



Benefits Changes from March/April 2017

1. Cuts to benefits for families with more than 2 children

Cuts to Child Tax Credit for families with more than 2 children

Families not be able to claim Child Tax Credit allowances for a third or subsequent child born on or after 6th April 2017. If the third or subsequent child is disabled they will still be able to receive the disabled child element of CTC. [The Child Tax Credit \(Amendment\) Regulations 2017](#)

Cuts to Universal Credit for families with more than 2 children

From 6th April 2017 new UC claimants will not be able to claim allowances for more than 2 children (or qualifying young person). However there will be transitional protection in the following circumstances:

- existing UC claimants will continue to receive UC child elements for all children born before 6th April 2017, for an interim period up to 31st October 2018;
- families who already have more than two children or qualifying young persons who are making a new claim for Universal Credit will be directed to claim Tax Credits during an interim period from 6th April 2017 until 31st October 2018. They will receive the CTC child element any child or qualifying young person born before 6th April 2017 during this interim period;
- at the end of the interim period there will be transitional protection to enable families with 3 or more children born before 6th April 2017, who were receiving CTC/UC during the interim period and have breaks in in their claim of less than 6 months will continue to receive the UC elements for more than 2 children.

Families with children with disabilities will continue to receive the disabled child element and severe disabled child element of UC for a third or subsequent child born on or after 6th April 2017. [The Social Security \(Restrictions on Amounts for Children and Qualifying Young Persons\) Amendment Regulations 2017](#)

Cuts to Housing Benefit for families with more than 2 children

Families receiving CTC and HB who have restrictions applied to the number of children they claim for, will also have this restriction applied to their Housing Benefit as well.

Exceptions to the two child limit

The Government has published a response to a consultation on the exceptions to the two-child limit, which gives a further explanation as to how these exceptions will be applied:-

- **in the case of a multiple birth**, the child element will be awarded for all third or subsequent children in a family born as part of a multiple birth, other than the first born; e.g. a couple with a 5 year old, 3 year old then have twins, they will receive a child element for the 5 year old, the 3 year old and one of the twins.
- **in the case where a child is adopted** except in the case where the adoption is by a step-parent or someone who has been a parent of the child at any time;

- **in the case of a child living long term with family or friends** under informal arrangements; claimants need evidence from a social worker to support this;
- **in the case of a child born as a result of rape**, will use a third-party model of determining whether a child is likely to have been conceived as a result of rape, and there will be no time limit placed on when the report needs to be made to the third-party professional; alternatively there needs to be a conviction or compensation award for rape or domestic coercion and control;
- there will also be a **non-consensual conception exception** for third or subsequent children conceived within a domestic abuse situation involving coercion and control, however in these cases the child element will not be paid for the third or subsequent child if the victim is still living with the perpetrator.

2. **Abolition of the Child Tax Credit family element and the UC first child premium and family premium for Housing Benefit**

Child Tax Credit - From 6th April 2017 the family element (£545 pa) will no longer be awarded to new CTC claimants who have not been receiving CTC within the previous 6 months.

Universal Credit - The first child 'premium' will be abolished for new claimants who have a first child born on or after 6th April 2017; which means the amount payable for the oldest child will be £231.67 per month instead of than £277.08 per month. Protection will be given to those who were receiving CTC and have moved to UC and those who have received UC/CTC within the last 6 months.

Housing Benefit - Since May 2016 the family premium of £17.45/£22.20 a week is no longer be paid to new claimants.

3. **Disabled Child Element for Child Tax Credit**

From 6th April 2017, the disabled child element and severely disabled child element of Child Tax Credit are being replaced by a single disability element of CTC which is payable at 2 rates

- where the child or qualifying young person is disabled, is £3,175;
- where the child or qualifying young person is severely disabled, is £4,465.

4. **Universal Credit conditionality for carer of child age 3 or over**

From April 2017 lone parents and the main carer of a child in a couple, whose youngest child is aged 3 or over will be required to make themselves available for work and to actively seek work. This currently only affects parents whose youngest child is aged 5 or over. In addition, those with a child aged 2 will have to attend work-focused interviews and meet the work preparation requirements.

5. **Bedroom Tax and LHA size restrictions**

Following the Supreme Court Judgment in November 2016, Government has amended the Housing Benefit and Universal Credit regulations to allow an extra bedroom in cases where: -

- **couples are unable to share a bedroom due to a disability** – the disabled person must be receiving the PIP Daily Living Component or the DLA care component at the middle or high rate or the higher rate of Attendance Allowance.
- **a child or non-dependant adult living in the household needs an additional bedroom for an overnight carer**; if more than one person needs an overnight carer there will be only one extra bedroom allowed.

[The Housing Benefit and Universal Credit \(Size Criteria\) \(Miscellaneous Amendments\) Regulations 2017](#) (SI.No.213/2017) come into force on 1st April 2017 and cannot be backdated to before that date.

6. Personal Independence Payments from 16th March 2017

The DWP has published [The Social Security \(Personal Independence Payment\) \(Amendment\) Regulations 2017](#) changes to the following descriptors to reverse the effects of two recent Upper Tribunal decisions.

3.	Managing therapy or monitoring a health condition	
a.	Either – (i) does not receive medication or therapy or need to monitor a health condition; or (ii) can manage medication or therapy or monitor a health condition unaided.	0
b.	Needs either – any one or more of the following; (i) to use an aid or appliance to be able to manage medication; or (ii) supervision, prompting or assistance to be able to manage medication or monitor a health condition From 16th March 2017 “(iii) supervision, prompting or assistance to be able to monitor a health condition.	1

“**therapy**” means therapy to be undertaken at home which is prescribed or recommended by a

(a) registered –

- (i) doctor;
- (ii) nurse; or
- (iii) pharmacist; or

(b) health professional regulated by the Health Professions Council;

From 16th March “but does not include taking or applying, or otherwise receiving or administering, medication (whether orally, topically or by any other means), or any action which, in C’s case, falls within the definition of “monitor a health condition”

1.	Planning and following a journey	
a.	Can plan and follow the route of a journey unaided.	0
b.	Needs prompting to be able to undertake any journey to avoid overwhelming psychological distress to the claimant.	4
c.	Cannot “For reasons other than psychological distress, cannot” plan the route of a journey.	8
d.	Cannot “For reasons other than psychological distress, cannot” follow the route of an unfamiliar journey without another person, assistance dog or orientation aid.	10
e.	Cannot undertake any journey because it would cause overwhelming psychological distress to the claimant.	10
f.	Cannot “For reasons other than psychological distress, cannot” follow the route of a familiar journey without another person, an assistance dog or an orientation aid.	12

“**psychological distress**” means distress related to an enduring mental health condition or an intellectual or cognitive impairment;

7. Abolition of the Work-Related Activity Component/Limited Capability for Work Element

The DWP has published [The Employment and Support Allowance and Universal Credit \(Miscellaneous Amendments and Transitional and Savings Provisions\) Regulations 2017](#) which remove the ESA work-related activity component of £29.05 a week for all new ESA claimants and the Limited Capability for Work element of £126.11 pcm for all new Universal Credit claimants from 3rd April 2017.

There will be transitional protection from the removal of the ESA work-related activity component and LCW element of universal credit where -

- the claim for ESA was made before 3 April 2017 and that claim results in an award;
- the claim was made on or after 3 April 2017 but the claimant had previously been entitled to ESA and their period of LCW started before 3 April 2017;
- the claimant is or will become a notified person for the purposes of conversion from an incapacity benefit to ESA and is subsequently found to have limited capability for work or limited capability for work related activity;
- the claim was made on or after 3 April 2017 but ESA is payable before 3 April 2017;
- the claim was made on or after 3 April 2017 but the claimant's assessment phase is deemed to have started before 3 April 2017;
- a claimant previously entitled to contributory ESA before 3 April 2017 had the claim terminated having claimed maternity allowance and then makes a new claim for ESA within 12 weeks of the date that their maternity allowance ended.
- the award of universal credit included the LCW element immediately before 3rd April
- the award of universal credit includes an amount for having limited capability for work and work-related activity immediately before 3rd April 2017 and it is determined, on or after that date, that the claimant has LCW;
- before 3rd April 2017, medical evidence has been provided and it is later decided a claimant has LCW, including on appeal or revision; and
- UC is revised after a successful appeal or revision of a decision not to award ESA;

8. Changes to the ESA permitted work and hardship payment rules

The DWP has amended the [permitted work rules](#) and have introduced a hardship payment for ESA claimants who are not receiving the work-related activity component. From 3rd April 2017 [The Employment and Support Allowance \(Exempt Work & Hardship Amounts\) \(Amendment\) Regulations 2017](#) (SI.No.205/2017)

- remove the 52 week limit on the period for which claimants who have limited capability for work may undertake exempt work while continuing to be entitled to benefit, this allows them to earn up to £115.60 a week and still receive ESA; and
- provide for a hardship payment at 80 per cent of a claimant's prescribed amount where they are not receiving a work-related activity component as part of their ESA award and either they or a member of their family is either pregnant or seriously ill.

The regulations also change the permitted work rules for Housing Benefit, see [HB Circular A4/217](#)

9. Benefits for under 21s

Universal Credit Housing costs for 18-21 year old renters

From 1st April 2017 single 18-21 year olds who are living in digital service areas or began their UC claim in a digital service area will not be entitled to the housing costs element of UC. This will not affect claimants in North Staffordshire until 2018.

This rule will not be applied to cases where the claimant -

- is part of a couple; or was on UC as part of a couple and now making a new claim after separating from partner;
- is responsible for a child or a qualifying young person;
- was a care leaver before reaching the age of 18 and living in care on their 16th Birthday;
- receives the care component of disability living allowance at the middle or highest rate or the daily living component of personal independence payment;
- is the subject of active multi-agency management under the Criminal Justice Act 2003;
- is living in temporary accommodation arranged by a local authority as part of their duties under the Housing Acts 1985 or Housing Act 1996, to prevent homelessness;
- has no parents or neither parent has a home in Great Britain;
- cannot live with their parents due to a serious risk to their physical or mental health and the Secretary of State considers it inappropriate to expect them to do so;
- has been subject to, or threatened with, domestic violence by their partner, former partner, or a family member;
- has earned income equal to or exceeding the monthly amount they would earn whilst working 16 hours per week at the National Minimum Wage (£88.80 pw/£384.80pm); or
- has earnings in each of the 6 months ending before the calendar month in which the claim for universal credit is made, that are equal to or more than the appropriate earnings threshold i.e. 16hrs x NMW (in which case a six-month exemption will apply).
- was receiving housing benefit or universal credit with a housing cost element immediately before the first day the regulations would otherwise apply e.g. moved from a UC live to full digital service

NB there is no change to Housing Benefit entitlement for 18-21 year olds

Youth Obligation for 18 to 21 year olds on Universal Credit from April 2017 18-21 year old jobseekers will be expected to participate in an “intensive regime of support from day one of their benefit claim”. In a [letter to the Works and Pensions Committee](#) the Employment Minister Damien Hinds, outlined how the Youth Obligation will work:

‘From the initial diagnostic interview at day one they will participate in an intensive period of support, learning job-search and interview techniques and do structured work preparation. This structured curriculum including two workshops and a set of exercises will last approximately three weeks.

Their work coach will then encourage them to apply for appropriate activities (an Apprenticeship, go on work-related skills training, including sector-based work academy places and traineeships, or a work experience placement.

After six months they will be expected to apply for an Apprenticeship, a traineeship, gain work-based skills employers value, or undertake some work of community value to give them the skills they need to get to work.’

10. Benefit Cap changes (since 7th November 2016)

On 7th November 2016 (19th December in Stoke) the total amount of benefits a family with dependent children can receive was reduced from £26,000 a year (£500 a week) to £20,000 a year, (£384.62 a week). For single people without dependent children living with them the cap was reduced from £18,200 a year (£350 a week) to £13,400 a year (£257.69 a week).

In North Staffordshire this mainly affects claimants who are receiving Housing Benefit as most families with three or more children have not yet moved over to UC.

The benefit cap for people who are receiving Housing Benefit

The benefit cap only applies to the Housing Benefit and not to other benefits. A family receiving more than £384.62 a week in benefits, will have their Housing Benefit reduced by the amount the total benefit exceeds the benefit cap.

Example

Dave and Mandy have 3 children and Dave has been off sick from work since October 2016. Before the benefit cap was reduced in December 2016 their weekly income was

ESA	£114.85 (assessment rate)
Child Tax Credit	£170.52
Housing Benefit	£85.00
Child Benefit	£48.10
Total	£417.98 plus Council Tax Support of £12.74

The reduction in the benefit cap to £384.62 a week means their Housing Benefit has been reduced by £33.85 week to £51.15.

Couples with 4 or more children, who are not exempt from the cap, are now only entitled to 50p a week in Housing Benefit.

The benefit cap for people receiving UC

UC claimants will have their UC reduced (apart from child care costs) if their total benefits are above the benefit cap level; this is £1,666.67 pm for a family and £1,116.67 for a single person without children.

Example

Andy and Jayne aged 29 have 5 children aged 12, 9, 6 and 3 and 18 months. Andy is unemployed and they rent their home from a housing association and pay £85 a week/£368.34 a month rent.

They live in an area where the UC digital service is live should be receiving:

Universal Credit	£2,070.98 per month
Child Benefit	£327.17 per month
Total	£2,398.15 (plus CTS of £55.21 pcm)

However the £20,000 a year benefit cap will reduce their UC to just £1,339.50 a month. A reduction of £731.48 a month (£168.80 a week).

11. Bereavement Benefits

From 6th April 2017 Bereavement Allowance, Bereavement Payment and Widowed Parent's Allowance are being replaced by Bereavement Support Payments.

Bereavement Support will be paid to the widows, widowers and surviving civil partners only; not to cohabitee partners or other family members. To qualify claimants need to be under pensionable age on the day their late spouse or civil partner dies.

The Bereavement Support period begins on the date the spouse of civil partner died and the benefit will be paid for up to 18 months from this date. If the claim is made more than 3 months after the date the spouse or civil partner died the benefit can only be backdated for 3 months.

There are two levels of Bereavement Support:-

- claimants with children for whom they are receiving Child Benefit (or are pregnant when their spouse or civil partner dies) will receive a lump sum of £3,500 plus £150 a month;
- claimants without children will receive a lump sum of £2,500 plus £100 a month.

Bereavement Support Payments will be contributions based; the deceased person will need to have actually paid either Class 1 or Class 2 National Insurance Contributions in

at least one tax year which have an earnings factor which is equal to or more than 25 times the lower earnings limit for that tax year.

For example, the lower earnings limit for National Insurance in 2016/17 is £112 per week, so the earnings on which NI contribution were paid would need to be 25 x £112 which is £2,800. The contribution conditions do not apply if the deceased died as a result of an industrial accident or disease.

Bereavement Support Payment will:

- not be taxable;
- not be included in the assessment of benefit income which will be subject to the household benefit cap;
- be disregarded in the calculation of income-based benefits;
- not affect the bereaved person's concurrent entitlement to contribution-based Jobseeker's Allowance or contributory Employment and Support Allowance, where appropriate. (i.e. not an overlapping benefit).
- Also a bereaved person who remarries or re-partners will be able to keep their Bereavement Support Payment.

Regulation 30 of the [Pensions Act 2014](#), [the Bereavement Support Payment Regulations 2017](#) and a [Written Statement](#) from Caroline Noakes Parliamentary Under Secretary of State for Welfare Delivery

12. Carer's Allowance

From 10th April 2017 the amount that carers who receive Carer's Allowance can earn is increasing from £110 per week to £116 per week. However, the National Living Wage increase in April will mean that carers who are working for 16 hours at £7.50 an hour will be earning £120 a week. [The Social Security \(Invalid Care Allowance\) \(Amendment\) Regulations 2017](#)

13. Universal Credit Taper Rate Decrease

From 10th April 2017 the Universal Credit taper will be reduced from 65% to 63% . This means that if a claimant has net earnings which are above their work allowance threshold they will lose 63p in every £1 they earn above the threshold instead of 65p in every £1; so they will be able to keep 37p in every £1. [The Universal Credit \(Reduction of the Earnings Taper Rate\) Amendment Regulations 2017](#)

Example

Peter aged 35 is working part-time 16 hours a week earning £115.20 a week gross and paying rent of £60 a week on his one bedroom flat. His UC is currently

Personal Allowance	£317.82
+ Housing Costs	£260
Max UC	£577.82
His earnings are	£499.20 with no work allowance.
65% of his earning are	£324.48.
His UC is	£253.34 (£577.82 - £324.38)
His total income will be	£752.54

From April his earnings will increase to £7.50 per hour which will be £120 a week or £520 per month. His maximum UC will still be £577.82 as it is frozen until 2020; 63% of his earnings will be £327.60 leaving him with UC of £250.22. His total income will be £770.22. A £17.86 per month increase.

14. HA Maxima Applied to Social Housing Tenants from April 2019

- **Housing Benefit Claimants**

Tenants signing a new tenancy with a social landlord after 1st April 2016, will have the LHA rules applied to their Housing Benefit claim from 1st April 2019 if their social sector rent is higher than the Local Housing Allowance rate.

The application of the LHA rules will mean that single tenants under the age of 35 (who have no children living with them) will only be able to have a maximum of the shared accommodation rate of Housing benefit or Universal Credit housing costs unless they fall into an exempt category; in North Staffordshire the shared accommodation rate is currently £52.02 a week. This change will also affect pensioners who are living in properties with spare bedrooms.

Tenants on Housing Benefit who took their tenancy before April 2016 will not be affected.

- **Universal Credit Claimants**

However, in relation to universal credit claimants, the LHA cap will apply irrespective of when their tenancy commenced. There will be limited transitional protection for claimants moving between Housing Benefit and Universal Credit who suffer a loss in entitlement.

If the reduction in the entitlement to Housing Benefit or UC housing costs is greater under the LHA rules than they would be under the 'bedroom tax' rules, then LHA rules will be used.

e.g. Jamie aged 30 is single and has been on ESA since 30th September. He has lived in his two bedroom housing association flat since 1st April 2016; the rent is £70 a week and his UC housing costs have been reduced by 14% of the rent (£9.80 a week) because he has a spare bedroom.

From April 2019, the LHA rules will be applied to his UC, which will restrict his UC housing costs to a maximum of £52.02 a week because he is under 35 and is only eligible for the shared accommodation rate. This would leave him with a shortfall of £17.98 a week.

Housing Benefit for Supported Housing

The Works and Pensions Secretary Damian Green has announced that that people living in supported housing will not have the Local Housing Allowance rules applied to the maximum amount of housing benefit they can receive, until 2019/20. He also added that the Shared Accommodation Rate of Local Housing Allowance will not apply to people living in supported housing.

They are intending to introduce a new funding model from 2019/20; core rent and service charges will continue to be paid at LHA levels by Housing Benefit or Universal Credit. However, the additional costs of supported housing will no longer be paid by Housing Benefit or UC, but instead 'an amount of funding' will be devolved to local authorities in England to disperse locally. (Wales and Scotland will have different arrangements) There will be a consultation on these proposals shortly.

See <https://www.gov.uk/government/news/new-funding-model-for-supported-accommodation>