Factsheet 55

Carer's Allowance

April 2016

About this factsheet

This factsheet explains what Carer's Allowance is, the eligibility criteria, and how to make a claim.

It also explains how Carer's Allowance may impact on any other benefits you or, the person you are caring for, are receiving, and what to do if you have a change of circumstance.

The information in this factsheet is correct for the period April 2016 – March 2017. Benefit rates are reviewed annually and take effect in April but rules and figures can sometimes change during the year.

The information in this factsheet is applicable in England, Scotland and Wales. If you are in Northern Ireland, please contact Age NI for information. Contact details can be found at the back of this factsheet.

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Glossary

AA – Attendance Allowance
CA – Carer's Allowance
DLA – Disability Living Allowance
DWP – Department for Work and Pensions
EEA – European Economic Area
PIP – Personal Independence Payment
UC – Universal Credit

1 Current rates

The Carer's Allowance (CA) rate for 2016/17 is £62.10 a week

2 What is Carer's Allowance?

CA is a benefit paid to people who are caring for a disabled person for at least 35 hours a week. It is worth £62.10 a week and is taxable.

You do not need to have paid any national insurance contributions to qualify and you will be credited with Class 1 National Insurance contributions while receiving it.

Claimants who have been receiving CA since before 6 April 2010 can continue to receive an increase for their dependent partner of £36.55 a week but this will be abolished altogether in April 2020.

Claimants who have been receiving CA since before 6 April 2003 may still be receiving an increase for a dependent child of £8.00 and £11.35 for each subsequent child.

3 Who can claim?

You can only claim CA to care for one disabled person, even if you are caring for more than one person. If more than one person is caring for a disabled person, then only one of them can claim. However the other carer could claim Carer Credits which will pay a credit to their National Insurance record (see section 8.1).

You can claim for looking after your partner, a relative, or even a friend or neighbour, as long as you satisfy the qualifying conditions. You don't have to be sharing accommodation with the person you are caring for.

3.1 How do you qualify?

To qualify you must spend at least 35 hours a week looking after someone who is receiving a 'qualifying benefit' such as:

- Attendance Allowance (lower or higher rate)
- Disability Living Allowance care component (middle or higher rate)
- Personal Independence Payment daily living component (standard or enhanced rate)
- Armed Forces Independence Payment
- Constant Attendance Allowance (of £67.20 or more paid with an industrial injuries disablement, war or service pension).

It doesn't matter whether the care is given during the day, evening, night or weekend, as long as it comes to at least 35 hours a week. A week is a period of seven days beginning on a Sunday. There is no firm definition of the type of care that must be given.

There is no upper age limit for claiming, although if you are receiving a State Pension or certain other benefits, you may not receive any or all of the Carer's Allowance. Instead you may be awarded an 'underlying entitlement' (see section 7). You must be at least 16 years old to claim.

If you are in full-time education you cannot receive CA. A course described as full-time by the educational institution providing it, counts as full-time education. If the institution does not say whether a course is full-time or part-time, the hours of attendance will be calculated and supervised study of 21 hours a week or more will count as full-time education.

If you are working, you cannot get CA if you earn more than £110 net a week (after the deduction of allowable expenses, such as tax, National Insurance contributions and some pension contributions). It does not matter if you do voluntary work, as long as you still provide care for 35 hours. If you pay someone to look after the disabled person you care for while you are working, up to half of your net earnings may be ignored. Other income (such as an occupational pension) and savings will not affect your entitlement.

There are some presence and residence conditions which apply. You must be habitually resident in the UK, not subject to immigration control and you must have been in Great Britain for 104 weeks out of the 156 weeks prior to your claim. These rules may not apply to members of the armed forces and some people who live in or have lived in EEA states or Switzerland.

4 Making a claim

You can claim CA online at the gov.uk website or you can use a paper claim form. If you claim online, you may have to send documents to support your claim by post. Paper claims should be made on form DS700, unless you receive a State Pension in which case you should use form DS700(SP). This form has been designed to make the claims process shorter and easier.

The person you care for, or their appointee, will have to sign one part of the form to confirm that you are caring for them for at least 35 hours a week.

Action
Download a form or claim online at www.gov.uk/carers-allowance/how-to-claim. Collect a paper claim form from your local Jobcentre Plus office or phone the Carer's Allowance Unit – see Useful organisations for details.

4.1 Backdating and advance claims

Usually, CA can only be backdated for 3 months and so it is important to claim as soon as you think you might be entitled.

If the person you are looking after has recently been awarded a qualifying benefit (see section 3.1) you can get CA backdated to the date that the award of the qualifying benefit started (even if this was over three months ago). But you must claim CA within 3 months of the award of the qualifying benefit being notified to the disabled person otherwise you could lose out.

Claiming CA may entitle you to other benefits for the first time (for example Pension Credit or Housing Benefit), so it is a good idea to make a claim for these while waiting for a decision on your CA to ensure you do not lose out. Ask that a decision is not made until you have had the CA decision. If you are not sure of your position, get help from a local advice agency – they may be able to check your entitlement and help you with any claims.

If you know that you are going to become entitled to CA in the future, you can claim it up to 3 months in advance. This gives the DWP time to deal with your claim and pay you as soon as you qualify.

5 Decisions and payments

You will receive a decision on your claim in writing. The decision letter will include information about appeal processes, reporting changes of circumstances and payment details.

5.1 Challenging decisions

If you think a decision on CA is wrong, you can challenge it by asking for a mandatory reconsideration. If the mandatory reconsideration decision remains unchanged then you can appeal. See factsheet 74, *Challenging welfare benefit decisions*, for more information or contact an independent advice agency for help. There are time limits for submitting mandatory reconsideration requests and appeals and so it is important to act quickly.

5.2 Payment

CA is usually paid directly into your bank, building society or Post Office account. If you are unable to open or manage an account, you can ask for a Simple Payments card which will allow you to withdraw your benefits from Paypoint outlets displaying the Simple Payments sign. If you are unable to use any of these methods of payment you should contact the Carer's Allowance Unit.

You can choose to be paid either weekly in advance, or at four-weekly or 13-weekly intervals. If you get CA (or have an underlying entitlement), you are entitled to a Christmas bonus of £10.

6 Changes of circumstances

You should let the DWP know if your circumstances change as it may affect your benefit entitlement. You can do this in writing, by telephone or online if the DWP accepts electronic communications from you. If you do not inform the DWP of a change in circumstances and you are overpaid as a result, you will have to pay the money back. The DWP might also impose a civil penalty if you fail to notify them of a change of circumstances. You can challenge this in the same way as described in section 5.1 above.

If you are receiving CA when you reach State Pension age, see section 7 to find out how claiming your State Pension will affect your entitlement.

6.1 If the person you care for goes into a care home or hospital

Your entitlement to CA depends on the person you are caring for receiving a qualifying benefit (see section 3.1). If the person you are caring for goes into a hospital and the stay is arranged by the NHS, payment of their qualifying benefit stops after 4 weeks (12 weeks in the case of a disabled child under 16). Your CA will also stop at the same time.

If you also claim Income Support at the same time as CA then the carer's premium can continue to be paid for a total of 8 weeks after the CA ended. The extension of the carer's premium also applies if your underlying entitlement to CA stops and you claim a means tested benefit such as Pension Credit, Housing Benefit or Council Tax Support.

If the person you are caring for is terminally ill and the DWP is aware of this, their qualifying benefit may continue if they go into a non-NHS hospice. CA will also remain payable, as long as you are still providing care for 35 hours a week.

If the person you are caring for goes into a care home, their qualifying benefit and your CA will stop after 28 days if their care home fees are met in full by NHS continuing healthcare funding, or in full or in part by the local authority (or in Scotland if they receive free personal and nursing care payments). If the person is self-funding (responsible for paying all of the care home fees), their qualifying benefit may still be payable and so will your CA, as long as you are still providing care for 35 hours a week.

If the person you are caring for needs regular periods of respite care, it may be possible to plan these periods so that their qualifying benefit and your CA are not affected. Seek advice if this applies to you.

Note
Age UK has other factsheets on disability benefits and care home funding. See the back for details of how to obtain these.

6.2 If the person you care for dies

If the person you are caring for dies, CA can continue to be paid for up to 8 weeks after their death. You will still need to satisfy the other rules. The 8 week period runs from the Sunday after the death, or from the day of the death if it occurred on a Sunday.

6.3 Breaks from caring

Once you have been caring for someone for a while you can have short breaks from caring without it affecting your benefit. The usual qualifying period before you can have a break is 22 weeks, but it can be up to 8 weeks shorter if you or the person you care for have been in hospital. Weeks that you spent caring before you claimed CA can count towards the 22 weeks, as long as the person you care for was receiving a qualifying benefit.

You can have up to 4 weeks break from caring, for any reason, in any 26-week period. If you are in hospital, your CA can continue for up to 12 weeks.

You cannot have more than 12 weeks break from care in any 26-week period.

6.4 Going abroad

6.4.1 Temporary absence abroad

If you go abroad, you remain entitled to CA if your absence is temporary and does not exceed 4 weeks. If you are not abroad with the person you care for, you also need to satisfy the conditions for a break in caring set out above in section 6.3.

If your main purpose in going abroad is to care for the disabled person, and they remain entitled to a qualifying benefit the 4 week limit does not apply.

6.4.2 Exporting Carer’s Allowance

Sometimes benefits can be paid if you leave the UK to live in another EEA state or Switzerland. If you have already moved and your CA was stopped when you left, you may be able to get it reinstated. You may also be able to make a claim for CA if you have a genuine and sufficient link to the UK social security system.

For further information and/or to request a claim form write to: Exportability Co-ordinator, Room B201, Pension, Disability and Carers Service, Warbreck House, Warbreck Hill Road, Blackpool FY2 OYE or email exportability.team@dwp.gsi.gov.uk. If you have internet access there is more information on the Government website: www.gov.uk/exportability-team. Or seek advice from a local Age UK or another independent organisation.

6.5 Invalid Care Allowance

There are some special rules that apply to people who were entitled to Invalid Care Allowance (the old name for CA) on 27 October 2002, and who were aged 65 or over at that time. If this applies to you, you will still be able to get CA (or maintain an underlying entitlement to it) even if you stop caring for the disabled person for any reason, or if you start to exceed the earnings limit. See section 7 for an explanation of underlying entitlement.

7 Other benefits and ‘underlying entitlement’

CA has a complicated relationship with other benefits, and because of this, some carers miss out on their full entitlement. It is also possible that your claim for CA will affect the benefits entitlement of the person you care for.

You cannot normally receive both CA and another ‘earnings replacement’ benefit such as State Pension because of overlapping benefit rules. However, if your other benefit is less than the CA rate of £62.10 you will be entitled to a top-up of CA to that amount.

If your other benefit is more than £62.10 and you qualify for CA, you will be awarded an ‘underlying entitlement’ only. You won’t be paid any CA, but the underlying entitlement might help you to qualify for higher rates of means-tested benefits like Pension Credit, Housing Benefit and Council Tax Support.

These benefits may include an extra allowance for carers known as a carer’s premium or addition. This means that getting an ‘underlying entitlement’ to CA can be worthwhile if you are on a fairly low income, because it can allow you to claim these benefits for the first time or to get an increase if you are already claiming. Many carers, especially those over State Pension age, could be helped by the ‘underlying entitlement’ rules.

Example
Olive is 63 and has a total income of £159.80 a week, from her State Pension (£120.00) and private pension (£39.80). She does not qualify for Pension Credit because her income is more than £155.60 – the basic Pension Credit level for someone of her age. Olive is caring for her mother who gets Attendance Allowance. She applies for CA but only gets an underlying entitlement because her State Pension is more than £62.10 – the rate of CA. But, because she has the entitlement to CA her Pension Credit rate is now £190.20 – the basic rate of £155.60 plus the carer addition of £34.60. This means that she is now entitled to Pension Credit of £30.40 to bring her income up to the Pension Credit rate.

See factsheet 48, *Pension Credit*, for more information.

Note
There is a proposed change due to come into effect in late 2016 that people claiming Carers Allowance will no longer be affected by the Benefit Cap (see factsheet 56, *Benefits for people under Pension Credit age*).

7.1 Overlapping benefits

There are a number of benefits that overlap with CA as described above:

- State Pension
- Jobseeker's Allowance (contribution based)
- Employment and Support Allowance (contribution based)
- Widowed Parent's Allowance
- Bereavement Allowance
- Maternity Allowance
- Incapacity Benefit
- Severe Disablement Allowance
- Widow's Pension
- Widowed Mothers Allowance.

If you are receiving any of these benefits at a rate of less than £62.10 a week, your CA will be a top-up to this amount. If your other benefit is more than £62.10 a week, you will not be paid any CA but you will be awarded an underlying entitlement.

An underlying entitlement to CA might mean that you qualify for the first time for means-tested benefits like ESA (income related), JSA (income based), Income Support, Pension Credit, Housing Benefit and Council Tax Support.

Action
If you are awarded CA or an underlying entitlement to it, make sure you check out whether you can get more means-tested benefits. You may want to ask your local Age UK or another independent advice agency to check your entitlement.

7.2 Universal Credit

UC is a new benefit for people of working age that is being introduced. UC can include an extra amount ('element') if you are a carer. You do not have to claim CA to qualify for the UC carer's element, but you have to satisfy all the conditions for CA, apart from the earnings condition. This means that you can get the carers element of UC if you have earnings in excess of £110 per week as long as you meet the other conditions for CA.

If you qualify for the UC carer's element (£34.70 a week) the person you care for loses their severe disability premium or addition (£61.85 a week). You should think carefully before claiming a UC carer's element as the overall impact can be a significant loss of benefit overall.

7.3 The benefits of the person you are caring for

In some situations the person you care for could lose money if you start to receive CA or UC carer's element. This could happen if the person you care for receives a severe disability premium or addition as part of their Pension Credit, Income Support, ESA, JSA, Housing Benefit or Council Tax Support. This is worth an extra £61.85 a week.

Their severe disability premium or addition will not be affected if you are awarded an underlying entitlement to CA only ie. CA is not being paid.

Action
You should get advice on how a claim for CA might affect the benefit entitlement of the person you look after, as well as your own entitlement.

8 National Insurance Credits

If you are entitled to CA, National Insurance contributions will be credited automatically to protect your right to a future State Pension, unless you have retained the right to pay the married woman's reduced-rate contributions. If you are under State Pension age and you become sick, you may qualify for Employment and Support Allowance (ESA) based on National Insurance credits from when you were receiving CA.

An exception applies to carers, provided you have claimed CA for just one week in the last complete tax year before the year in which you claim ESA. This type of ESA is not means tested, however, the DWP frequently award income related ESA by mistake in these cases. Seek advice in this situation to check that the correct type has been awarded.

8.1 Carer's Credit

If you are a carer, but do not qualify for CA (perhaps because the person you look after does not get a qualifying benefit or you do not care for them for 35 hours a week), you may still be able to qualify for carer's National Insurance credits. These credits are available to people spending 20 hours a week or more caring for a severely disabled person. The application pack for Carer's Credit, form CC1, can be obtained online from www.gov.uk/carers-credit/how-to-claim or from the Carer's Allowance Unit – see Useful organisations at the back for details.

9 Council Tax discounts for Carers

Some carers are entitled to Council Tax reductions. If you have left your usual home to go and live somewhere else to care for someone, your usual home may be exempt from Council Tax if you still own it and it is unoccupied.

Some carers can also be ignored when assessing the Council Tax liability of the property they live in and this can lead to entitlement to various discounts.

See factsheet 21, *Council Tax*, for more information or contact your local authority for details of any reductions available in your area.

In Wales and Scotland, see factsheets 21w and 21s respectively. In Scotland, you can also call Silver Line to discuss this.

Useful organisations

Carer's Allowance Unit
www.gov.uk/carers-allowance-unit
Telephone 0345 608 4321

DWP office responsible for administering Carer's Allowance. Issues claim forms, deals with new claims and changes of circumstances.

Carers Trust
www.carers.org
Telephone 0844 800 4361

Offers practical help and assistance to carers.

Carers UK
www.carersuk.org
Telephone 0808 808 7777

Provides information and support for carers, including information about benefits.

Citizens Advice Bureau (CAB)
England or Wales go to www.citizensadvice.org.uk
Northern Ireland go to www.citizensadvice.co.uk
Scotland go to www.cas.org.uk
In England telephone 0344 411 1444
In Wales telephone 0344 477 2020
In Scotland telephone 0808 800 9060

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Disability Benefits Helpline
www.gov.uk/disability-benefits-helpline

DWP helpline providing advice or information about any claim for Disability Living Allowance, Personal Independence Payment or Attendance Allowance that you have already made.

Attendance Allowance (AA)
Telephone 0345 605 6055

Disability Living Allowance (DLA)

If you were born on or before 8 April 1948
Telephone 0345 605 6055

If you were born after 8 April 1948
Telephone 0345 712 3456

Personal Independence Payment helpline
Telephone 0345 850 3322

Gov.uk
www.gov.uk

The official Government website providing information for citizens.

Jobcentre Plus
www.gov.uk/contact-jobcentre-plus
Telephone 0800 055 6688

Part of the Department for Work and Pensions, providing help and advice on jobs and training for people who can work and financial help for those who cannot.

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice
www.ageuk.org.uk
0800 169 65 65
Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru
www.agecymru.org.uk
0800 022 3444

In Northern Ireland, contact

Age NI
www.ageni.org
0808 808 7575

In Scotland, contact Age Scotland by calling

Silver Line Scotland
www.agescotland.org.uk
0800 470 8090
(This is a partnership between The Silver Line and Age Scotland)

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The evidence sources used to create this factsheet are available on request. Contact *resources@ageuk.org.uk*

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