

# The **Potteries Gold** Post

## **CARERS BEWARE!**

### **New Minimum Wage Rates could stop your benefits!**

With so many benefit changes happening, don't overlook something that may have a big impact if you **work part-time** and **claim Carer's Allowance**.

There is an **earnings limit** for Carer's Allowance. If you earn more than this, you must report it to the DWP as you will not be entitled to Carer's Allowance that week. Until 2015, this limit was slightly higher than the full adult minimum wage for **16 hours per week**, so a **lone parent** or **disabled worker** might qualify for Working Tax Credit as well as Carer's Allowance.

While the new "**National Living Wage**" introduced in November 2015 was good news for many low-paid workers, because the earnings limit for Carer's Allowance didn't increase, some carers lost money as a result.

This week, the earnings limit for Carer's Allowance increased from **£110** to **£116 per week**. At the same time, the minimum wage for workers aged 25 and over rose from **£7.20** to **£7.50 per hour**, or **£120** for 16 hours. If you are over 25, you cannot work enough hours to qualify for Working Tax Credit and stay within the earnings limit for Carer's Allowance.

### **SAM'S STORY**

Sam is a lone parent. He is also his mother's carer. If he works 15 hours per week, he will earn **£112.50 per week** and can also claim **£62.70 Carer's Allowance**, as well as Child Tax Credit and Child Benefit. If he works 16 hours he will earn **£120 per week** and could also claim about **£75 per week Working Tax Credit**. However, if he also claims Housing Benefit and Council Tax Support, he might not be better off on WTC. He should get a full benefits check before trying to change his hours.



The minimum wage is lower for younger workers so, if you are aged **under 25**, you may still be able to qualify for both Carer's Allowance and WTC. Remember, though, that **when you reach 25** and **your wage increases**, you will either have to reduce your hours and lose your Working Tax Credit or give up your Carer's Allowance.

## **JAYNE'S STORY**

Jayne is 24 and is a **carer** for her disabled daughter Poppy. She also has a **part-time job** for **16 hours per week** at **£7.05 per hour**. She earns £115.50 per week, claims £62.70 CA and also £54 WTC.

When she is 25, her hourly wage will have to increase to **£7.50 per hour**. Either she must **cut her hours** and give up her Working Tax Credit or **give up her Carer's Allowance**.

## **WHAT CAN YOU DO?**

You must tell the DWP as soon as your earnings exceed the limit. However, before deciding what to do long-term, **get a full benefit check**. Call us on 0344 111 444 or visit one of our offices to speak to one of our advisers.

In some circumstances, it may be better to stop claiming Carer's Allowance if you can earn more working 16 or more hours and claim Working Tax Credit instead. You may even find that **the person you care for could be better off** if you weren't claiming Carer's Allowance.

In other situations, you will be better off working less and staying on Carer's Allowance. Some other benefits – like **Housing Benefit** and Council Tax Support – are worked out more generously if you get Carer's Allowance. If you are entitled to Carer's Allowance you are also not caught by the **Benefit Cap**.

Potteries Gold is a **Citizens Advice Staffordshire North & Stoke-on-Trent** project to help people in Stoke-on-Trent cope with changes to the benefit system

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