



## Benefits Newsletter March 2016

### 1. New State Pension

A single tier Pension is being introduced for claimants who reach retirement age on or after 6<sup>th</sup> April 2016. The new single-tier pension will combine the basic state pension with additional pension entitlements (i.e. Graduated Pension, SERPS and Second State Pension); this means instead of receiving a basic state pension from £119.30 a week plus additional pensions, claimants will receive a maximum of £155.65 a week.

There will be a transitional arrangement which will protect pension rights for those claimants who would be entitled to more than £155.65 a week under the old scheme. However claimants who have been contracted-out of additional pensions will not be entitled to the full £155.65 as some of their National Insurance Contributions have been paid into their occupational or personal pension scheme. The number of qualifying years needed for a full state pension is also increasing from 30 years to 35 years.

For more information see

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/503899/your-state-pension-explained-Feb\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/503899/your-state-pension-explained-Feb_2016.pdf)

### 2. Personal Independence Payment Assessment Criteria Review

Following a recent review of the PIP assessment criteria the DWP has announced that from January 2017, the points awarded to people who need to use aids and appliances for managing toilet needs and for dressing and undressing will be reduced from 2 points to 1 point for each of those activities. This will make it harder for claimants to score 8 points to get the standard rate of the daily living component or 12 points to get the enhanced rate. The government estimates there will be a total of 640,000 people who will be in some way affected by the changes. This was confirmed in the Budget.

See <https://www.gov.uk/government/news/personal-independence-payment-consultation-response-announced>

### 3. Welfare Reform and Work Bill

The Welfare Reform and Work Bill has now passed through Parliament and is now awaiting the Royal Assent. The House of Lords fought hard to bring in amendments to delay the cuts to the ESA Work-Related Activity Element, however the House of Commons voted against the amendments. The bill includes the following changes:

#### a. Work-Related Activity Element (Limited Capability for Work Element)

From April 2017 the Work-Related Activity Element of ESA and Housing Benefit and the Limited Capability for Work Element for Universal Credit will no longer be paid to new claimants who are placed in the Work-Related Activity Group (WRAG). This is currently worth an additional £29.05 a week.

#### c. Benefit Rate Freeze

Benefit rates for working-age claimants have been frozen from April 2016 to April 2020. This means that benefits will continue to be paid at the rates set in April 2015 e.g. the rate of JSA for single claimants over 25 will continue to be £73.10 a week.

### **b. Benefit Cap reduction**

In autumn 2016 the benefit cap will be reduced from £26,000 a year to £20,000 a year (£384.61 per week) for families living outside Greater London and the benefit cap for single claimants will be reduced to £257.69 per week.

The new cap will mean that in North Staffordshire families with 3 or more children will be affected and will have their Housing Benefit reduced if their weekly benefit income is above £384.63.

A couple with 3 children on income-based JSA and CTC will only be left with £51 a week of Housing Benefit which will leave some families with a shortfall of HB of more than £50 a week. A couple with 4 children who are on JSA and CTC will be left with only 50p a week HB.

### **d. Cuts to benefit rates for children**

From April 2017 the Child Tax Credit Family Element (£545 pa) will no longer be awarded to new CTC claimants who have not been claiming CTC within the previous 6 months. In addition the Universal Credit first child premium will be abolished from April 2017; which means the amount payable for the oldest child will be £231.67 per month instead of than £277.08 per month.

For latest version of the Welfare Reform and Work Bill see

[http://www.parliament.uk/documents/commons-public-bill-office/2015-16/compared-bills/Welfare\\_Reform\\_and\\_Work\\_Bill\\_as\\_Amended\\_in\\_Cttee\\_TRACKED\\_CHANGES.pdf](http://www.parliament.uk/documents/commons-public-bill-office/2015-16/compared-bills/Welfare_Reform_and_Work_Bill_as_Amended_in_Cttee_TRACKED_CHANGES.pdf)

## **4. Benefit Cap**

The DWP has published the estimated number of households that will be affected by the £20,000 (£384.85) benefit cap when it is introduced in the autumn. This shows the number of households affected in each local authority area - in Stoke-on-Trent is between 600 and 799 households and in Newcastle Borough and the Staffordshire Moorlands 0-199 households.

See <https://www.gov.uk/government/publications/benefit-cap-planning-estimates-of-number-of-households-in-scope-for-lower-benefit-cap-levels>

## **5. ESA Permitted Work**

ESA claimants are currently allowed work for up to 16 hours a week and earn up to £107.50 a week (increasing to £115.50 a week in April) for a maximum of 52 weeks, unless it is supported permitted work or they are in the ESA Support Group. During the debates about ESA changes in the Welfare Reform and Work Bill, Lord Freud announced that the DWP will abolish the 52 week rule from 2017-18. This was confirmed in the budget on 16<sup>th</sup> March. (See page 4).

See <http://www.publications.parliament.uk/pa/ld201516/ldhansrd/text/160229-0001.htm> Column 594

For more information about Permitted Work see <http://www.disabilityrightsuk.org/work-people-living-disability-or-health-conditions>

## **6. Support for Mortgage Interest (SMI)**

From 1<sup>st</sup> April 2016 claimants who are making a new claim for Income Support, income-based JSA, income-related ESA or Universal Credit will have to wait 39 weeks before they qualify for any Support for Mortgage Interest; it is currently 13 weeks. This change will not affect Pension Credit claimants who will continue to qualify for SMI from the date of claim.

See [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/507570/adm6-16.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507570/adm6-16.pdf)

## 7. Changes to Pension Credit from April 2016

### a. Phasing out of Savings Credit

From 6<sup>th</sup> April 2016 Savings credit will only be payable to claimants who are over 65 and reached retirement age before 6<sup>th</sup> April 2016

Mixed age couples (where one is above and the is below retirement age) cannot make a new claim for savings credit after 6<sup>th</sup> April 2016 and will only be entitled to Savings Credit if one of the couple was entitled to and awarded Savings Credit immediately before 6<sup>th</sup> April 2016 and remains entitled to Savings Credit after 6<sup>th</sup> April 2016.

### b. Phasing out of Assessed Income Periods (AIP)

Pension Credit claimants over the age of 65 currently have an assessed income period (AIP) applied to their claim of up to 5 years, and those over 75 have an indefinite AIP during which they do not have to report any changes in their retirement provision such as increases in pension or increases in capital.

From April 2016 new claimants will no longer have an assessed income period applied to their claim, they will have a 3 year Periodic Case Review (PCR) and will be expected to report any changes to circumstances and retirement provision as they happen.

Assessed Income Periods which are due to end between April 2016 and March 2019 will be allowed to run their course. AIPs due to end after April 2019 will be phased out before the end of March 2019. Claimants with indefinite AIPs will only be affected by this change if they have a change of circumstances which leads to a reassessment of their entitlement to Pension Credit. Once a AIP ends a PCR will be set.

See [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/505022/m-4-16.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/505022/m-4-16.pdf)

## 8. Cuts to Universal Credit Work Allowances from April 2016

- **Work Allowances will be reduced** for claimants with children or disabilities to £397 per month with no housing costs and £192 with housing costs, from April 2016.
- **Work Allowances will be abolished for single people** and couples without children and without disabilities, from April 2016

<https://www.gov.uk/government/publications/universal-credit-work-allowances>

## 9. Statistics

### Universal Credit Statistics

The latest statistics published by the DWP show that 203,392 people were on the Universal Credit caseload across the UK, as of 11<sup>th</sup> February 2016. Of these, 80,363 (40%) were in employment and 123,026 (60%) were not in employment.

In North Staffordshire the figures of UC has increased dramatically since UC was introduced in Stoke on 1<sup>st</sup> February 2016. In Stoke-on-Trent there were 340 claims for UC between 1<sup>st</sup> February 2016 and 3<sup>rd</sup> March 2016 and there are currently 55 UC claimants on the UC caseload whose claim for UC has been awarded.

Local Authority	New Claims Feb- March 2015	Caseload Feb 2015		
		In emp	Not in emp	Total
	<b>Total</b>			
Stoke-on-Trent	340	5	51	55
Newcastle	92	159	250	411
Staffs Moorlands	26	12	31	50
<b>Total</b>	<b>458</b>	<b>176</b>	<b>332</b>	<b>516</b>

Figures in this table have had statistical disclosure control applied to avoid the release of confidential data. Totals may not sum due to the adjustments.

<https://www.gov.uk/government/statistics/universal-credit-29-apr-2013-to-3-mar-2016>

## ESA Statistics

The latest ESA statistics show that for the period April-June 2015; 70% of new claimants are entitled to ESA and 61% of those who are entitled to ESA have been placed in the Support Group and 10% in the Work-Related Activity Group.

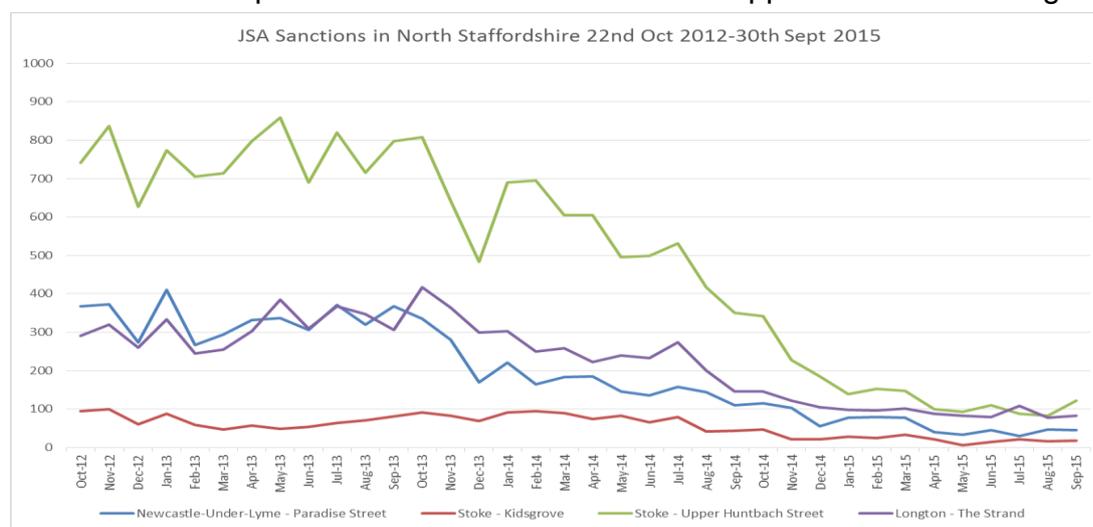
The new figures also show that, for those who underwent a reassessment between July and September 2015, 81% were still entitled to ESA, with 70% placed in the Support Group

<https://www.gov.uk/government/statistics/esa-outcomes-of-work-capability-assessments-claims-made-to-jun-2015-and-appeals-to-dec-2015>

## JSA and ESA Sanction Statistics

### JSA Sanctions

The latest JSA sanctions published in February 2016 show a considerable decrease in the number of sanctions applied by Jobcentres in North Staffordshire between 1<sup>st</sup> Oct 2014 and 30<sup>th</sup> Sept 2015. The 46.57% have been applied to claimants aged 18-25.



Total Sanctions by Year in North Staffordshire	
Oct 12-Sept 13	17,622
Oct 13-Sept 14	13,167
Oct 14-Sept 15	3,958
<b>Total</b>	<b>34,747</b>

### ESA Sanctions

In the period 1<sup>st</sup> October 2015-30<sup>th</sup> September 2016 there were 281 ESA sanctions applied to 206 claimants in North Staffordshire. The majority of sanctions were applied because a claimant had failed to complete a work-related activity.

<https://www.gov.uk/government/statistics/jobseekers-allowance-and-employment-and-support-allowance-sanctions-decisions-made-to-september-2015>

## 10. Local welfare funds to be designated 'public funds' for immigration purposes

From 6<sup>th</sup> April 2016 changes to immigration rules mean that people who are subject to immigration control with 'no recourse to public funds' will no longer be able to access Local Welfare provision (a discretionary payment made by a local authority under section 1 of the Localism Act 2011).

See <https://www.gov.uk/government/publications/statement-of-changes-to-the-immigration-rules-hc877-11-march-2016>



# Potteries Gold



## Budget News March 2016

### Key Points in the March Budget which relate to Welfare Benefits

- **Changes to PIP Daily Living Criteria confirmed** (see page 1)
- **Changes to arrangements for terminally ill claimants migrating from DLA to PIP** –claimants who are granted a greater award under PIP will get that higher award from the date of the decision, rather than remaining on their DLA award for the standard four week waiting period
- **ESA Permitted Work** – removal of 52 week limit confirmed (see page 2)
- **Support for claimants in the WRAG** -they will *‘fund an additional £15 million in each year from 2017-18 to help Employment and Support Allowance claimants placed in the Work Related Activity Group and Universal Credit Limited Capability for Work claimants pay for the additional costs of preparing for work; improve the process for reassessing claimants placed in the Work Related Activity Group with deteriorating conditions; and remove the 52 week work time limit on Permitted Work rules for claimants in the Work Related Activity Group from April 2017.’*
- **The exemption of carers and guardians from the Benefit Cap from Autumn 2017** –confirmed (see page 2)
- **Delay in capping Housing Benefit for Social Sector Tenants in Supported Accommodation** confirmed – this will now apply to new tenancies from April 2017. This will include refuges for those fleeing domestic abuse, homeless provision, housing for ex-offenders, supported housing for older and disabled people, housing co-operatives, almshouses and Community Land Trusts.
- **Housing Benefit and Pension Credit: limiting temporary absence** – The government will delay the ending of the payments of Housing Benefit and Pension Credit to claimants who travel outside of Great Britain for longer than 4 weeks consecutively. This will now come into force in May 2016.
- **Abolishing Class 2 National Insurance contributions (NICs)** – The government will abolish Class 2 NICs from April 2018. The government will publish its response to the recent consultation on benefit entitlement for the self-employed in due course. This will set out details of how the self-employed will access contributory benefits after Class 2 is abolished.
- **ESA and PIP presenting officers** – The government will increase the number of presenting officers in attendance at Employment and Support Allowance and Personal Independence Payments tribunal hearings from 2017
- **Extending the use of Real Time Information to reduce fraud and error in benefits** – The government will expand the use of HMRC’s Real Time Information (RTI) on earnings to prevent and correct overpayments in Jobseeker’s Allowance, Employment Support Allowance and Income Support.