

Introduction to Welfare Benefits



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Aims and objectives

Aims

- ▶ To give delegates an overview of the benefit system

Objectives

- ▶ By the end of the course delegates should be able to understand:
 - ▶ the basic types of benefits including universal credit
 - ▶ when someone might be entitled to a particular benefit
 - ▶ How to identify some of the problems someone might encounter in claiming certain benefits

The Hierarchy of the Benefit System

Employee benefits	Contributory benefits	Means tested benefits	Non contributory benefits
Statutory sick pay	Jobseeker's allowance	Income support	Child benefit
Statutory maternity pay	Employment and support allowance	Income based jobseeker's allowance	Disability living allowance
Statutory adoption pay	Retirement pension	Income related employment and support allowance	Attendance allowance
Statutory paternity pay	Industrial injuries benefit	Pension credit	Personal independence payments
		Child tax credit	Carer's allowance
		Working tax credit	
		Housing benefit	
		Council tax support	
		Social fund – maternity and funeral grants	
		Universal credit	

Employer Benefits

- ▶ Statutory Sick Pay (SSP)
- ▶ Statutory Maternity Pay (SMP)
- ▶ Statutory Adoption Pay (SAP)
- ▶ Statutory Paternity Pay (SPP)

Contributory Benefits

- ▶ National Insurance
- ▶ Contribution Jobseeker's Allowance (CJSA)
- ▶ Contribution Employment and Support Allowance (CESA)
- ▶ State Pension (SP)
- ▶ Maternity Allowance (MA)
- ▶ Industrial Injuries Disablement Benefit (IIDB)
- ▶ Bereavement Support payments (post 6/4/17)

Means Tested Benefits 1

- ▶ Common rules for means tested benefits
 - ▶ Capital
 - ▶ Deprivation of Capital
- ▶ Income Based Jobseeker's Allowance (IBJSA)
- ▶ JSA sanctions - higher level and lower level
- ▶ Income Support (IS)
- ▶ Pension Credit (PC)
- ▶ Income related employment and support allowance (IRESA)
- ▶ Permitted work

Means Tested Benefits 2

- ▶ Council tax support
- ▶ Child and working tax credit (CTC and WTC)
- ▶ Universal Credit (UC)
- ▶ Support with Mortgage Interest (SMI)
- ▶ Social Fund Grants
 - ▶ Sure Start Maternity Grants
 - ▶ Funeral Grant
- ▶ Other Assistance
 - ▶ Winter Fuel Payments
 - ▶ Budgeting Loan
 - ▶ Health Benefits
 - ▶ Local Assistance Schemes

Housing Benefit and Discretionary Housing Payments

- ▶ Claimed from Local Authority
- ▶ Liability for rent (claimant or someone else if appropriate)
- ▶ Must be commercial, not rent and living with close relative
- ▶ Some people not liable (in pack e.g. trust beneficiary, ex partner of landlord and have child, previously owned except unaffordable)
- ▶ Resident in the property but temp. absence allowed (4/13/52 weeks)
- ▶ Based on number of bedrooms needed
- ▶ Non dependants liable for help with rent costs based on earnings
- ▶ Grants given each year to help with rent
- ▶ Shortfall between rent and HB payable
- ▶ Demand usually higher than funds
- ▶ LA prefer short term, proactive claimants

Non-Contributory Benefits

- ▶ Child Benefit (CB)
- ▶ Carer's Allowance (CA)
- ▶ Disability Living Allowance (DLA)
 - ▶ Mobility Component
 - ▶ Care Component
- ▶ Attendance Allowance (AA)
- ▶ Personal Independence Payments (PIP)
 - ▶ Care Element
 - ▶ Mobility Element

About Universal Credit

- ▶ Replaces:
 - ▶ income support
 - ▶ income-based jobseeker's allowance
 - ▶ income-related employment & support allowance
 - ▶ housing benefit
 - ▶ child tax credit and working tax credit
- ▶ Exceptions
 - severe disability premium
 - exempt accommodation
 - 2 + children
- Backdating

Calculating universal credit

- ▶ Standard allowance
Plus
- ▶ Elements
Plus
- ▶ Housing costs element
Plus
- ▶ childcare element

Standard Allowance

- ▶ Standard allowance
- ▶ single person aged 25 and over (£317.82)
- ▶ single person aged under 25 (£251.77) (including lone parents)
- ▶ couple where one member is aged 25 or over (£498.89)
- ▶ couple with both members aged under 25 (£395.20)

Elements

Child element

Disabled child element

Limited capability for work element/work related activity element

Carer element

Childcare element

Housing element

- ▶ Owner occupiers
- ▶ Renters
- ▶ In custody
- ▶ Housing costs contribution
 - ▶ Non dependant exemptions
- ▶ More than one home
- ▶ Housing costs before moving in

Capital

- ▶ **First £6000 ignored**
- ▶ **no entitlement where £16000**
- ▶ **Tariff income of £4.35 per month for every £250 or part thereof**

Work allowances

	Minimum disregard (entitled to housing costs element)	Maximum disregard (not entitled to housing costs element)
Single or couple without child(ren)	£0	£0
Single or couple with child(ren)	£287	£503
Single or Couple with Limited Capability for Work	£287	£503

Maximum disregard applies to owner occupiers or those who have no liability for rent

Minimum disregard applies to those who have rental costs included in their claim

Benefit Cap

- ▶ £1916 if they are a couple or have children and live in London
- ▶ £1452 if they are a couple or have children and live outside London
- ▶ £1283 if they are a single person and live in London
- ▶ £1118 if they are a single person and live outside London

Calculating Universal Credit 1

- ▶ A single person aged 25
- ▶ 1 bedroom council flat paying an eligible rent of £500 per month.
- ▶ £442.65 per month contributory ESA (including the work related activity component started on 02-02-2017)
- ▶ Standard rate care element of PIP.
- ▶ No other income or savings

Calculating Universal Credit 1

▶ Step 1: calculate maximum Universal Credit

▶ Standard allowance	£317.82
▶ LCW element	£126.11
▶ Housing costs	£500.00
▶ Maximum UC	£943.93

Calculating Universal Credit 1

▶ Step 2: calculate income

- | | |
|-----------------------------------|---------|
| ▶ No earned income | £0.00 |
| ▶ ESA | £442.65 |
| ▶ PIP is disregarded | £0.00 |
| ▶ No savings to take into account | £0.00 |
| ▶ Total Income | £442.65 |

Calculating Universal Credit 1

- ▶ **Step 3: work out UC entitlement** ie UC elements minus income
- ▶ Max UC £943.93 minus £442.65 = £501.28

- ▶ **Step 4: check for benefit cap**
- ▶ Benefit cap not applicable as receives PIP.

- ▶ **UC = £501.28 pcm**
- ▶ plus £442.65 ESA (every month)
- ▶ plus £234.80 PIP (every 4 weeks)

Calculating Universal Credit 2

- ▶ A lone parent
- ▶ One child born in 2014
- ▶ Works 10 hours per week earning £500 net per month
- ▶ Savings of £7,000
- ▶ Eligible rent £600 per month

Calculating Universal Credit 2

Step 1: calculate maximum Universal Credit

Standard allowance	£317.82
Child element	£277.08
Housing element	£600.00
Maximum UC:	£1194.90

Calculating Universal Credit 2

Step 1: calculate maximum Universal Credit

Standard allowance	£317.82
Child element	£277.08
Housing element	£600.00
Maximum UC:	£1,194.90

Calculating Universal Credit 2

▶ Step 2: calculate income

- ▶ Earned income £500.00
- ▶ Work allowance -£287.00
- ▶ Sub total £213.00
- ▶ 63% of excess earned income £134.19
- ▶ Capital tariff income -£17.40 (4 x £4.35)
- ▶ Total income: £151.59 (£134.19 + £17.40)

Calculating Universal Credit 2

- ▶ Step 3: work out UC entitlement i.e. UC elements minus income
- ▶ Max UC £1194.90 - income £151.59 = **£1,043.31**

- ▶ Step 4: check for benefit cap
- ▶ UC level is under the cap
- ▶ plus child benefit (every 4 weeks)
- ▶ **UC = £1,043.31 pcm**
- ▶ plus child benefit

Universal Credit Advances

- ▶ UC Advances
 - ▶ Benefit transfer
 - ▶ New claimant
 - ▶ Change of circumstances
- ▶ Budgeting Advances

Claimant Commitment, Work Related Requirements and Conditionality

- ▶ Claimant Commitment
- ▶ Work Related Requirements
 - ▶ Participating in work focused interviews
 - ▶ Work preparation
 - ▶ Work search
 - ▶ Work availability
- ▶ Conditionality
 - ▶ Group 1: No work-related requirements
 - ▶ Group 2: Work focused interviews only
 - ▶ Group 3: Work preparation only
 - ▶ Group 4: All work-related requirements

Challenging benefit decisions

Higher appeal

Appeal

Mandatory reconsideration/judicial review/Ombudsman

Review/supersession

Make benefit application

Challenging decisions

- ▶ Change of circumstance since original decision = supersession
- ▶ Original decision wrong = revision
- ▶ One calendar month to challenge a decision, 13 month absolute deadline
- ▶ Except HB, mandatory reconsideration first
- ▶ Appeal to tribunal once mandatory reconsideration made
- ▶ No time limit on MR except ESA 14 days