Herts Adviser

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Autumn budget 2018: benefit announcements

- From November 2018, children in non-parental care (eg kinship carers) and adopted children are fully ignored for the purposes of the two child limit in tax credits and universal credit (UC). The DWP and Tax Credit Office will contact all claimants who have added a third or subsequent child to their award since 6 April 2017 to advise them of the extension to support, and those who qualify will receive payment from the date the child was added to their award.

- From January 2019, people who receive the severe disability premium (SDP) in existing legacy benefits will not be able to claim universal credit when they have a change of circumstance. This means they should benefit from transitional protection when they are part of the managed migration process from 2020 instead. Some of those who have already missed out by losing their SDP on moving onto UC should also be compensated.

- From April 2019, the universal credit work allowance (ie the amount some claimants can earn before their universal credit is reduced) for those with children or who have been assessed as having limited capability for work, will be increased by £1,000 a year (around £85 a month). This could also mean that some people whose earnings are currently too high to get UC could become eligible.

- From July 2019, tax credits claimants with capital over £16,000 (who would not otherwise be eligible for UC) will have their capital over £16,000 ignored for 12 months from the point at which they are moved onto UC.

- From July 2020, claimants transferring to UC from income support, income-based jobseeker's allowance or income-related employment and support allowance will continue to receive these benefits for a fortnight during their migration. However no such run-on has been announced for tax credit claimants.

Budget news

Carers and overpayments

PIP and AA age changes

Macmillan Project video

- From October 2019, the maximum rate at which deductions (eg for overpaid tax credits) can be made from a UC award will be reduced from 40 per cent to 30 per cent of the standard allowance and from October 2021, the period over which advances will be recovered will be increased from 12 to 16 months.

- Self-employed claimants transitioning to UC will get a 12-month grace period where they are exempt from the minimum income floor (the assumption that they earning the full-time national minimum wage). This applies from July 2019 for those moving across by managed migration and from September 2020 for those moving across due to a change in circumstance.

  From December 2018 entitlement to housing support in UC for 18-21 year olds is being reinstated (but still at single room rate in many circumstances).

- The Budget confirmed that housing support for those in supporting housing will remain in the benefit system.

- From April 2020, there will be a new statutory entitlement to parental bereavement leave and pay ie two weeks' leave and pay for employees who suffer the death of a child under 18, or a stillbirth after 24 weeks of pregnancy.

- It looks as though the managed migration of people from legacy benefits to UC will now start in January 2020 and end in June 2024 although there may be some pilots starting in 2019.

- October 2023 is the new date for transfer of rent support from housing benefit to pension credit for people over pension age.

- Some of the above changes still require Parliamentary approval.

- Hertfordshire is now a county where UC is fully rolled out for almost all new claimants of what would have been legacy benefits – see page 4 for more information.

April 2019 benefit rates

The DWP has announced the benefit rates which will apply from April 2019. While most working-age benefits are frozen, those linked to additional costs of disability, and for carers, are increased by 2.4 per cent. The basic and new state pension will be uprated by 2.6 per cent. The carer's allowance earnings limit will be increased from £120 to £123 per week, while the permitted work earnings limit (which applies to claimants on employment and support allowance and certain other benefits) will increase to £131.50 per week.

For full details, see **https://tinyurl.com/y7uv8zys**

Claimants will receive letters before April 2019, explaining how the changes will affect them.

Help to save

People on low incomes can now benefit from Help to Save, a new government savings account that offers an extra 50p for every £1 saved.

Account holders can save between £1 and £50 every calendar month, and they don't need to pay in every month to get a bonus. Accounts last for four years from the date the account is opened.

After two years, savers get a 50 per cent tax-free bonus on savings.
If saving continues, there is another 50 per cent bonus after four years.
On maximum savings of £2,400 over four years, the overall bonus would be £1,200.

To open an account, claimants need to either be in receipt of working tax credit, or be in receipt of universal credit and have had a household income (not including the universal credit) of at least £542.88 in their last monthly assessment period. If they later stop getting benefits they can continue using their Help to Save account.

Savers can apply online at **www.gov.uk/helptosave** or use the HMRC app.

Heating grants for people in the Stevenage area

Stevenage Community Trust is offering discretionary grants of £125 to help those on low incomes with their heating bills through the winter months. Beneficiaries must live in Stevenage or surrounding villages. Applicants do not have to receive state benefits; working families on a low income will be considered for a grant.

The application form needs to be completed by a professional person working with the family. Self-referrals can't be accepted.

The closing date for applications is 31 March 2018.

Other grants are available for individuals and families who are struggling to make ends meet. For more information, contact Stevenage Community Trust on 01438 525390 or visit **www.stevenagecommunitytrust.org**

Maternity grants

The standard time limit for applying for a Sure Start maternity grant has been extended to six months after the baby's birth. To qualify for a maternity grant, claimants must be receiving a qualifying means-tested benefit (such as universal credit or child tax credit including a child element) on the day they claim the maternity grant. If they are waiting for a decision on a qualifying benefit, they must still claim within the time limit and if their claim is refused because they are not yet getting the qualifying benefit, reapply after the qualifying benefit is awarded.

A longer time limit applies to adoptive parents and those taking on responsibility for a child through guardianship or child arrangement orders, who may be able to apply up until the baby's first birthday.

The earliest date a claim can be made is 11 weeks before the week the baby is due.

Universal Credit rollout in Hertfordshire

From 5 December 2018, Dacorum and Hertsmere became the last areas in Hertfordshire to become ‘full service’ for universal credit (UC). This means that for most people, it is no longer possible to make a new claim for any of the benefits that have been replaced by UC – ie income support, housing benefit, tax credits and the means-tested versions of jobseeker’s allowance and employment and support allowance (which are collectively known as ‘legacy’ benefits).

Families with three or more children though, still cannot make new claims for UC until 1 February 2019 but can continue to make new claims for legacy benefits up to that date. After that date, new claimants (ie people not already getting child tax credit) will be able to claim universal credit but only for their first two children, no matter of their date of birth (with the usual exceptions eg kinship care, some multiple births etc.). This will affect some people fleeing domestic violence or recently bereaved parents who were not getting child tax credit previously.

Existing claimants of legacy benefits will continue to receive them until either they have a change of circumstance which means their legacy benefits will stop and they have to claim UC, or the DWP start notifying these claimants that they have to claim UC (known as ‘managed migration’).

Changes of circumstances

Existing legacy benefit claimants who have certain changes of circumstances will find their legacy benefits stop and they must claim UC instead. Changes include moving from one local authority area to another if they are in rented accommodation, becoming ill, having a first child or claiming as single person having split up from a partner (or vice versa).

Changes that do not affect existing legacy benefit claimants include moving within the same local authority area, annual tax credit renewals, adding working tax credit to an existing child tax credit claim or having a second child if they are already getting child tax credit for one.

Managed migration

Eventually though, all existing legacy benefit claimants will be notified by the DWP that they need to claim UC. This will happen sometime between 2020 and 2024. It is only this group that will receive a “top up”, if the amount of UC they receive is less than what they were previously getting on legacy benefits.

From 16 January 2019, disabled claimants who receive a severe disability premium in their legacy benefits will not be able to claim UC other than through managed migration to make sure they receive this top up.

Don’t forget though that some claimants may be better off on UC rather than legacy benefits. In order to be sure, they must have a better off calculation to compare their entitlement to legacy benefits versus UC **before** claiming UC. We can do better off calculations on the Money Advice Unit advice line (see page 9 for details of how to contact us) if you provide us with full details of their current income and savings.

Further information about UC

MAU's universal credit factsheet is at **www.hertfordshire.gov.uk/benefits.** If you support service users affected by UC, you may want to consider attending one of our UC training courses. Tel 01438 843456 for details.

Carers at risk

The Department for Work and Pensions (DWP) has recently been contacting carers who may have been overpaid carer's allowance (CA), and asking those who have been overpaid to repay what they have received.

Carers aren't entitled to CA if they earn more than £120 per week (rising to £123 per week in April 2019). This is net of tax, national insurance, half of contributions made to an occupational pension and certain other expenses such as work uniforms, childcare costs while working, or care costs for the person they usually look after. £120 is equivalent to just under 16 hours at national minimum wage.

A new 'checking' system, the Verify Earnings and Pensions (VEP), presents earnings and employment data to the DWP, with an automated alerts service generating notifications of earnings or pensions related changes. This is bringing to light a significant number of carers allowance overpayments where someone just goes over the £120 earnings limit. Overpayments can also arise if a carer ceases to care for 35 hours per week or becomes a full time student, or if the person they are caring for goes into residential care or hospital.

Carers with alleged overpayments are being asked to repay the CA they have received, and in some cases threatened with fraud charges.

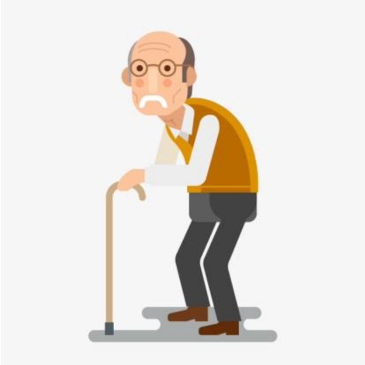
Carers who are told that they have been overpaid should seek advice to check if the overpayment decision is correct, and challenge it if appropriate. Claimants who are facing fraud investigation (eg asked to attend an interview under caution) should speak to a solicitor and may be eligible for Legal Aid funding to cover the cost of that.

It is important to make sure that the Carers Allowance Unit has full details of any expenses and pension contributions that should be taken into account when calculating earnings, and to inform them of any changes in earnings or other relevant changes in circumstances. Carers who have earnings close to the £120 limit could consider making (or increasing) contributions to a personal pension, as half of this will be disregarded. For example a carer who earns £125 per week (net of tax and NI) but pays £10 per week into an occupational pension will be treated as having earnings of £120 per week and can still qualify for CA.

If a carer has fluctuating earnings which are over £120 in some weeks, it may be possible to have these averaged over a five-week period or over a recognisable cycle of work (eg if working term time only).

If having to pay back an overpayment is causing hardship, the carer can ask to pay it back in smaller instalments.

Disability benefits for older people



When advising older people with disabilities, it can sometimes be difficult to know whether they should apply for personal independence payment (PIP) or attendance allowance (AA), or even keep their disability living allowance (DLA). The information below may help. Note that PIP, AA and DLA are mutually exclusive; you can never get more than one at the same time. The PIP and AA age limits are linked to state pension age, which is gradually rising.

1. **Older people who already get disability living allowance (DLA)**

   If they were born on or before 8 April 1948, they can continue receiving DLA (even if they are now over pension age) for as long as they still meet the qualifying conditions. If they have a fixed-term DLA award they can renew it.

   If they were born after 8 April 1948 and are still getting DLA, the DWP will write to them soon and ask them to apply to transfer from DLA to PIP. (They won't be able to remain on DLA.) They can apply for PIP under the transitional rules, even if they are now over pension age.

2. **Older people who aren't getting DLA, PIP or AA**

   New claimants can start a claim for PIP up until the day before they reach state pension age. If they have reached state pension age, they can't start a PIP claim but can apply for AA instead. There is a calculator at **www.gov.uk/state-pension-age** which can be used to check if a person has reached pension age.

   Until recently, claimants could start a new PIP claim up until the day before their 65th birthday**. But because state pension age is now gradually increasing beyond age 65, the age limits for PIP and AA are changing in line with pension age.**

   An exception is made for some claimants who are now over state pension age but had a previous award of DLA or PIP which ended less than a year ago. They may be able to claim PIP using the linking rules. Seek advice.

3. **Older people who are already getting PIP**

   They can remain on PIP (even after reaching pension age) for as long as they still meet the qualifying conditions. If they have a fixed-term PIP award they can renew it.

What is the difference between PIP and AA?

PIP has two components – mobility component and daily living component. AA doesn't include a mobility component and the criteria focus on personal care (not including cooking). If a claimant uses aids such as a shower seat or incontinence pads, that could help them to qualify for PIP but won't be directly taken into account for AA.

If an older person is eligible to apply for PIP, it makes sense for them to do so. Similarly, if an older person is already on PIP it normally makes sense for them to remain on it (renewing it as necessary) after reaching pension age. However a small minority of people may be better off on AA. Seek advice if PIP or AA is refused.

ESA arrears

As described in the August 2018 issue of Herts Adviser, the DWP is conducting a trawl of claimants, to check if people on employment and support allowance (ESA) are entitled to extra money. Some claimants were not properly assessed for income-related ESA (IRESA) when they transferred from previous benefits such as incapacity benefit, and have been underpaid as a result.

Many Hertfordshire residents have been sent forms asking for details of their income, capital and other circumstances. Some who completed the forms have already been paid large amounts of arrears of IRESA. Others have failed to qualify for arrears, for example because of pension income or because of their partner's earnings.

Arrears of IRESA will be disregarded as capital for at least 52 weeks, so claimants shouldn't lose their existing means-tested benefits as a result of receiving arrears. If they have been paid arrears of over £5,000 due to an official error, that capital is disregarded for as long as their benefit claim continues.

Minimum wage uprating

From 1 April 2019, the national minimum wage will increase as follows:

- £8.21 per hour for workers aged 25 and over (previously £7.83)
- £7.70 per hour for 21 to 24 year olds (previously £7.38)
- £6.15 per hour for 18 to 20 year olds (previously £5.90)
- £4.35 per hour for 16 to 17 year olds (previously £4.20)
- £3.90 per hour for apprentices (previously £3.70)

Help for people affected by cancer

Hertfordshire Macmillan Benefits Advice Service helps people affected by cancer to access benefits and other financial support. For an insight into this service, and the positive impact benefit advocacy made on one young woman's life, you can watch a four-minute video on YouTube at **www.youtu.be/rLFzZXxSQFA**

We are also welcoming a new adviser to the team, Debbie Kingsley, from January.

To make a referral, phone 01438 843456 or email **macmillan.benefitsadviceservice@hertfordshire.gov.uk**

A perfect partnership

MAU's Bernie O'Gorman was recognised as Partnership Worker of the Year at Hertfordshire County Council's Adult Care Services staff awards. Bernie has worked tirelessly managing the Hertfordshire Macmillan Benefits Advice Service, working extensively with the NHS, and combining expertise from Macmillan and the County Council's Money Advice Unit to provide an effective advice service for people affected by cancer.

Happy retirement to Peter Hutcherson

Peter Hutcherson, senior support officer at the Money Advice Unit, has retired after 17 years with us. Advisers and administrative staff alike will miss his friendly manner and the efficient support he provided for us.

Money Advice Unit - Building Better Opportunities success story

MAU's Building Better Opportunities (MILE) project supports adults who have debt issues, people requiring support to transfer to universal credit (UC) and people looking to return to work.

One participant joined the BBO MILE project in June 2018. An Italian national, she lived in a privately rented flat in Hatfield with her two children and had recently had to leave her care worker job so she could devote more time to looking after her daughter who had a chronic health condition and suffered erratic 'flare ups'.

It was a desperate situation. There was no money coming in, although a little had been put away. Our initial meetings involved discussions about her financial situation and debts, which included rent and council tax arrears. Finding a job was essential. We attended appointments at the Jobcentre where a habitual residence test was completed and we submitted paperwork to prove she had the right to reside in the UK and claim benefits. She had always worked since arriving in the UK and had paid NI contributions. However, no benefits could be paid until the claim for universal credit (UC) had been approved.

After much waiting, the claimant received a letter stating she was entitled to reside in the UK (which we knew) but that she wasn't entitled to claim benefits and therefore couldn't be awarded UC. The adviser asked the DWP to reconsider their decision and submitted additional evidence. While waiting for the reply, the claimant was evicted from her flat. She had to use foodbanks and rely upon the generosity of her local church for food. The adviser supported her to apply for several jobs. Unfortunately these weren't successful; she was not emotionally ready to get through a job interview. During this emotional and challenging time, there were many meetings with the local housing department and local Jobcentre. We were able to secure a council property. A second reconsideration letter then had to be sent because there had been no response from the first. The adviser submitted more documents evidencing that the claimant did have the right to claim UC as she was a carer for two dependent children, had always worked since arriving in the UK and had made NI contributions. Finally, UC was awarded. However, it was only one payment and then it stopped. We were told again she wasn't entitled to it but then advised to re-apply and we were informed the habitual residency test also had to be retaken. A second claim for UC also had to be made.

Eventually after many months, UC was awarded and backdated to when the initial claim was made. The Jobcentre apologised for the stress and uncertainty the situation had caused.

Feeling settled in their new home, the claimant and her children are looking forward to the future. MAU is still supporting her with job searching and she's eager to get back into work and regain her independence. Just this week, she attended a job interview, fingers crossed…

Query from the MAU advice line

Every working day, the Money Advice Unit answers benefits queries from statutory and voluntary organisations on our advice line on 01438 843444 (9.30 am -12.30 am) or by email at **moneyadvice.unit@hertfordshire.gov.uk** This advice line is for professionals only.

Question

My service user gets income-related employment and support allowance (IRESA), but the amount she gets seems very low and she is struggling to make ends meet. When she first applied for ESA she had £11,000 savings, but the savings ran out months ago and her bank account is now overdrawn. This is making her depression even worse. What can she do?

Answer

Make sure that the Department for Work and Pensions (DWP) knows that she no longer has savings. When an IRESA claimant who is under pension age has more than £6,000 in capital, they are presumed to have a ‘tariff income’ of £1 per week for every £250 (or part of £250) above that limit. If your service user had £11,000 savings when she applied for IRESA, the DWP will have calculated her IRESA using a ‘tariff income’ figure of £20 per week, and reduced her benefit accordingly. The IRESA award letter should show the amounts of capital and tariff income they have used in their calculation.

Ideally, claimants should inform the DWP promptly of any significant change in their capital, but many don’t manage to do this, especially if they have health problems or a disability that affects their ability to deal with finances. This can mean that they are underpaid or overpaid benefit, in some cases over a period of several years.

If the DWP is calculating your service user’s benefits as if she had savings over £6,000, send them bank statements to show that her savings are now below that level. They should then carry out a supersession and increase her IRESA.

Getting any increase in IRESA backdated is more problematic. When a claimant’s entitlement increases because of a change in circumstances (such as reduced capital), the increase in benefit cannot normally be backdated if the claimant waits more than a month before reporting the change in circumstances. However, if ‘special circumstances’ meant that the claimant couldn’t report the change sooner, it is sometimes possible to get up to 13 months’ backdating. If your service user has difficulty keeping on top of finances and correspondence due to her depression and/or other personal circumstances, tell the DWP (providing evidence if possible) and ask them to backdate any increase in her IRESA.

Of course there are other reasons (apart from capital) why a claimant may be getting a lower amount of ESA then they should be, so come back for further advice if in doubt.

Up-to-date versions of MAU’s benefit factsheets,
including our universal credit factsheet,
are available at **www.hertfordshire.gov.uk/benefits**