

Factsheet 56

Benefits for people under Pension Credit age

April 2018

About this factsheet

This factsheet gives information about benefits for people under Pension Credit age (this is rising and is 64 and 6 months as of April 2018 and will be 65 and 3 months by April 2019). It gives information about Universal Credit and how it affects people claiming other benefits and about disability and carers' benefits. It explains how you can make a claim for these benefits.

The information in this factsheet is correct for the period April 2018 – March 2019. 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.

Contact details for any of the organisations mentioned in this factsheet can be found in the *Useful organisations* section.

Contents

1	Recent developments	4
2	Where to apply for benefits	4
3	Different types of benefits	4
4	Means-tested benefits	5
4.1	Income-related Employment and Support Allowance	5
4.1.1	Assessment phase	6
4.1.2	Main phase	6
4.2	Income Support	7
4.3	Income-based Jobseeker's Allowance	7
4.3.1	Joint-claim JSA	8
4.4	Claims, payments and sanctions	8
4.5	Passporting to other benefits	9
4.6	Housing Benefit	10
4.6.1	Do you qualify for Housing Benefit?	10
4.6.2	Who can get Housing Benefit?	10
4.6.3	Calculating Housing Benefit	10
4.6.4	Rent levels and bedrooms	11
4.6.5	Discretionary Housing Payments	11
4.6.6	Supporting People payments	11
4.7	Tax Credits	12
4.7.1	Child Tax Credit	12
4.7.2	Working Tax Credit	12
4.7.3	Claiming Tax Credits	13
4.8	Universal Credit	13
4.8.1	Who can you claim for?	13
4.8.2	How do you qualify for Universal Credit?	13
4.8.3	How is Universal Credit being introduced?	14
4.8.4	How to claim Universal Credit	14

4.9	Benefit cap	14
4.10	Council Tax Support	15
4.11	Second Adult Rebate	16
4.12	How Council Tax Support is calculated	16
5	National Insurance benefits	16
5.1	Bereavement benefits	16
5.2	Contributory Employment and Support Allowance	17
5.3	Incapacity Benefit and Severe Disablement Allowance	17
5.3.1	Migration to ESA from Incapacity Benefit and SDA	17
5.4	Contribution-based Jobseeker's Allowance	18
5.5	Statutory Sick Pay	18
6	Other benefits	19
6.1	Carer's Allowance	19
6.2	Disability Living Allowance and Personal Independence Payment	19
6.3	Industrial Injuries Disablement Benefit	20
6.4	War pensions	20
7	Social Fund, Advances of Benefit and Local Welfare Provision	20
8	Back to work benefits	21
9	Challenging a decision	21
	Useful organisations	22
	Age UK	25
	Support our work	25

Glossary

CA - Carer's Allowance	HMRC - HM Revenue and Customs
CTS - Council Tax Support	NIC - National Insurance Contributions
DLA - Disability Living Allowance	PC - Pension Credit
DWP - Department for Work and Pensions	PIP - Personal Independence Payment
EEA - European Economic Area	SSP - Statutory Sick Pay
ESA - Employment and Support Allowance	UC - Universal Credit

1 Recent developments

- The Full Digital Universal Credit service is being rolled out across the country in a staged process. For more details, postcode areas and dates of the roll-out, see www.gov.uk/government/publications/universal-credit-transition-to-full-service (this has been subject to regular change).
- There has been various changes to Universal Credit. The seven day waiting period for new claims is abolished. People living outside of Full Service areas can only make new claims for legacy benefits until the Full Service is rolled out to their area. New claimants can request increased advance payments of up to 100 per cent of their estimated entitlement. It will be made easier for claimants living in private rented property to have their housing elements paid directly to their landlords, especially where a previous Housing Benefit claim was paid directly.

2 Where to apply for benefits

The Government department with responsibility for social security benefits is the Department for Work and Pensions (DWP). Note that:

- most working age benefits are administered by local Jobcentre Plus offices, although you usually need to speak to DWP call centre staff and for some benefits, you can claim online
- employers are responsible for paying benefits to employees such as Statutory Sick Pay
- Personal Independence Payment (PIP), Disability Living Allowance (DLA), and Carer's Allowance are dealt with by the Disability and Carers Service, part of the DWP
- Housing Benefit and Council Tax Support are dealt with by your local authority
- Tax Credits, Child Benefit and Guardian's Allowance are administered by HM Revenue and Customs.

3 Different types of benefits

There are different benefits that working age people can claim depending on their circumstances. We use the term '*working age*' in this factsheet to describe anyone who is below state pension age. State pension age is steadily rising and being equalised between men and women. For more information about state pension age, see factsheet 19, *State Pension*.

Some benefits are not dependant on income or savings and you claim them as an individual. Some benefits depend on your National Insurance record and are called contribution-based benefits. Your entitlement to these is not affected by the circumstances of your partner (if you have one) nor is it usually affected by any income or capital you have.

Other benefits are means-tested. You normally have to claim these as a couple if you have a partner living with you. A partner is your wife, husband, civil partner or someone you live with as though you were married or in a civil partnership. Your combined income and capital are added together and taken into account to work out if you are entitled.

You may need advice if you live with a person who is not your partner, such as a relative or an adult child.

4 Means-tested benefits

Means-tested benefits include Jobseeker's Allowance, Employment and Support Allowance, Income Support, Housing Benefit and Universal Credit. To decide whether you are entitled to these benefits, your income and capital (such as savings) are taken into account. If you are in a couple, it is usually your joint resources that are assessed. Some are claimed if you cannot work, some can be claimed only if you work and others can be claimed regardless of your employment status.

The benefit cap applies to all of benefits in this section and limits the overall amount of benefits you can be paid.

4.1 Income-related Employment and Support Allowance

To qualify for income-related Employment and Support Allowance (ESA), you must meet **the basic conditions**:

- have a limited capability for work due to sickness or disability
- not be in work (apart from some kinds of '*permitted work*')
- be aged 16 or over and under state pension age
- not be entitled to Income Support, Jobseeker's Allowance, Statutory Sick Pay or Universal Credit, and
- be in Great Britain.

Note, you may be able to claim contributory ESA as well, if you satisfy the National Insurance contribution conditions (see section 5.2).

Income-related ESA can be paid on top of contributory ESA or on its own if you are not entitled to contributory ESA. Income-related ESA tops your income up to a level set by the Government.

You must meet these **extra conditions** to get income-related ESA:

- your income must be less than your applicable amount (see below)
- your capital must be less than £16,000
- you must not be in full-time education (with some exceptions)
- your partner must not work 24 hours or more a week
- you must be '*habitually resident*', have the '*right to reside*' in the UK and not be subject to immigration control.

If the DWP decide you do not have a right to reside, you should seek specialist advice to challenge their decision.

You claim ESA by filling in an ESA1 claim form and send or take it to your local Jobcentre Plus office. You can call the ESA claim line on 0800 055 6688, or 0800 012 1888 for the Welsh language claim line. In Northern Ireland contact your local Social Security/Jobs and Benefits office or go to www.nidirect.gov.uk. You need to send a medical certificate from your GP.

4.1.1 Assessment phase

The first 13 weeks of your ESA claim is known as the 'assessment phase'. During this phase, ESA is paid at the basic rate of £73.10 a week if you are single or £114.85 a week if in a couple. The DWP should arrange to send you an ESA50 form to complete with details of your health condition and how it affects you in relation to certain specific activities.

Once the DWP receive your ESA50, they usually arrange for you to attend an examination, known as the Work Capability Assessment (WCA). You may be asked to attend a work-focused interview during this period. Some people, including those with a terminal illness, do not go through the assessment phase and go straight to the main phase.

The WCA has two parts:

- limited capability for work assessment determines whether you are entitled to ESA. It assesses your ability to carry out specific everyday activities based on a points system. You have to score at least 15 points to be assessed as having a limited capability for work
- limited capability for work-related activity assessment determines whether you are placed in the work-related activity group or support group.

4.1.2 Main phase

The main phase of ESA should start after 13 weeks. Depending on your WCA outcome, if you are entitled to ESA, you are placed into the support group or work-related activity group. If terminally ill, you go straight into the support group and main phase from the start of your claim.

In the main phase, an extra weekly component of ESA is paid. The work-related component is £29.05 (this is abolished for new claimants from April 2017). The support component is £37.65.

If you are in the work-related activity group, you have to meet work-related conditions which include:

- attending work-focused interviews
- taking part in work-related activities.

If you fail to comply with these conditions, you can have a sanction placed on your ESA payment until you do comply. A sanction means your ESA is reduced by an amount equal to the ESA personal allowance (currently £73.10 a week), although you are always left with 10p in payment.

4.2 Income Support

To qualify for Income Support (IS), you must:

- be over 16 and under the qualifying age for Pension Credit
- not be in full-time education (although there are exceptions)
- not work 16 hours or more a week and not be entitled to Jobseeker's Allowance (JSA), ESA or Universal Credit
- your partner must not work 24 hours or more a week and not be entitled to income-based JSA, income-related ESA, UC or PC
- your income must be below your applicable amount (see below)
- have capital less than £16,000
- be '*habitually resident*', have the '*right to reside*' in the UK and not subject to immigration control.

The categories of people who can claim IS are small but include:

- carers
- lone parents responsible for children under five
- sick and disabled people receiving Statutory Sick Pay, Incapacity Benefit or Severe Disablement Allowance
- some pregnant women
- some people on parental leave
- some people in education and full-time students.

You can claim Income Support by phoning 0800 055 6688 or online at www.gov.uk. There is a Welsh language line on 0800 012 1888. In Northern Ireland contact your local Social Security/Jobs and Benefits office or go to www.nidirect.gov.uk.

4.3 Income-based Jobseeker's Allowance

To qualify for income-based Jobseeker's Allowance (JSA), you must satisfy the **basic conditions**:

- be under state pension age
- be unemployed or working less than 16 hours a week
- be available for work, actively seeking work and have a Jobseeker's Agreement or Claimant Commitment with Jobcentre Plus
- not have limited capability for work for ESA (although you can receive JSA sometimes if you are sick – seek advice if this applies)
- not be in full-time education (although there are exceptions) and
- be in Great Britain (JSA can be paid if you are abroad temporarily in certain situations and/or exported if you look for work in an EEA country).

Note, you may be able to claim contribution-based JSA if you satisfy the national insurance contribution conditions (see section 5.4).

Income-based JSA can be paid on top of contribution-based JSA or on its own if you do not qualify for contribution-based JSA. Income-based JSA tops your income up to a level set by the Government.

You must meet the following **extra conditions** to get income-based JSA:

- your income must be less than your applicable amount (see below)
- you must have less than £16,000 in capital
- your partner must be unemployed or working less than 24 hours a week
- you must be '*habitually resident*', you must have the '*right to reside*' in the UK and not be subject to immigration control.

If the DWP decide you do not have a right to reside, you should seek specialist advice to challenge their decision.

You can claim JSA by phoning 0800 055 6688 or online at www.gov.uk. There is a Welsh language line on 0800 012 1888. In Northern Ireland, contact your local Social Security Jobs and Benefits office or go to www.nidirect.gov.uk.

4.3.1 Joint-claim JSA

If you and your partner are unemployed, you may have to apply for '*joint-claim JSA*'. The rules are similar to those for income-based JSA and both partners usually have to satisfy the conditions for getting JSA, although there are exceptions, including for carers, people who are sick or disabled, and part-time workers.

4.4 Claims, payments and sanctions

Claim ESA, IS or JSA as soon as you can as it is not usually possible to backdate them. You can claim online, by telephone on 0800 055 6688, or by arranging an appointment at a Jobcentre Plus office. You need your personal details to hand and you are usually given a follow-up appointment at the Jobcentre Plus office. This can be called a '*work-focused interview*' and is intended to help explore what you might do get back to, or into, work.

At your first meeting, for JSA only, a personal adviser draws up a '*Jobseeker's Agreement*', also called a '*Claimant Commitment*', with you. This sets out the type of work you are looking for and the steps you will take to find work or improve your chances of finding work.

If your adviser feels you are not keeping to the Jobseeker's Agreement, your JSA payments can be sanctioned, which means they are stopped for a period. You can be sanctioned if you gave up your last job voluntarily (except for voluntary redundancy) or lost it through misconduct. Hardship payments may be available if you are sanctioned – ask your adviser.

You have to attend regular appointments at Jobcentre Plus and the Jobseeker's Agreement can be reviewed and updated. The level of job-search activity you have to pursue increases the longer you are on JSA.

While claiming JSA, you may be referred to job vacancies, training or employment schemes. These are usually compulsory and you can be sanctioned if you do not apply or attend. A sanction means that some, or all, of your benefit payment is suspended for a period of time. If you claim ESA or IS, you may also be asked to attend specific programmes or other training, at risk of sanctions.

Applicable amount

Income-related ESA, IS and income-based JSA are calculated by comparing your '*applicable amount*' (an amount set by Government for living expenses) with your income and capital. Your applicable amount includes a personal allowance (single or couple rate), as well as premiums, housing costs, and for ESA only, an additional component.

Premiums are paid if special circumstances apply to you or your partner, such as receiving a disability benefit or being a carer. Housing costs can be included if you are a home owner and includes mortgage interest, ground rent or service charges. You may have to wait for a period before housing costs are included.

Your partner's income and capital is taken into account, although some types of income and capital are ignored in part or in full. Capital above £6,000 is assumed to produce income of £1 for every £250 above £6,000.

If your income is less than your applicable amount you are entitled to income-related ESA, IS or income-based JSA to make up the difference.

Income-related ESA, IS and income-based JSA are not taxable.

4.5 Passporting to other benefits

If you receive income-related ESA, IS or income-based JSA, you are automatically entitled ('*passported*') to other benefits including Housing Benefit (if you rent your home) and possibly Council Tax Support.

You are entitled to help with health costs, housing grants and free school meals and may be entitled to payments from the Social Fund or Local Welfare Provision.

Note

If you claim income-based JSA as a jobseeker under right to reside rules, you may not be entitled to Housing Benefit. Seek specialist advice if this applies.

4.6 Housing Benefit

Housing Benefit (HB) is paid if you are liable to pay rent and have a low income. It is administered by local authorities.

4.6.1 Do you qualify for Housing Benefit?

To qualify for HB, you and your partner must:

- be treated as liable to pay rent
- have capital of less than £16,000 (unless you receive Pension Credit Guarantee Credit), and
- be '*habitually resident*' and have a '*right to reside*' in the UK and not be '*a person subject to immigration control*'.

Additionally, you must either:

- receive a '*passporting*' benefit' such as income-based JSA, income-related ESA or Income Support, or
- have a low income (it does not matter whether you work or not).

There are special rules for students, young people leaving local authority care, people subject to immigration control, prisoners and people in care homes and other special accommodation.

4.6.2 Who can get Housing Benefit?

HB is a payment towards rent and some service charges paid to a landlord. It covers other types of payments for accommodation, like mobile home site rents and houseboat mooring fees. HB is not paid towards mortgage interest which can be covered by a loan when claiming income-related ESA, income-based JSA, Universal Credit, and Income Support.

There are circumstances where you can get HB even if you are not the person who is liable for the rent. For example, if the tenancy is in the name of your former partner who has left the property.

There are circumstances in which you cannot get HB even if you do pay rent. For example, if you live in the home of a close relative and pay them rent, or you do not have a commercial tenancy.

The local authority may refuse to pay HB if they believe your tenancy is contrived or not on a commercial basis. This may happen if you rent from a family member but claims can be allowed if good reason can be shown.

4.6.3 Calculating Housing Benefit

The HB calculation is similar to other means-tested benefits described in section 4.4. If you are entitled to one of the benefits in section 4.4, you are entitled to the maximum amount of HB you can get for your circumstances. The maximum amount depends on your income, the type of accommodation you live in and how much rent you have to pay.

If you are not automatically entitled to the maximum amount, your income is compared to your applicable amount, an amount set by Government for living expenses including a personal allowance plus premiums. If your applicable amount is more than your income, you get maximum HB. If your applicable amount is less than your income, your maximum HB is reduced by 65p for every £1 of excess income.

The amount of HB you receive may be reduced if you have another adult (not your partner) living with you. This is called a non-dependant deduction. No non-dependant deduction should be made if you, or your partner, are registered blind, or you get Disability Living Allowance care component, Personal Independence Payment daily living component, or Attendance Allowance.

4.6.4 Rent levels and bedrooms

If you are a local authority or housing association tenant, the maximum rent used to calculate HB is reduced if the number of bedrooms in your home is more than you are entitled to under size criteria rules (commonly referred to as the '*bedroom tax*'). If you have one bedroom more than you are entitled to, your maximum HB is reduced by 14 per cent of your rent. If it is two or more, your maximum HB is reduced by 25 per cent of your rent.

If you are a private tenant, the maximum rent that HB can cover is determined by the rate of the Local Housing Allowance (LHA) for a property of the size you need. The size of accommodation you need is based on the number of people in your household and their age. Local authorities publish the LHA rates that apply in their area so you can find out how much they will pay before taking up a tenancy.

4.6.5 Discretionary Housing Payments

If there is a shortfall between your rent and the amount of HB you receive, you can apply to the local authority for a Discretionary Housing Payment to make up the difference. It is often a good idea to get help with an application.

4.6.6 Supporting People payments

Some support services such as medical support and personal care, for vulnerable or disabled people in sheltered housing are funded by local authority social services departments under a system called '*Supporting People*' and are not covered by HB. These payments are not counted as income when calculating entitlement to benefit.

Contact your local authority for more information about this. These payments are not available in Scotland.

4.7 Tax Credits

There are two types of Tax Credits administered by HM Revenue and Customs (HMRC). Child Tax Credit (CTC) can be paid if you are responsible for dependant children if you have a low income. Working Tax Credit (WTC) can be paid if you work and have low earnings. You cannot claim Tax Credits and Universal Credit at the same time.

4.7.1 Child Tax Credit

You can get CTC for each child you are responsible for if they are:

- under 16, or
- under 20 and in eligible education or training.

You do not need to work to claim CTC. You get money for each child that qualifies and CTC does not affect your Child Benefit.

How much you get depends on your circumstances. Only one household can get CTC for a child.

Payments are not included for a third (or more) child born on or after 6 April 2017 unless an exception applies. If you claimed CTC for more than two children born before this date, you continue to get CTC for all of them.

4.7.2 Working Tax Credit

You can get WTC if you are working (employed or self-employed) and have low earnings.

If you do not have children, you may be eligible for WTC if:

- you are aged 25 or over and work at least 30 hours a week, or
- you work at least 16 hours a week and have a disability that puts you at a disadvantage in getting a job, or
- you work at least 16 hours a week and are aged 60 or more.

If you are single with dependant children, you may be eligible if you work at least 16 hours a week.

If you are in a couple with dependant children, you may be eligible if you and your partner usually work at least 24 hours a week between you, with one of you working at least 16 hours a week. You may get WTC where your joint working hours are less than 24 a week if:

- one of you is 60 or over and works 16 hours a week, or
- one of you is entitled to Carers Allowance and works 16 hours a week, or
- one of you is disabled and works 16 hours a week, or
- one of you works at least 16 hours a week and the other cannot work because they are incapacitated, a hospital in-patient or in prison.

4.7.3 Claiming Tax Credits

To claim CTC and WTC, you have to be present and ordinarily resident in the UK and not a person subject to immigration control.

They are administered by HMRC and assessment of income and capital is on an annual basis. For the tax year 2018/19, any Tax Credits you receive are an estimated amount based on either your previous year's income or an estimate of your current year income. Your award is finalised after April 2019 when your actual income for 2018/19 is known. Tax Credits are not taxable.

For more information or a claim form, contact the Tax Credits Helpline on 0345 300 3900.

You can use the online Tax Credits calculator to find out how much CTC or WTC you might be entitled to at www.gov.uk/tax-credits-calculator.

4.8 Universal Credit

Universal Credit (UC) is a benefit replacing income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support, Housing Benefit, Child Tax Credit and Working Tax Credit ('*legacy benefits*') for working age people in or out of work.

UC is a means-tested non-taxable benefit to cover basic living expenses. There are additional amounts for carers and people unable to work due to sickness or disability. UC can help some people towards rent or mortgage interest payments and relevant childcare costs.

4.8.1 Who can you claim for?

If you do not have a partner, you claim UC for yourself and up to two children or qualifying young people you are responsible for. If you have a partner, you claim UC for yourself and your partner and up to two children.

You claim UC as a single person even if you have a partner in certain circumstances, for example if your partner does not meet conditions for being habitually resident and having a right to reside in Great Britain.

4.8.2 How do you qualify for Universal Credit?

To claim UC, you must:

- be 18 or over
- be under the qualifying age for claiming PC (if you are a mixed age couple where one of you is over this age, you can claim PC instead – but only until the rules change in January 2019)
- have a low income and capital below £16,000
- be present, habitually resident and have a right to reside in Great Britain
- not be in education
- accept a Claimant Commitment.

4.8.3 How is Universal Credit being introduced?

A basic version of UC, called the 'live service' has been rolled out across the UK with 'gateway' conditions restricting who can claim. The 'live service' is now closed to new claims. The Full Digital Service is currently rolling out, which removes gateway conditions. If you live in a Full Digital area, you are required to claim UC instead of any legacy benefits (except if you have more than 2 children – seek advice if this applies).

If you receive income-based JSA, income-related ESA, Income Support, Housing Benefit, WTC and/or CTC, you will be moved onto UC at a later date. If the amount you receive on UC is lower than the amount you received before, you get transitional protection to pay the higher amount until your UC award catches up, or you report a change of circumstances.

Mixed age couples and Universal Credit

A mixed age couple refers to a couple where one person is over PC qualifying age and the other person is younger than this. Currently, they have a choice and can claim PC or UC. For most people, it is better to claim PC as your income is likely to be higher and you are not subject to UC conditions about work search.

When the UC Digital Service rollout is complete (currently December 2018) both members of a couple must reach PC qualifying age to claim PC. Existing claimants at the date of the change stay on PC. For information about PC qualifying age, see factsheet 48, *Pension Credit*.

4.8.4 How to claim Universal Credit

Applications for UC are made by telephone or online. You must attend an interview with a Work Coach at a Jobcentre Plus office to agree the contents of your Claimant Commitment. You can apply online www.gov.uk/apply-universal-credit. There is a helpline for applications where you can ask questions - 0800 328 5644.

If you fail to meet your Claimant Commitment conditions, your UC is reduced by a sanction. UC is paid monthly in arrears into a bank account (although there is provision in Scotland to be paid twice monthly). Your first payment takes five weeks to be paid. Payments are calculated according to how much relevant income you received in the previous month, including earnings.

4.9 Benefit cap

The total maximum weekly amount of benefit you can receive as a working-age claimant is limited for lone parents and couples to £442.30 in London or £384.61 outside London, or £296.35 in London or £257.69 outside London for single people, unless you are exempt from the cap.

If your total benefit payments exceed these amounts, your Housing Benefit or Universal Credit is reduced to bring the overall amount down to the cap. The cap applies to the whole of UC payments.

Most benefits are included in the cap such as Employment and Support Allowance, Income Support, Jobseeker's Allowance, Housing Benefit, Carer's Allowance, Child Tax Credit and Child Benefit.

Who is exempt from the cap?

If you meet the qualifying conditions for Working Tax Credit (even if you cannot be paid because you earn too much), you are exempt from the benefit cap. You are exempt from the cap if you or anyone you claim for in your household receives, or is entitled to:

- limited capability for work-related activity component in your UC award
- support component of Employment and Support Allowance
- Industrial Injuries Disablement Benefit
- War Pension or an Armed Forces Compensation Scheme payment
- Attendance Allowance
- Disability Living Allowance
- Personal Independence Payment
- Carer's Allowance or carer element of UC.

4.10 Council Tax Support

Council Tax Support (CTS) or Council Tax Reduction, provides financial help towards your Council Tax if you claim means-tested benefits or are on a low income. You must be liable to pay Council Tax but it does not matter if you are a tenant, home owner or other kind of resident.

If you live alone as a single person, or your home has certain adaptations for you as a disabled person, or you have a severe mental impairment, you may receive a 25 per cent discount from your Council Tax bill.

In Scotland, water and sewerage charges are included in your Council Tax bill but CTS only covers the Council Tax element. The Water Charges Reduction Scheme gives you 25 per cent off water and sewerage charges if you receive full CTS and there are two or more adults in the household with no other discounts. Your local authority should do this automatically – contact them if not.

Northern Ireland has rates rather than Council Tax. There is a rate relief scheme which is assessed alongside Housing Benefit, but the rules are different from those described here. Contact Age NI for further information.

4.11 Second Adult Rebate

If you cannot get CTS because you have excess capital or income, you may be able to get a Second Adult Rebate. This reduces your Council Tax bill by up to 25 per cent if one or more other adults (not your partner) live in your household and they have a low income. Your local authority decide whether to make a Second Adult Rebate scheme available to working age people so contact them to see if you are entitled.

There is a national scheme in Scotland but it is not available in Wales.

4.12 How Council Tax Support is calculated

If you are working-age, your local authority makes their own rules about who is entitled to CTS and decide how this should be worked out. They may take into account means-tested benefit, disability related premium, disability or carer benefits. They take into account income and capital you have but the upper limits are set by your local authority. See factsheet 21, *Council Tax* for more information.

In Wales, there is more standardisation between local authorities in regard to eligibility criteria as regulations only allow them to exercise discretion in a few areas. See Age Cymru factsheet 21w, *Council Tax in Wales*, for more information. In Scotland, see the factsheet *Council tax reduction*.

5 National Insurance benefits

The benefits detailed in this section are assessed based on your National Insurance contribution record, or on the contributions of your partner, or on whether you should be paying National Insurance contributions (NIC's).

5.1 Bereavement benefits

If your husband, wife, or civil partner dies, you may be able to claim Bereavement Support Payment. Entitlement is based on your partner's NI record, but there is no NI requirement if they died as a result of an industrial accident or prescribed industrial disease.

It is available to people under State Pension age and consists of an initial lump sum payment (£2,500 or, if you have children, £3,500) and a further 18 monthly instalments (£100, or if you have children, £350). The payments are not taxable and are disregarded when calculating entitlement to means-tested benefits and in the benefit cap.

To claim, contact the Bereavement Service on 0800 731 0469. There is a Welsh language line on 0800 731 0453. You can download a claim form from www.gov.uk/government/publications/bereavement-support-payment-claim-form or www.nidirect.gov.uk/publications/bereavement-support-payment-application-form in Northern Ireland.

5.2 Contributory Employment and Support Allowance

To qualify for contributory Employment and Support Allowance (ESA), you usually need to have paid sufficient NIC's in the last two tax years. You can qualify without NICs if you received NI credits as a low-paid disabled worker or a carer. If you transfer to contributory ESA from Incapacity Benefit or Severe Disablement Allowance, you do not have to meet the NIC conditions. You must meet the **basic conditions** for ESA (see section 4.1).

For people over 25, the weekly rate of contributory ESA is:

First 13 weeks (assessment phase)	£73.10
After 13 weeks (main phase)	£73.10 (work-related activity group)
	£110.75 (support group)

Your contributory ESA may be reduced if you have gross income from an occupational/personal pension of more than £85 a week. For every £1 of pension over £85, you lose 50p of benefit. Other types of income and capital do not affect contributory ESA.

Contributory ESA is only paid for up to 52 weeks if you are in the work-related activity group. There is no time limit if you are in the support group.

5.3 Incapacity Benefit and Severe Disablement Allowance

These benefits have been abolished and are not available for new claimants. You can still receive Incapacity Benefit (IB) if you were entitled before 27 October 2008 and continue to fulfil the qualifying conditions.

You can still receive Severe Disablement Allowance (SDA) if you were entitled before 5 April 2001 and continued to fulfil the qualifying conditions. You can continue to receive SDA after State Pension age – seek advice if you are considering this.

Both are taken into account for the benefit cap.

5.3.1 Migration to ESA from Incapacity Benefit and SDA

If you claim IB or SDA and did not reach State Pension age before April 2014, you may be transferred to ESA. You can be reassessed under the ESA Work Capability Assessment. This applies if you claim Income Support (IS) on the grounds of incapacity for work.

If you are found to have a limited capability for work, you are moved onto ESA. Incapacity Benefit and SDA awards are converted to contributory ESA. IS awards are converted to awards of income-related ESA. You may be entitled to both contributory and income-related ESA if you received Incapacity Benefit and Income Support before migration.

If you move to contributory ESA and are in the work-related activity group, this stops being paid after 52 weeks. This period runs from the date your Incapacity Benefit or SDA award is converted into ESA.

If your ESA entitlement is less than the amount of benefit you received before, you get transitional protection to make up the shortfall. The value of this amount reduces each year by the amount of increased ESA.

If you do not have limited capability for work when reassessed, your current claim ends and you are not awarded ESA. You can challenge this decision and should seek advice promptly.

5.4 Contribution-based Jobseeker's Allowance

Contribution-based Jobseeker's Allowance (JSA) is paid for a maximum of 26 weeks. You must have paid sufficient NICs in the last two years to qualify for contribution-based JSA. You must satisfy the **basic conditions** of entitlement for JSA (see section 4.3).

The rate for people aged 25 or over is £73.10 a week.

In general, income and capital are not taken into account for contribution-based JSA. If you have earnings (for example part-time employment or self-employment) or an occupational/personal pension, your JSA may be reduced.

Earnings are deducted in full from your JSA after a disregard of £5 a week (£20 for a few specified occupations). If you have a pension, the first £50 a week is ignored but any amount over this is deducted in full.

5.5 Statutory Sick Pay

If you are an employee and off work due to sickness, you are entitled to Statutory Sick Pay (SSP) for up to the first 28 weeks. SSP is administered and paid by your employer. SSP is taxable and paid at a rate of £92.05 a week. You may also be entitled contractual sick pay under the terms of your contract.

If you receive SSP but it is not enough to live on, you may also be able to claim Income Support, income-based JSA or Universal Credit.

If you are unable to work due to sickness but not entitled to SSP, for example because you are self-employed, you may be entitled to ESA instead. If you are off work for more than 28 weeks and your SSP runs out, you can claim ESA.

6 Other benefits

The benefits below are generally claimed because of your particular circumstances or situation. They can often be claimed as well as other benefits and sometimes can even increase the amount of those benefits.

6.1 Carer's Allowance

You can claim Carer's Allowance (CA) if you look after someone who receives a disability benefit such as Attendance Allowance or Personal Independence Payment daily living component. You must spend at least 35 hours a week caring for them. If you work, you cannot earn more than £120 a week (net earnings or profit if self-employed).

Some means-tested benefits are paid at a higher rate if you are entitled to CA. However, the person you care for may lose money if you claim CA, so seek advice first. See factsheet 55, *Carer's Allowance*, for more information.

6.2 Disability Living Allowance and Personal Independence Payment

Disability Living Allowance (DLA) is being replaced by a benefit called Personal Independence Payment (PIP). All new working age adult claimants must claim PIP instead of DLA. Existing working age DLA claimants are gradually being moved (*'migrated'*) to PIP, particularly if you report a change of circumstances.

You can receive DLA, PIP or AFIP on top of most other benefits. They are not affected by your capital or income or the circumstances of your partner (if you have one).

The Armed Forces Independence Payment (AFIP) is payable (instead of PIP) to service and ex-service personnel who have an Armed Forces Compensation Scheme award that includes a Guaranteed Income Payment of 50 per cent or higher.

DLA, PIP and AFIP are not taxable and if you receive them, the amount of other benefits you are entitled to may increase.

See factsheet 87, *Personal Independence Payment and Disability Living Allowance*, for more information, including contact details for the Veterans Agency and information about AFIP.

If you are 65 or over and have care needs due to disability or long term health problem, you can claim Attendance Allowance – see factsheet 34, *Attendance Allowance*, for more information.

6.3 Industrial Injuries Disablement Benefit

If you have been injured in an accident at work or have contracted an industrial disease, you can claim Industrial Injuries Disablement Benefit. The level of disability caused by your accident or industrial disease is assessed by a DWP doctor and expressed as a percentage. You usually have to be assessed at least 14 per cent disabled to receive a payment.

The weekly rate of benefit varies from £34.96 to £174.80 depending on your level of disablement. If assessed as 100 per cent disabled, you may qualify for extra allowances such as Constant Attendance Allowance or Exceptionally Severe Disablement Allowance.

Industrial injuries benefits are paid on top of other benefits such as contributory-ESA or Carer's Allowance but taken into account as income when calculating means-tested benefits. Industrial injuries benefits are not taxable and you do not have to prove an employer was negligent to qualify.

Contact the Barnsley Industrial Injuries Disablement Benefit centre on 0800 121 8379. You can download a form from www.gov.uk/industrial-injuries-disablement-benefit/how-to-claim. You may also be able to claim compensation and you should seek legal advice.

6.4 War pensions

If you became disabled through serving in the armed forces, you may be able to claim a pension, allowance and/or compensation. There are some pensions payable to war widows, widowers or surviving civil partners. In some circumstances, an unmarried partner or same-sex partner who was not a civil partner can qualify.

For more information contact the Veterans UK or see online at www.gov.uk/government/organisations/veterans-uk.

7 Social Fund, Advances of Benefit and Local Welfare Provision

The Social Fund

The Social Fund provides lump sum cash payments for extra expenses that are difficult to meet from your weekly income. These include funeral payments to help with funeral costs, Cold Weather Payments during periods of very cold weather and Winter Fuel Payments to help with heating costs for people over PC qualifying age.

See factsheet 1, *Help with heating costs*, for more details (or the equivalent versions in Wales and Scotland). Contact your local Jobcentre Plus office to make an application to the Social Fund or download a claim form from the Gov.uk website.

Budgeting Loans and Advances of Benefit

Budgeting Loans help with the cost of items you cannot afford and have to be repaid from your benefit entitlement. To apply, you must have received income-based JSA, income-related ESA, Income Support or PC for 26 weeks. If you claim UC, you can apply for a budgeting advance instead.

Local Welfare Provision

Local Welfare Provision replaced the discretionary Social Fund for people facing a crisis or short-term unavoidable need in 2013. These are run by local authorities or the Welsh, Scottish or NI governments and may be a loan rather than a grant.

For more information about the social fund, budgeting loans, advances of benefit and local welfare provision see factsheet 49, *The Social Fund, Advances of Benefit and Local Welfare Provision*. In Scotland, see *The Scottish Welfare Fund* guide.

8 Back to work benefits

If you start full-time work after a period of claiming Income Support, JSA or ESA, your benefit payments may not stop immediately.

If you claimed Housing Benefit as well as the other benefit, you may be entitled to four week extended payments of Housing Benefit. Contact your Local Authority to see if you can get extended payments of CTS.

If you start work after a period on UC, you may still receive an amount of UC if your earnings are low. However, if you were getting help towards your mortgage through your UC award, this stops as soon as you do any work, regardless of your earnings.

Action

Check whether you qualify for any of these benefits with your local Jobcentre Plus office or employment scheme/programme provider.

9 Challenging a decision

You have the right to appeal against many decisions involved in the benefit system, such as if your claim is refused. There are normally strict time limits for doing so. For more information about this, see factsheet 74, *Challenging welfare benefit decisions*.

If you need independent advice, contact Age UK Advice or one of the independent organisations listed.

Useful organisations

Carer's Allowance Unit

www.gov.uk/carers-allowance-unit

Telephone 0800 731 0297

Provides information about Carer's Allowance and how to make a claim.

Carers Trust

www.carers.org

Telephone 0300 772 9600

Offers practical help and assistance to carers.

Carers UK

www.carersuk.org (England)

www.carersuk.org/scotland (Scotland)

www.carerswales.org (Wales)

Telephone Helpline 0808 808 7777

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

Citizens Advice

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 03444 111 444

In Wales telephone 03444 77 2020

In Scotland telephone 0808 800 9060

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

Civil Legal Advice (CLA)

www.gov.uk/civil-legal-advice Monday to Friday, 9am to 8pm, Saturday, 9am to 12.30pm

Telephone 0345 345 4 345

People living on a low income or benefits, who are eligible for legal aid can get specialist legal advice on benefits appeals, debt, education, housing, discrimination and family problems.

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 0800 731 0122

Disability Living Allowance (DLA)

If you were born on or before 8 April 1948

Telephone 0800 731 0122

If you were born after 8 April 1948

Telephone 0800 121 4600

Personal Independence Payment helpline

Telephone 0800 121 4433

Disability Rights UK

www.disabilityrightsuk.org

Telephone 0330 995 0400

Promotes meaningful independent living for disabled people; disabled people's leadership and control; breaking the link between disability and poverty; and campaigning for disability equality and human rights.

Discretionary Assistance Fund for Wales (The)

www.moneymadeclearwales.org/home.php?page_id=60

Telephone 0800 859 5924 (free from landlines) or 033 0101 5000 (local rate number for calls from mobiles)

To apply for an Individual Assistance Payment (IAP) or Emergency Assistance Payment (EAP) make an online application or obtain a form visit the website.

Gov.uk

www.gov.uk

Official website for government information and services. Includes information about pensions planning, the State Pension, workplace pensions, and personal and stakeholder pensions.

Jobcentre Plus

www.gov.uk/contact-jobcentre-plus

Telephone 0800 055 6688

Part of the DWP, administers most benefit claims for people of working-age and the regulated Social Fund.

Money Advice Service

www.moneyadviceservice.org.uk

Telephone 0800 138 7777

Service set up by the Government to help people make the most of their money; they give free, unbiased money advice to everyone across the UK.

Pension Service (The)

www.gov.uk/browse/working/state-pension

Telephone 0800 731 0469

State Pension Forecasting Team 0800 731 0176

For details of state pensions, including forecasts and how to claim your pension.

Tax Credits

www.gov.uk/browse/benefits/tax-credits

Telephone 0345 300 3900

HMRC are responsible for administering Child Tax Credit and Working Tax Credit.

Veterans UK

www.gov.uk/government/organisations/veterans-uk

Telephone 0808 1914 218

Administers the armed forces pension schemes and compensation payments for those injured or bereaved through service.

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 or Age Cymru 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 Advice

www.agecymru.org.uk

0800 022 3444

In Northern Ireland contact

Age NI

www.ageni.org

0808 808 7575

In Scotland contact

Age Scotland

www.agescotland.org.uk

0800 124 4222

Support our work

We rely on donations from our supporters to provide our guides and factsheets for free. If you would like to help us continue to provide vital services, support, information and advice, please make a donation today by visiting www.ageuk.org.uk/donate or by calling 0800 169 87 87.

Our publications are available in large print and audio formats



Next update April 2019

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

This factsheet has been prepared by Age UK and contains general advice only, which we hope will be of use to you. Nothing in this factsheet should be construed as the giving of specific advice and it should not be relied on as a basis for any decision or action. Neither Age UK nor any of its subsidiary companies or charities accepts any liability arising from its use. We aim to ensure that the information is as up to date and accurate as possible, but please be warned that certain areas are subject to change from time to time. Please note that the inclusion of named agencies, websites, companies, products, services or publications in this factsheet does not constitute a recommendation or endorsement by Age UK or any of its subsidiary companies or charities.

Every effort has been made to ensure that the information contained in this factsheet is correct. However, things do change, so it is always a good idea to seek expert advice on your personal situation.

Age UK is a charitable company limited by guarantee and registered in England and Wales (registered charity number 1128267 and registered company number 6825798). The registered address is Tavis House, 1–6 Tavistock Square, London WC1H 9NA. Age UK and its subsidiary companies and charities form the Age UK Group, dedicated to improving later life.