

Welfare Benefits

Welfare Benefits are divided into three categories:

Contributory benefits - for which you will have had to have paid the qualifying amount of National Insurance contributions in the previous complete tax year

Non-contributory, non means tested benefits – for which NI contributions do not count towards and savings/income are not taken into consideration

Non-contributory, means tested benefits – for which NI contributions do not count towards; however any savings, income/capital will be taken into consideration

CONTRIBUTORY BENEFITS

You may be eligible for these benefits if you have been working and have paid National Insurance contributions:

Contributory Job Seekers Allowance

You may be eligible for this benefit if:

- You are either not in work, or are working less than 16 hours a week
- You are available for work and actively seeking work
- You have agreed to the Job Seekers agreement and keep to it
- You satisfy the NI contribution conditions, ie you have paid enough NI contributions during the previous tax year
- You are below pension age (60/65)

Contributory Job Seekers Allowance can be topped up with other benefits if you have a family

Retirement Pension

You may be eligible for retirement pension if you have reached pension age (60/65) and:

- You satisfy NI contribution conditions or
- Your spouse or civil partner has reached pension age and satisfies NI contribution conditions

Bereavement Benefit

You may be eligible for bereavement benefit if:

- You are below pension age and
- Your spouse or civil partner has died and
- He or she satisfied NI contribution conditions or
- He or she died as a result of an industrial injury

Common Law partners are not eligible to receive Bereavement Benefit.

In the case of divorce, the deceased's NI Contributions will count towards the divorced partner's Retirement Pension.

Incapacity Benefit **see extra notes below regarding changes to this benefit from 27.10.08*

You may be eligible for this benefit if:

- You are incapable of work due to illness or disability
- You are below pension age (60/65)
- You satisfy the NI contribution conditions
- You are not entitled to, or have finished, statutory sick pay

Incapacity Benefit is paid at three rates:

- Short term lower rate (for first 28 weeks of incapacity)
- Short term higher rate (for 29th – 52nd week of incapacity)
- Long term rate (from 52nd week of incapacity)

For self employed people who have not paid enough NI contributions it may be worthwhile paying 'late contributions' to get a higher rate of Incapacity Benefit.

To be considered for Incapacity Benefit it will be necessary to undergo a medical assessment by a doctor appointed by the Department of Work and Pensions (DWP). Please note that the doctor is carrying out the medical assessment on behalf of the DWP and not the claimant!

NON-CONTRIBUTORY, NON MEANS TESTED BENEFITS

Disability Living Allowance

Disability Living Allowance (DLA) is divided into two components – Mobility, for which there are two rates, and Care, for which there are three rates

You may be eligible for the **Mobility** component if:

- You are unable, or 'virtually unable' to walk, or
- The exertion required to walk, or medication affecting your ability to walk, would be a danger to life or health
- You need guidance or supervision when outdoors AND
- You are aged over 3/5 and under 65 (at date of claim) and
- You have had mobility problems for at least three months and will continue to do so for at least the next six months

You may be eligible for the **Care** component if:

- You are aged under 65 and
- You need help or attention in connection with bodily functions during the day and/or the night or
- You are unable to prepare a cooked meal for yourself AND
- You have needed help for the last three months and will continue to for at least the next six months or you are terminally ill.

If you are approaching 65 and you feel you may be eligible for DLA it may be worthwhile making a claim as you cannot claim for DLA after the age of 65. However, if you already receive DLA it will continue after 65. Please note that the Mobility component is not applicable after 65, neither is the lower rate for the Care component of DLA.

Attendance Allowance

You may be eligible for Attendance Allowance if:

- You are aged 65 or over and
- You meet the conditions for DLA middle or higher rate for Care AND
- You have needed care for at least six months prior to your claim, or are terminally ill

There are two rates for Attendance Allowance. There is no element for mobility, as with DLA, but you can show on your claim how problems with mobility affect your care needs.

If you are funding yourself in a care home you may still qualify for Attendance Allowance

Industrial Injuries Benefit

You may be eligible for this benefit if, while an employee:

- You suffer personal injury in an industrial accident or
- You contract a prescribed industrial disease AND
- You have a 'loss of faculty' and disablement as a result

To claim for this benefit you have to be able to show causation. Accidents or illnesses do not necessarily have to occur on your employer's premises or place of work. You will also qualify if you are off site but on employer's business when the accident or illness occurs.

Incapacity Benefit for Young People **see extra notes below regarding changes to this benefit from 27.10.08*

You may qualify for this benefit if:

- You are incapable of work due to illness or disability and have been for the previous 26 weeks
- You are not in full time education (21 hours per week)
- You are aged 16 – 20 or
- Under 25 when incapable of work if in education/training

Carers Allowance

You may be eligible for Carers Allowance if:

- You provide care for someone who gets Attendance Allowance or DLA Care equivalent (middle/high rates) AND
- You are aged 16 or over AND
- You are not earning over the earnings limit (currently £84 per week) AND
- You are not in full time education (21 hours per week)

If you receive Carers Allowance because you have given up work (or earn less than the earnings limit) to provide care for someone, you will receive NI contributions credit.

Carers Allowance will count as income towards any claim for Income Support, which is means tested, but you will then be able to claim for the Carer's Premium to offset this.

Maternity Allowance

You may be eligible for Maternity Allowance if:

- Your child is expected within 11 weeks or recently born
- You satisfy employment and work conditions
- You are not an employed earner and therefore not entitled to statutory maternity pay

Child Benefit

You may qualify for this benefit if:

- You are responsible for a child under 16 or
- A young person aged 16 – 19 still at school
- Also if they remain in non-advanced education or approved training

You do not necessarily have to be the child's parent to claim for Child Benefit if you are caring for the child. Lone parents, or non-working parents, in receipt of Child Benefit receive NI Contributions credit to count towards Retirement Pension

Guardian's Allowance

You may qualify for this allowance if:

- You are getting Child Benefit
- The child you are caring for is an orphan, or one parent is dead with the other parent in prison for more than two years, or whereabouts unknown

This benefit is generally not well known about and is significantly underclaimed!

Winter Fuel – a payment awarded per household for those aged 60 and over

NON-CONTRIBUTORY MEANS TESTED BENEFITS

Income Support **see extra notes below regarding changes to this benefit from 27.10.08*

You may qualify for Income Support if;

- You are aged between 16 and 60
- You are not working full time (16 hours or over)
- Your partner (if any) is not working full time (24 hours or over)
- You are not eligible, or not required, to 'sign on' for job seeking
- You do not have more than £16,000 savings/capital

Any income you receive will be taken into account when claiming for Incoming Support.

Other benefits, such as Jobseekers Allowance, pension credit, child tax credit, working tax credit, can be topped up with Income Support.

Income Based Jobseekers Allowance

You can claim for this benefit if:

- You are aged between 16 and 60
- You are not working full time (16 hours or over)
- Your partner, if any, is not working full time (24 hours or over)
- You are available for, and actively seeking work – ‘signing on’
- You have entered into and keeping to the Jobseeker’s Agreement
- You do not have savings or capital over £16,000

Any income you have will be taken into account when claiming for this benefit.

Working Tax Credit

You may be eligible for Working Tax Credit if:

- You or your partner (if any) works at least 16 hours per week AND has a dependent child, or is a disabled worker, or is aged over 50 following unemployment/incapacity or
- Your or your partner is aged over 25 and works at least 30 hours per week

Savings are not taken into account for Working Tax Credit but your taxable income is.

Pension Credit

Pension Credit is a benefit for people aged 60 or over based on the amount of money that you have coming in. It is made up of Guarantee Credit and Savings Credit. The Guarantee Credit of Pension Credit tops up your weekly income to a guaranteed level. The Savings Credit is for people who have a small amount of their own income or savings. You can get:

- Guarantee credit aged 60 or over and/or
- Savings credit aged 65 or over BUT
- Income is taken into account

You may be entitled to the Guarantee Credit or the Savings Credit, or both, and as the rules differ for Guarantee and Savings Credit it is worthwhile filling in all the details on the form.

You can claim Pension Credit whether or not you are still working. You do not need to have paid any National Insurance contributions.

Pension Credit is administered by the Pension Service and you can claim it for yourself and your partner, if any, who lives with you. However, if you or your partner, or both of you, live permanently in a care home you will usually have to claim individually as single people.

Child Tax Credit

You may qualify for Child Tax Credit if you are responsible for a child under the age of 16 (or 19 if still at school). There are no rules on working – you can claim whether you are in or out of work. There is no savings limit as savings are not taken into account, however the amount awarded will be based on your household taxable income.

Housing Benefit

You may qualify for Housing Benefit if you:

- Are paying rent on your home
- Have less than £16,000 savings, unless you are getting Guarantee Pension Credit

If you have savings/capital of more than £6,000 it will be assumed that you have some income from this, for example interest from your savings, and this will be counted as part of your income, and income is taken into account when you claim for Housing Benefit.

Council Tax Benefit

Savings and income rules are the same as for Housing Benefit. You will only be eligible to claim if you are liable to pay Council Tax. Council Tax liability is irrespective of whether you rent or own your home. Savings and income rules are the same as for Housing Benefit. You will only be eligible to claim if you are liable to pay Council Tax. Council Tax liability is irrespective of whether you rent or own your home.

Social Fund

This benefit is more tightly means tested than any other benefit and falls into two categories:

- **Regulated** – includes Funeral, Cold Weather (aged 60 or over) and Maternity payments
- **Discretionary** – includes one off Budgeting Loans (which have to be repaid), Crisis Loans (also have to be repaid), Community Care Grants (do not have to be repaid)

To be eligible for a Discretionary payment from the Social Fund you:

- Must usually be on a means tested benefit (other than for crisis loans)
- Must need an item or service, or have specific circumstances which qualify you

For Community Care Grants, any savings or capital above £500 (£1000 for aged 60 or over) will reduce payments.

For Budgeting Loans, savings or capital above £1000 (£2000 for aged 60 or over) will also reduce payments.

There are no 'blanket' rules for awarding a Discretionary payment from the Social Fund, and payments should be awarded discretionally according to the needs of the individual claimant.

* Important changes to Welfare Benefits

As part of the Welfare Reform Act 2007, from 27 October 2008 Incapacity Benefit, Severe Disablement Allowance and Income Support (claimed on grounds of incapacity), was replaced by **Employment and Support Allowance** – or ESA – for all **new** claimants.

People already claiming Incapacity Benefit, Severe Disablement Allowance and Income Support (claimed on the grounds of incapacity due to disability or long term illness) will initially continue to receive their existing benefits – as long as they continue to satisfy the entitlement conditions – and will start to be transferred to the new system from April 2010. The new system will consider what an individual is capable of doing, and what help and support they will need to manage their condition and return to work.

For more information about Employment and Support Allowance (ESA) the Department of Work and Pensions (DWP) have comprehensive factsheets available to fully explain about ESA: Phone: 0800 055 6688 Textphone: 0800 023 4888

www.dwp.gov.uk/esa/

For Northern Ireland contact the Department for Social Development in Northern Ireland:

Phone: 028 9033 6958

www.dsdni.gov.uk

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