



National Assembly for **Wales**
Cynulliad Cenedlaethol **Cymru**

A Guide to State Benefits and Pensions

The policy and administration of state benefits are not devolved to the Welsh Assembly Government but are the responsibility of the UK Government. This paper provides details of the state benefits that are available from the Department for Work and Pensions, Local Authorities, Veterans Agency and the Department of Health.

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A Guide to State Benefits and Pensions

Suzanne Whiting

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Cynulliad National
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A Guide to State Benefits and Pensions

1 Background

The Department for Work and Pensions (DWP) was formed on 8 June 2001 from parts of the former Department of Social Security and the Department for Education and Employment and administers benefits for the following groups:

- ◆ Families and children
- ◆ Working age people
- ◆ People of pensionable age
- ◆ Disabled people and carers.

Responsibility for policy and administration for social security, child support, pensions, jobsearch and associated support was not transferred to the Assembly following the Government of Wales Act 1998, and remains with the UK Government. However some functions relating to health costs have been devolved to the Welsh Assembly Government, for example, charging for prescriptions.

The following departments within the DWP are responsible for administering benefits and allowances:

- ◆ Jobcentre Plus

The network of Jobcentre Plus offices provides help in finding jobs and pays benefits to people of working age. It has taken over local offices that were previously run by both Employment Services and the Benefits Agency, including Jobcentres and social security offices.

- ◆ The Pension Service

The Pension Service is a telephone-based service from 26 regional centres, backed up by local services for those who need face-to-face advice or a home visit. It has brought together the Benefits Agency's pension related services.

- ◆ Disability and Carers Service

This Department is responsible for a range of benefits and services for people who are sick or have a disability. The Disability and Carers Directorate (DCD) supports disabled people and carers, whether or not they are able to work. The Directorate is responsible for providing a system of Disability Benefits, and for all disability civil rights issues.

- ◆ The Inland Revenue

The Inland Revenue administers all Tax Credits and Child Benefit.

- ◆ Veterans Agency

The Veterans Agency (part of the Ministry of Defence) administers the War Pensions Scheme to approximately 275,000 war pensioners and war widow(er)s resident in the UK, the Republic of Ireland and over one hundred other countries throughout the world.

In addition to these, local authorities administer Housing and Council Tax Benefits and the Department of Health administers benefits for help with health costs in England and Wales.

A full list of benefits is available on the Department for Work and Pensions web-site¹.

2 Working Age Benefits

The following is a selection of benefits available to people of working age that are administered by Jobcentre Plus.

2.1 Bereavement Allowance

Bereavement Allowance² is paid to a widowed person aged 45 or over (but under State Pension age) and not bringing up children. If, prior to 9 April 2001 Widow's Pension or Widowed Mothers' Allowance were already in payment, these will continue as long as the existing entitlement conditions are met.

A weekly benefit can be awarded if:

- ◆ The late husband or wife met the National Insurance (NI) contribution conditions, **or** his or her death was caused by their job, even if not enough contributions were paid;
- ◆ The surviving spouse was aged 45 or over when their husband or wife died.

It is not payable to people who are divorced from their late husband or wife. The amount payable is based on age at the time of being widowed or when Widowed Parents Allowance ends. Table 1 below details the weekly rates of Bereavement Allowance payable from April 2003 to April 2005:

Table 1: Weekly rates of Bereavement Allowance from April 2003 to April 2005

	April 2003	April 2004	April 2005
Bereavement Allowance	£77.45	£79.60	£82.05
Age related allowance			
Age 54	£72.03	£74.03	£76.31
Age 53	£66.61	£68.46	£70.56
Age 52	£61.16	£62.88	£64.82
Age 51	£55.76	£57.31	£59.08
Age 50	£50.34	£51.74	£53.33
Age 49	£44.92	£46.17	£47.59
Age 48	£39.50	£40.60	£41.85
Age 47	£34.08	£35.02	£36.10
Age 46	£28.66	£29.45	£30.36
Age 45	£23.24	£23.88	£24.62

Source: Department for Work and Pensions

2.2 Bereavement Payment

A tax-free lump sum of £2,000 is payable following bereavement, as long as the following conditions are met:

¹ Department for Work and Pensions web-site: <http://www.dwp.gov.uk/>

² Further details can be found at:
<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/1028>

³ Further details can be found at:
<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/1028>

- ◆ The widowed person is under age 60 for women or 65 for men;
- ◆ The late husband or wife met the NI contribution conditions, **or** his or her death was caused by their job;
and
- ◆ The husband or wife was not entitled to Retirement Pension when he or she died, **or** the surviving spouse was under the state pension age when their husband or wife died.

2.3 Cold Weather Payment

Cold Weather Payments⁴ are made during periods of very cold weather to certain groups of people who are in receipt of Income Support, Jobseekers Allowance or Pension Credit.

A Cold Weather Payment will be paid automatically to the following people:

- ◆ Anyone receiving Income Support or income-based Jobseekers Allowance because: they are aged 60 or over; has a child aged under 5; has a long term illness or disability; or
- ◆ Anyone (or their partner) getting the guarantee element of Pension Credit.

A payment of £8.50 will be made automatically when the average temperature at a specified weather station is recorded as, or forecast to be, 0°C or below over 7 consecutive days. There is no need to make a claim.

2.4 Incapacity Benefit

Incapacity Benefit⁵ is paid if Statutory Sick Pay (SSP) has ended or SSP is not payable. It is not paid to anyone who was over state pension age when they became sick. The following conditions must also be satisfied:

- ◆ It is paid when a certain amount of National Insurance (NI) contributions have been paid, and
- ◆ It is only payable for periods of incapacity from work because of sickness or disability; for at least 4 days in a row including weekends and Bank Holidays, or
- ◆ The claimant has been incapable of work for 28 weeks, and
- ◆ Is aged 16 or over but under 20.

Table 2 overleaf provides the weekly rates of Incapacity Benefit payable from April 2003 to April 2005:

⁴ Further details can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/485>

⁵ Further information is available from:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/492>



Table 2: Weekly Incapacity Benefit from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Under state pension age			
Short-term lower rate	£54.40	£55.90	£57.65
Short-term higher rate	£64.35	£66.15	£68.20
Long-term basic rate	£72.15	£74.15	£76.45
Over state pension age(a)			
Short-term lower rate	£69.20	£71.15	£73.35
Short-term higher rate	£72.15	£74.15	£76.45
Incapacity Age Addition			
Lower rate	£7.60	£7.80	£8.05
Higher rate	£15.15	£15.55	£16.05

Source: Department for Work and Pensions

(a) Incapacity Benefit can only be paid to people over state pension if the first day of sickness fell before their 60th (women) or 65th (men) birthday. It is not payable at the long term rate as Retirement Pension must be claimed at this stage.

2.5 *Income Support*

Income Support⁶ is for people on a low income.

The following conditions are considered when processing a claim to Income Support:

- ◆ The applicant must be aged between 16 and 59;
- ◆ The applicant must be on a low income, and not working, or working on average less than 16 hours a week and a partner works on average less than 24 hours a week;
- ◆ Savings over £3,000 usually affect how much income support is payable;
- ◆ Extra money may be available towards certain housing costs;
- ◆ Extra money for a family is usually available;
- ◆ Income Support may be payable if a claimant or their partner is not working because of parental or paternity leave;
- ◆ Claimants are required to go to a meeting with a Personal Adviser if benefit is still in payment after 26 weeks;
- ◆ Pregnant women and children under age 5 are entitled to free milk and vitamins;
- ◆ If a person is sick and **not** getting Statutory Sick Pay (SSP) they must claim Incapacity Benefit as well as Income Support;
- ◆ There are extra rules for people that have recently come from abroad.

Table 3 overleaf should only be used as a guide to calculate Income Support as individual circumstances can affect the amount payable:

⁶ Further details can be found at:
<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/493>



Table 3: Weekly Income Support rates from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Personal allowances:			
Single under 18	£32.90	£33.50	£33.85
Single under 18 - higher	£43.25	£44.05	£44.50
Single aged 18-24	£43.25	£44.05	£44.50
Single aged 25 or over	£54.65	£55.65	£56.20
Lone Parent aged under 18	£32.90	£33.50	£33.85
Lone Parent under 18 - higher	£43.25	£44.05	£44.50
Lone Parent aged 18 or over	£54.65	£55.65	£56.20
Couple both 18 or over	£85.75	£87.30	£88.15
Personal allowances for dependent children:			
From birth to September following 16 th birthday	£38.50	£42.27	£43.88
From September following 16 th birthday to day before 19 th birthday	£38.50	£42.27	£43.88
Premiums:			
Family	£15.75	£15.95	£16.10
Family (lone parent rate)	£15.90	£15.95	£16.10
Bereavement	£22.80	£23.95	£25.85
Disabled child	£41.30	£42.49	£43.89
Carer	£25.10	£25.55	£25.80
Disability			
-single	£23.30	£23.70	£23.95
-couple	£33.25	£33.85	£34.20
Pensioner (only payable if one partner is still under aged 60)	£70.05	£73.65	£78.90
Enhanced Pensioner (only payable if one partner is still under aged 60)	£70.05	£73.65	£78.90
Higher Pensioner (only payable if one partner is still under aged 60)	£70.05	£73.65	£78.90

Source: Department for Work and Pensions

2.5.1 Students

Students may be able to get Income Support while they are on a course if they are a lone parent, sick or disabled, or registered blind. If studying up to A level or equivalent, Income Support may be payable if a person is unable to work because they are caring for someone.

A student can make a claim to Income Support if they are:

- ◆ Looking after their own child;
- ◆ An orphan and nobody is looking after them, or
- ◆ Unlikely to be able to get a job because of a severe disability.

If a person is still at school they may be able to claim Income Support because they are:

- ◆ Not living with their parents or being supported by them;
- ◆ Not in touch with their parents, or
- ◆ Separated from their parents for reasons that cannot be avoided and nobody is looking after them in their place.

2.6 Industrial Injuries Disablement Benefit

Industrial Injuries Disablement Benefit⁷ is payable to people who are disabled as a result of an accident, disease or deafness at work. It is not for people who were self-employed when the accident happened. The amount payable is dependent on an assessment made at a medical examination. Sufferers of certain diseases may also be able to get a payment under the *Pneumoconiosis (Workers Compensation) Act 1979*.

Table 4 should be used as a guide only for calculating Industrial Injuries Disablement Benefit as each case is assessed on an individual basis.

Table 4: Weekly Industrial Injuries Disablement Pension from April 2003 to April 2005

Disablement	April 2003		April 2004		April 2005	
	Aged 18 or over	Aged under 18	Aged 18 or over	Aged under 18	Aged 18 or over	Aged under 18
100%	£116.80	£71.55	£120.10	£73.55	£123.80	£75.85
90%	£105.12	£64.40	£108.09	£66.20	£111.42	£68.27
80%	£93.44	£57.24	£96.08	£58.84	£99.04	£60.68
70%	£81.76	£50.09	£84.07	£51.49	£86.66	£53.10
60%	£70.08	£42.93	£72.06	£44.13	£74.28	£45.51
50%	£58.40	£35.78	£60.05	£36.78	£61.90	£37.93
40%	£46.72	£28.62	£48.04	£29.42	£49.52	£30.34
30%	£35.04	£21.47	£36.03	£22.07	£37.14	£22.76
20%	£23.36	£14.31	£24.02	£14.71	£24.76	£15.17

Source: Department for Work and Pensions

2.7 Jobseekers Allowance

Jobseekers Allowance (JSA)⁸ is paid to people who are capable of work and who are actively seeking work and available to take up work immediately.

To make a claim a person must be under 65 (for men) or under 60 (for women) and not working, or working on average less than 16 hours a week.

There are two components – contribution-based and income-based.

A certain number of NI contributions must have been paid to qualify for contribution-based JSA.

The following will also be considered when calculating income-based JSA:

- ◆ Contribution-based JSA is not payable if the NI contributions are for self-employment, income-based JSA may be paid instead;
- ◆ Contribution-based JSA is paid at a fixed rate based on age for up to 26 weeks;
- ◆ Contribution-based JSA is reduced if an occupational or personal pension is over a certain amount;
- ◆ If contribution-based JSA is in payment, but the income is still below a certain level, income-based JSA may be added to it;
- ◆ The rules are different for share fishermen. A local Job Centre should be contacted regarding this;

⁷ Further information on Industrial Injuries Disablement Benefit (Accidents) can be found at: <http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/494>
Details of Industrial Injuries Disablement Benefit (Disease) can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/495>

⁸ Further details can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/497>



- ◆ Savings over £3,000 usually affect how much income-based JSA is payable;
- ◆ Savings over £8,000 usually mean income-based JSA is not payable;
- ◆ If a partner works an average of 24 hours a week or more income-based JSA is not usually payable. Their work does not affect contribution-based JSA;
- ◆ If a partner works an average of less than 24 hours a week, their earnings will usually affect the amount of income-based JSA payable;
- ◆ Extra money may be available for certain housing costs;
- ◆ Extra money is usually paid for a family.
- ◆ Pregnant women and children under age 5 get free milk and vitamins.
- ◆ Couples without children may have to make a joint claim to get income-based JSA.
- ◆ If contribution-based JSA is in payment, but the weekly income is still below a certain level, income-based JSA may still be payable.

Table 5 overleaf provides details of the weekly rates of JSA from April 2003 to April 2005 and should be used as a guide only for working out JSA as individual circumstances will affect the rates payable:



Table 5: Weekly Jobseekers Allowance from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Contribution-based JSA			
16 to 17 year olds	£32.90	£33.50	£33.85
18 to 24 year olds	£43.25	£44.05	£44.50
25 and over	£54.65	£55.65	£56.20
Income-based JSA			
Single person aged 16 to 17	£32.90	£33.50	£33.85
Single person aged 18 to 24	£43.25	£44.05	£44.50
Single person aged 25 and over	£54.65	£55.65	£56.20
Couple - both under 18	£32.90	£33.50	£33.85
Couple - both under 18, one disabled	£43.25	£44.05	£44.50
Couple - both under 18, with responsibility for a child	£65.30	£66.50	£67.15
Couple - one under 18, one 18 to 24	£43.25	£44.05	£44.50
Couple - one under 18, one over 25	£54.65	£55.65	£56.20
Couple - both 18 or over	£85.75	£87.30	£88.15
Lone parents aged 16 to 17	£32.90	£33.50	£33.85
Or depending on their circumstances	£43.25	£44.05	£44.50
Lone parents aged 18 or over	£54.65	£55.65	£56.20
Dependent children			
from birth to September following 16th birthday	£38.50	£42.27	£43.88
from September following 16th birthday to the day before the 19th birthday	£38.50	£42.27	£43.88
Premiums			
Family	£15.75	£15.95	£16.10
Family (lone parent rate)	£15.90	£15.95	£16.10
Disabled child	£41.30	£42.49	£43.89
Carer	£25.10	£25.55	£25.80
Severe disability			
- lower (single)	£42.95	£44.15	£45.50
- couple (one qualifies)	£42.95	£44.15	£45.50
- couple (both qualify)	£85.90	£88.30	£91.00
Pensioner			
- single	£47.45	£49.80	£53.25
- couple	£70.05	£73.65	£78.90
Enhanced pensioner - aged 75 to 79	£70.05	£73.65	£78.90
Higher pensioner			
- single	£47.45	£49.80	£53.25
- couple	£70.05	£73.65	£78.90
Disability			
- single	£23.30	£23.70	£23.95
- couple	£33.25	£33.85	£34.20
Benefits for strikers			
Reduction in benefit	£29.50	£30.00	£30.50

Source: Department for Work and Pensions

2.8 Maternity Allowance

Maternity Allowance⁹ is for pregnant women who cannot get Statutory Maternity Pay.

A woman may be entitled to Maternity Allowance if she has been:

- ◆ Employed or self employed for 26 weeks in the 'Test Period'¹⁰;
- ◆ Earning on average £30 a week or more;
- ◆ Not entitled to Statutory Maternity Pay from her employer.

Maternity Allowance is paid for up to 26 weeks and the latest date it can be paid from is the day after the baby was born. The earliest it can be paid is from the 11th week before the baby is due. The following table (Table 6) gives the amounts of weekly Maternity Allowance and the Maternity Allowance threshold for earnings:

Table 6: Weekly Maternity Allowance from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Weekly standard rates (depending on earnings) or 90% of average weekly earnings (whichever is less)	£100.00	£102.80	£106.00
Maternity Allowance threshold	£30.00	£30.00	£30.00

Source: Department for Work and Pensions

2.9 Severe Disablement Allowance

Changes to Severe Disablement Allowance (SDA)¹¹ made in April 2001 mean that new claims cannot be made. However, if it was in payment before this date, it will usually continue.

Alternatively, if a person is aged 20 or over but under 25, and was in education or training immediately before their 20th birthday, they may also be able to get Incapacity Benefit even if they have not paid enough NI contributions. A person that is aged under 20 may also be able to get Incapacity Benefit (see Part 2.4), even if they have not paid enough National Insurance (NI) contributions.

Table 7 overleaf provides the weekly SDA rates from April 2003 to April 2005. It should be noted that only people who were already in receipt of SDA in April 2001 continue to receive this benefit as long as they still satisfy the entitlement conditions:

⁹ More details can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/498>

¹⁰ That is, employed and/or self-employed for at least 26 weeks in the 66 weeks up to and including the week before the baby is due.

¹¹ Further information can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/500>



Table 7: Weekly Severe Disablement Allowance from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Basic SDA	£43.60	£44.80	£46.20
Age-related additions (Depending on age on the day a person became unable to work)			
Higher rate (under 40 when became unable to work)	£15.15	£15.55	£16.05
Middle rate (40-49 when became unable to work)	£9.70	£10.00	£10.30
Lower rate (50-59 when became unable to work)	£4.85	£5.00	£5.15

Source: Department for Work and Pensions

2.10 Social Fund

Applications can be made to the Social Fund¹² for costs that are hard to pay for out of regular weekly benefits.

A claim to the Social Fund can be made:

- ◆ If a person is leaving residential or institutional accommodation, needs help to stay in their own home, has had an unsettled way of life or is facing exceptional pressure, they may be able to get a **Community Care Grant**¹³;
- ◆ If a person has been getting Income Support, income-based Jobseekers Allowance or Pension Credit for at least 26 weeks and needs to buy furniture or clothes, for example, a **Budgeting Loan**¹⁴ may be payable;
- ◆ If a person needs immediate help with day-to-day living costs or something else in an emergency and cannot get help from anywhere else, a **Crisis Loan**¹⁵ may be payable. There are no specific benefits that need to be in payment but qualification depends on the individual's circumstances;
- ◆ If a person needs help to buy things for a new baby and they or their partner get a low-income benefit or tax credit, they may be able to get a **Sure Start Maternity Grant**¹⁶;
- ◆ If a person is in receipt of a low-income benefit or tax credit and needs help paying for a funeral, they may be able to get a **Funeral Payment**¹⁷.

¹² Further details can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/501>

¹³ Details can be found on the Department for Work and Pensions web-site at:

http://www.dwp.gov.uk/lifeevent/benefits/community_care_grants.asp

¹⁴ Further information can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/1008>

¹⁵ More information is available at the DWP web-site at:

http://www.dwp.gov.uk/lifeevent/benefits/crisis_loans.asp

¹⁶ Further details can be found on the DWP web-site at:

<http://www.dwp.gov.uk/publications/dwp/2002/maternity/index.asp>

¹⁷ Further information can be found at:

<http://www.jobcentreplus.gov.uk/cms.asp?Page=/Home/Customers/WorkingAgeBenefits/1029>

Each application is based on individual circumstances for Budgeting Loans, Crisis Loans and Community Care Grants, however it is not usual for payments to be made of more than £1,000.

2.11 Widowed Parents Allowance

Widowed Parents Allowance (WPA)¹⁸ (formerly Widowed Mother's Allowance) is for widowed parents bringing up children on their own. A weekly benefit is payable if:

- ◆ The late husband or wife met the NI contribution conditions, **or** his or her death was caused by their job; **and**
- ◆ Child Benefit is in payment for a child being claimed for, **or** a woman is expecting her late husband's baby;
- ◆ It is not payable if the widowed person was divorced from their late husband or wife when they died or have remarried or living with a new partner.

The rates in Table 8 below should be used as a guide only as individual circumstances may affect the amount payable:

Table 8: Weekly Widowed Parents Allowance Rates from April 2003 to April 2005

	April 2003	April 2004	April 2005
Weekly rate	£77.45	£79.60	£82.05

Source: Department for Work and Pensions

3 Benefits for Disabled People and Carers

3.1 Attendance Allowance (AA)

Attendance Allowance¹⁹ is paid to people who need help to look after themselves. It is paid at different rates depending on whether care is needed during the day, during the night, or both. AA is payable even if no one is actually giving the care needed.

A claim can be made if a person:

- ◆ Becomes ill or disabled on or after their 65th birthday, or are claiming on or after their 65th birthday, **and**
- ◆ Has needed help for at least six months.

The following points should also be considered:

- ◆ There are some extra rules for people that have recently come from abroad or returned from abroad;
- ◆ AA is paid at different rates depending on the effect of the disability;
- ◆ There are special rules for people with a terminal illness to help them get benefit quickly and easily for care;
- ◆ AA may not be payable if a person is in hospital or residential care;
- ◆ Savings do not affect AA;
- ◆ Other money coming in does not usually affect AA;

¹⁸ Further information is available at: http://www.dwp.gov.uk/lifeevent/benefits/widowed_parents_allowance.asp

¹⁹ Further information can be found at: http://www.dwp.gov.uk/lifeevent/benefits/attendance_allowance.asp



- ◆ AA is usually ignored as income for working out Income Support and Jobseekers Allowance;
- ◆ AA gives automatic entitlement to a tax-free £10 Christmas bonus each year.

Table 9 below gives the weekly rates of Attendance Allowance payable depending on the type of help that is needed from April 2003 to April 2005:

Table 9: Weekly rates of Attendance Allowance from April 2003 to April 2005

	April 2003	April 2004	April 2005
Higher rate	£57.20	£58.80	£60.60
Lower rate	£38.30	£39.35	£40.55

Source: Department for Work and Pensions

3.2 Carer's Allowance

Carer's Allowance²⁰ (formerly Invalid Care Allowance) is paid to people who spend at least 35 hours a week caring for someone who is severely disabled. A claimant should note that other benefits may increase or decrease. Certain benefits for the person being looked after may also change.

The carer must be:

- ◆ Aged 16 or over, **and**
- ◆ Spending at least 35 hours a week looking after someone who is getting or waiting to hear about the following: Attendance Allowance; Disability Living Allowance at the middle or highest rate for personal care; Industrial Injuries Disablement Benefit Constant Attendance Allowance at the normal maximum rate or above or War Pensions Constant Attendance Allowance at the basic (full day) rate or above;
- ◆ Prior to 28 October 2002 carers aged 65 or over did not qualify. Claims can be made prior to this, but entitlement will only commence from 28 October 2002.

The rules for benefits mean that individual circumstances may affect the amount payable. The amounts shown in Table 10 below therefore should only be used as a guide.

Table 10: Weekly Carer's Allowance from April 2003 to April 2005

Weekly rates	From April 2003	From April 2004	From April 2005
Personal benefit	£43.15	£44.35	£45.70

Source: Department for Work and Pensions

3.3 Disability Living Allowance

Disability Living Allowance (DLA)²¹ must be claimed before reaching age 65 and is paid if someone needs help for personal care. It is also paid for children aged 3 or over who have severe difficulty walking, or children aged 5 or over who need help getting around. It is paid at different rates depending on circumstances. DLA can be paid even if no one is actually giving the care needed.

A person may qualify if they have needed help for 3 months and is likely to need it for at least another 6 months.

²⁰ Further details can be found at: http://www.dwp.gov.uk/lifeevent/benefits/carers_allowance.asp

²¹ Further information can be found at: http://www.dwp.gov.uk/lifeevent/benefits/disability_liv_allowance.asp

The following should also be considered:

- ◆ DLA is paid at different rates depending on the affects of the disability;
- ◆ There are special rules for people with a terminal illness to help them get benefit for care quickly and easily;
- ◆ If DLA is in payment at age 65, it can continue as long as help is still needed;
- ◆ DLA may not be paid to hospital or care home patients;
- ◆ Savings do not affect DLA;
- ◆ Other money coming in does not usually affect DLA;
- ◆ DLA is usually ignored as income for working out Income Support and Jobseeker's Allowance.

Table 11 below gives the amounts of DLA payable depending on the type of care that is needed from April 2003 to April 2005:

Table 11: Weekly Disability Allowance Rates from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Care component			
Higher rate	£57.50	£58.80	£60.60
Middle rate	£38.30	£39.35	£40.55
Lower rate	£15.15	£15.55	£16.05
Mobility component			
Higher rate	£39.95	£41.05	£42.30
Lower rate	£15.15	£15.55	£16.05

Source: Department for Work and Pensions

4 Pension Age Benefits

4.1 Pension Credit

Minimum Income Guarantee was replaced by Pension Credit²² in October 2003. Pension Credit is for people aged 60 or over. It guarantees everyone aged 60 and over a minimum weekly income level.

People aged 65 and over will be rewarded for some of their savings and income they have for their retirement. In the past, those who had managed to save a little were no better off than those who had not saved at all. However, savings over £6,000 may affect the amount payable.

The person who applies for Pension Credit must be at least 60; it does not matter if their partner is under 60.

Table 12 gives the basic Pension Credit rates payable from October 2003 to April 2005:

²² Further information about Pension Credit can be found on the Pension Service web-site at: <http://www.thepensionservice.gov.uk/pensioncredit/>



Table 12: Pension Credit Rates from October 2003 to April 2005

Weekly rates	October 2003	April 2004	April 2005
Standard minimum guarantee			
- single	£102.10	£105.45	£109.45
- couple	£155.80	£160.95	£167.05
Standard amount for severe disability			
- single	£42.95	£44.15	£45.50
- couple (one qualifies)	£42.95	£44.15	£45.50
- couple (both qualify)	£85.90	£88.30	£91.00

Source: Department for Work and Pensions

4.2 Retirement Pension

Retirement Pension²³ is for people who have reached state pension age. It is based on National Insurance (NI) contributions and made up of different elements.

From 6 April 2020, the state pension age for women will be 65, the same as for men. Women's state pension age will start to change gradually from 2010. This will not affect women born before 6 April 1950, who can still claim their state pension at 60. Women born on or after 6 April 1955 will have a state pension age of 65.

Retirement Pension is payable if:

- ◆ A man has reached aged 65 and a woman has reached aged 60;
- ◆ Sufficient NI contributions have been paid or credited.

Table 13 provides the basic Retirement Pension rates from April 2003 to April 2005, however, this should only be used as a guide as individual circumstances will affect the amount payable:

Table 13: Weekly Retirement Pension from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
Basic Pension			
Based on own or late husband's or wife's NI contributions (Category A or B)	£77.45	£79.60	£82.05
Based on husband's or wife's NI contributions (Category B)	£46.35	£47.65	£49.15
Non-contributory (based on residence) - full rate (Category C or D)	£46.35	£47.65	£49.15
Over 80 addition	£0.25	£0.25	£0.25

Source: Department for Work and Pensions

4.2.1 Additional Pension

From 1978 to 2002 additional State Pension was paid from the State Earnings - Related Pension Scheme (SERPS) and was only available to employees. From 6 April 2002, SERPS was reformed to provide a more generous additional State Pension for low and moderate earners, certain carers and people with long-term illness or disability. This is called the State Second Pension.

²³ Further details can be found at:
<http://www.thepensionservice.gov.uk/atoz/atozdetailed/retirement.asp>

4.2.2 *Graduated Retirement Benefit*

This is based on graduated NI contributions paid between April 1961 and April 1975.

4.3 **Winter Fuel Payment**

A Winter Fuel Payment²⁴ is a one-off payment to help older people with their winter heating bills and was introduced in 1997.

To qualify for a Winter Fuel Payment for winter 2004/05 a person needed to be aged 60 or over in the qualifying week of 20 to 26 September 2004 and normally living in the UK in that week.

People who live alone, **or** are the only person in the household who qualifies for a payment, **or** if they receive Pension Credit or income-based Jobseeker's Allowance, should get:

- ◆ £200 if they are aged 60 to 79;
- ◆ £300 if they are aged 80 or over.

If a person does not get Pension Credit and lives with another person who qualifies for a payment, then the amount depends on their age and the age of the person they live with.

Most Winter Fuel Payments for 2004/05 were made automatically over a number of weeks from mid-November 2004.

If a claim is needed it should have been completed by 24 September 2004. If a payment still has not been received then the Winter Fuel Payment Helpline²⁵ should be contacted. All claims for winter 2004/05 must have been received by 30 March 2005.

4.3.1 *One-off 70+ Payment*

The UK Government are also making a one-off payment of £100 in 2005 to each eligible household with someone aged 70 or over to help them with living expenses, including Council Tax bills.

To be eligible for the One-off 70+ Payment, a person must have been aged 70 or over on or before 26 September 2004 and normally living in Great Britain or Northern Ireland during the week of 20 to 26 September 2004.

The One-off 70+ Payment is a tax-free lump sum that will not affect any state pensions or benefits, including Council Tax Benefit. This extra money is, in most cases, being paid automatically with the Winter Fuel Payment for winter 2004/05. However, some people may need to claim their One-off 70+ Payment. All claims for this payment must have been received by 30 March 2005.

²⁴ Full details of the Winter Fuel Payment can be found on the DWP web-site at:

<http://www.thepensionersservice.gov.uk/winterfuel/helpline.asp>

²⁵ The Winter Fuel Payment Helpline can be contacted at the following:

<http://www.thepensionersservice.gov.uk/winterfuel/helpline.asp>

5 War Pensions

The Veterans Agency administers the following War Pensions as well as providing information and advice to all war veterans.

5.1 War Disablement Pension

A War Disablement Pension²⁶ is not payable to anyone still serving in HM Armed Forces.

It may be payable if a person has been:

- ◆ Injured or disabled through serving in Her Majesty's (HM) Armed Forces, including the Ulster Defence Regiment, now known as the Royal Irish Regiment, the Home Guard and nursing and auxiliary services;
- ◆ A civil defence volunteer (CDV) disabled through serving as a CDV;
- ◆ A civilian disabled as a result of enemy action in the 1939 to 1945 war;
- ◆ A merchant seaman, a member of the naval auxiliary services or a coastguard, and they were disabled because of an injury received or a disease suffered because of conditions during a war or because they were a prisoner-of-war; or
- ◆ A member of the Polish Forces under British Command who served in the 1939-1945 war, or in the Polish Resettlement Forces and they were injured or disabled through this service.

The amount of money payable is dependent on the extent of the disablement, i.e., any physical or mental injury or damage, or loss of physical or mental capacity. Conditions are defined as:

- ◆ A wound;
- ◆ An injury;
- ◆ A disease.

The information provided by the applicant and advice from medical advisers is used to assess the disablement.

If disablement is assessed at 20% or more, a pension is payable.

If disablement is assessed at less than 20%, then a lump sum (gratuity) is normally paid. The amount depends on the extent of the disablement and how long the person is likely to be disabled.

5.2 War Widows/Widowers Pension

A War Widow's/Widower's Pension²⁷ may be payable if;

- ◆ The death of a spouse was a result of their service in the HM Armed Forces;

²⁶ Further details available at: http://www.veteransagency.mod.uk/claiming_wp/eligible_wardisable.htm

²⁷ Further information available at: http://www.veteransagency.mod.uk/claiming_wp/eligible_warwid.htm

- ◆ The spouse was a merchant seaman, a member of the naval auxiliary services, or a coastguard and their death was a result of an injury or disease they got during a war or because they were a prisoner of war;
- ◆ The death of a spouse was as a result of their service as a member of the Polish Forces under British command during the 1939 to 1945 war, or in the Polish Resettlement Forces;
- ◆ The spouse was getting a War Pensions Constant Attendance Allowance at the time of their death or would have been had they not been in hospital or they would have been entitled to the Allowance for a period of 26 weeks had they claimed; or
- ◆ The spouse was getting a War Disablement Pension at the 80% rate or higher and was getting Unemployability Supplement.

A War Widows/Widower's Pension may also be payable if the applicant lived with the war pensioner as their husband/wife and looked after his/her child.

There are two rates of War Widow's/Widower's Pension - a higher rate and a lower rate.

The higher rate is payable if the applicant is:

- ◆ The widow/widower of an officer above the rank of Major or equivalent;
- ◆ Aged 40 or over;
- ◆ Under 40 and getting an allowance for a child; or
- ◆ Under 40 and unable to support themselves financially.

Otherwise, the lower rate of pension is payable until the age of 40, the higher rate is then payable.

6 Tax Credits

6.1 Child Benefit

Child Benefit²⁸ is a universal benefit for people bringing up children. It is paid for each child and is not affected by savings.

A claim can be made if the following conditions are satisfied:

- ◆ The child is aged under 16;
- ◆ The child is aged under 19 and studying full-time up to A level, Advanced Vocational Certificate of Education (AVCE) or equivalent;
- ◆ The child is aged 16 - 17 and registered for work or training with the Careers Service or Connexion Service.

Table 14 overleaf provides the weekly Child Benefit rates from April 2003 to April 2005:

²⁸ Further information is available from: <http://www.inlandrevenue.gov.uk/childbenefit/eligible.htm>

Table 14: Weekly Child Benefit rates from April 2003 to April 2005

Weekly rates	April 2003	April 2004	April 2005
For the eldest child who qualifies	£16.05	£16.50	£17.00
For each other child who qualifies	£10.75	£11.05	£11.40

Source: Department for Work and Pensions

6.2 Tax Credits

From April 2003 two new tax credits, Child Tax Credit and Working Tax Credit, were introduced to replace Working Families' Tax Credit, Disabled Person's Tax Credit and the Children's Tax Credit.

6.2.1 Child Tax Credit

Child Tax Credit²⁹ is a payment for people with children, whether they are in or out of work. It is payable to people on a low income with responsibility for at least one child.

The amount of Child Tax Credit payable will depend on individual circumstances and the amount of income. Couples' incomes are treated jointly and are added together when the claim is assessed. Savings do not affect entitlement directly, but any interest from savings is counted as income and will affect the amount of Child Tax Credit due. Some income is not taken into account when Child Tax Credit is being worked out. Child Benefit, maintenance payments and Maternity Allowance are disregarded together with most Statutory Maternity Pay and Statutory Paternity Pay.

The first element of Child Tax Credit is a family element, which is paid to any family with responsibility for one or more children. There are extra amounts for children who are disabled and these are paid on top of the child element. For children that are registered blind or entitled to Disability Living Allowance, a disabled child element is also payable.

Further information about Child Tax Credit and how it is calculated can be found in the Inland Revenue leaflet *Child Tax and Working Tax Credit: A Guide*³⁰

6.2.2 Working Tax Credit

Working Tax Credit is a payment to top up the earnings of low paid working people (whether employed or self-employed), including those who do not have children.

In most cases, the employer pays it alongside wages or salary, although it is paid directly to the self-employed by the Inland Revenue. The 'childcare element' of Working Tax Credit is paid directly to the main carer of the child or children along with Child Tax Credit.

Working Tax Credit contains several elements, including additional amounts for

- ◆ working people with a disability;
- ◆ people with a severe disability and;
- ◆ the costs of registered or approved childcare.

The minimum amount of work needed to qualify for Working Tax Credit is at least 16 hours a week.

²⁹ To find out more about Child Tax Credit visit: www.inlandrevenue.gov.uk/taxcredits

³⁰ *Child Tax and Working Tax Credit: A Guide*: <http://www.hmrc.gov.uk/pdfs/wtc2.pdf>

For people who are part of a couple with children, the minimum amount of hours that must be worked per week is 30 (with one partner working at least 16 hours per week). Childless couples cannot add their hours together to qualify for the 30 hour element.

The disabled worker element is usually paid to anyone working at least 16 hours a week and has a physical or mental disability which puts them at a disadvantage in getting a job.

Further information about Working Tax Credit and how it is calculated can be found in the Inland Revenue leaflet *Child Tax and Working Tax Credit: A Guide*³¹

7 Housing Benefits

7.1 Council Tax Benefit

Council Tax Benefit³³ is paid by local councils to help pay council tax. It is payable to people who are responsible for paying council tax and are on a low income.

Anyone can make a claim for Council Tax Benefit if they are responsible for paying council tax and are on a low income.

The following points should also be considered:

- ◆ There are some extra rules for people who have recently come from abroad or returned from abroad;
- ◆ Savings over £16,000 usually mean Council Tax Benefit is not payable;
- ◆ Savings over £3,000 (£6,000 for people and/or their partners are aged 60 or over) affect how much Council Tax Benefit is payable;
- ◆ A full-time student will not usually have to pay council tax;
- ◆ If a person's partner is a student they may be able to get Council Tax Benefit;
- ◆ Most asylum seekers and people who are sponsored to be in the UK cannot get Council Tax Benefit.

To work out how much Council Tax Benefit is, the council will look at the following:

- ◆ The amount of money going into a household, for example, earnings, some benefits, tax credits and occupational pensions;
- ◆ Savings;
- ◆ Different circumstances, for example age, the ages and size of any family, whether any family members are disabled, and whether anyone else living in the household could help with the rent.

The council will also look at whether:

- ◆ The amount of rent is reasonable for a particular home;
- ◆ The home is a reasonable size for the claimant and their family;
- ◆ The amount of rent is reasonable for the area.

³¹ *Child Tax and Working Tax Credit: A Guide*: <http://www.hmrc.gov.uk/pdfs/wtc2.pdf>

³² Further information can be found at: http://www.dwp.gov.uk/lifeevent/benefits/attendance_allowance.asp

³³ Further information is available at: http://www.dwp.gov.uk/lifeevent/benefits/council_tax_benefit.asp#top

There are also special rules for students.

The rates used to work out Council Tax Benefit are the same as the allowances and premiums that make up Income Support (see Part 2.5) and income-based Jobseekers Allowance (see Part 2.7). These amounts should only be used as a guide as the rules for benefits mean that individual circumstances might affect the amount payable.

7.2 Housing Benefit

Housing Benefit³⁴ can be claimed by anyone who is on a low income and is responsible for paying rent.

The following points should also be considered:

- ◆ There are some extra rules for people who have recently come from abroad or returned from abroad;
- ◆ Savings over £16,000 usually mean Housing Tax Benefit is not payable;
- ◆ Savings over £3,000 usually affect how much Housing Benefit is payable;
- ◆ A full-time student will not usually get Housing Benefit;
- ◆ Most asylum seekers and people who are sponsored to be in the UK cannot get Housing Benefit.

To work out Housing Benefit, the council will look at:

- ◆ Money that is coming into the household, including earnings, some benefits and tax credits and things like occupational pensions;
- ◆ Savings;
- ◆ Circumstances, such as age, the ages and size of family, whether any of the family are disabled, and whether anyone who lives in the house could help with the rent.

The council will also look at whether:

- ◆ The amount of rent is reasonable;
- ◆ The home is a reasonable size for the claimant and their family;
- ◆ The amount of rent is reasonable for the area the house is in.

The rates used to work out Housing Benefit payments are the same as the allowance and premiums that make up Income Support (see Part 2.5) and income-based Jobseeker's Allowance (see Part 2.7).

8 Help with Health Costs

Automatic entitlement for help with health costs (NHS prescription and dental charges, optical and hospital travel costs) is based on age or medical grounds or by being in receipt of one of the exempting benefits or tax credits.

People who have to pay NHS charges may be able to get help under the NHS Low Income Scheme. The amount of help is based on a comparison between a person's income and requirements at the time that a claim is made or a charge was paid.

³⁴ Further details can be found at: http://www.dwp.gov.uk/lifeevent/benefits/housing_benefit.asp#top



No help is available if a person has capital in excess of the limit: £8,000 (£12,000 if the applicant and / or their partner is aged 60 or more or £20,000 for people who live permanently in a residential care home or nursing home).

Information about the scheme can be found on the Department of Health web-site³⁵ and information specific to Wales can be found on the National Assembly for Wales web-site³⁶.

9 Appeals

There are different rules for requesting an appeal or review of a decision made by the DWP or other organisation depending on the benefit claimed. For example there is no right of appeal against a decision made on Budgeting Loans, Crisis Loans or Community Care Grants. A request for a review must be made in these circumstances.

Other benefits (including Tax Credits and Housing Benefits) can be looked at again after a written or verbal decision and explanation has been made. These may then be referred to the Appeals Service³⁷.

Appeals against a Veterans Agency decision can be made to the Pensions Appeal Tribunal³⁸.

The DWP has produced a leaflet, GL24³⁹ that gives full details of the appeals procedure.

³⁵

http://www.dh.gov.uk/PolicyAndGuidance/MedicinesPharmacyAndIndustry/Prescriptions/NHSCosts/NHSCostsArticle/fs/en?CONTENT_ID=4049391&chk=qogspx

³⁶ <http://www.wales.gov.uk/subihealth/content/forms/index-e.htm>

³⁷ Details can be found at: <http://www.appeals-service.gov.uk/>

³⁸ Further details can be found at: <http://www.pensionsappealtribunals.gov.uk/>

³⁹ This can be viewed at: http://www.dwp.gov.uk/publications/dwp/2003/gl24_apr.pdf