

This means that after you return to do as required by the ESA rules and what is agreed with your adviser, you will continue to receive a sanction for a certain period of time;

- One week for a first failure
- Two weeks for the second failure
- Four weeks for the third and any more failures in a year

The sanction at any time is the full amount of your 'personal allowance' but you will continue to receive your work related activity component.

If you are claiming ESA and you are in the WRAG, you should have received a letter from the DWP in November 2012 explaining the changes.

How do I know if I have a sanction?

You should receive a letter when you are required to attend a work focused interview or asked to do work related activity. The letter will tell you what the consequences of failing to carry out the requirement are. If you fail to comply you will be told by the DWP and given five days to explain why you did not comply. If the DWP decides to give you a sanction, you will receive a letter telling you why you have received the sanction, and explaining that the sanction will remain in place until you comply, followed by a further one, two or four weeks.

The DWP will not impose a sanction if an individual has a "good reason" for failing to meet the requirements. You can appeal to an independent tribunal against a decision to impose a sanction. If the tribunal finds that the sanction should not have been imposed because there was a good reason for failing to meet the requirement, the DWPs decision will be overturned.

Support

People who are sanctioned under the new rules will be able to apply for 'Hardship Payments' from the first day of the sanction. You will need to ask your local Jobcentre Plus centre about applying for a Hardship Payment. It is a payment of a small sum of money to help you to pay for essentials such as food and utility bills, until you re-comply and you are paid your benefit again. Hardship Payments are expected to be paid back to the DWP, however, if you have been in paid work with an income at or above the level "reasonably expected" of you for a period of 26 weeks, you will not have to continue to pay back the Hardship Payment.

The Government is considering abolishing Hardship Payments to replace them with loans. Currently no further information is available about this; as it is published we will update this guide.

This guide is for information only and will be updated as we receive news. The date printed on the front cover and the bottom of each page will inform you of last updates to the guide.

If you need information about your specific situation, we suggest you contact the DWP directly, or a specialist welfare benefit advice service, such as the Citizen's Advice Bureau. You will find details of your local CAB here: www.citizensadvice.org.uk