

# AMINA MUSLIM WOMEN'S RESOURCE CENTRE

## Information Fact Sheet

### Benefit money and community support for families Fact Sheet 2.

#### Some benefits you might be able to apply for:

##### Universal Credit (UC)

Universal Credit is a means-tested benefit supporting people of working age on a low income. Working age means under State Pension Age. It replaces 6 existing means-tested benefits known as legacy benefits. These are: Income Based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. If you are already in receipt of one of these legacy benefits and your circumstances change it is recommended that you seek advice prior to claiming Universal Credit.

Your income and capital will affect the amount of Universal Credit you receive. If you have capital over £16,000, you are not eligible for Universal Credit. The first £6000 of capital is ignored. Capital between £6000 and £16,000 will affect the amount you receive. Some capital may be disregarded but you may also be treated as having capital which you do not actually have.

This benefit can be applied for online through the [Government website](#).

Although Universal Credit aims to replace a number of former benefits, some continue.

##### New Style Jobseeker's Allowance (JSA)

If you are unemployed or work less than 16 hours a week you may be eligible for [New Style Jobseekers Allowance](#).

This is a contribution based benefit. Normally, this means you may be able to get it if you've paid and/or been credited with enough Class 1 National Insurance contributions in the 2 full tax years before the year your claim. This benefit is paid for up to 182 days.

Your savings and capital, and that of a partner are not taken into consideration. If you are in receipt of any earnings or a private pension, this may affect the amount you receive.

Other conditions for eligibility apply. These include taking reasonable steps to look for work and being under State Pension age.

The maximum amount you can receive a week is £74.35 if you are 25 and over and £58.90 if you are 18-24.

You can claim New Style Jobseekers Allowance and Universal Credit at the same time to top your income up, if for example you have children or housing costs, and you meet the criteria for both benefits.

## New Style Employment and Support Allowance (ESA)

New Style Contribution [Employment and Support Allowance](#) is a benefit for people under State Pension Age who have limited capability for work due to an illness or disability, and are not in receipt of Statutory Sick Pay.

As with New Style JSA, it is a contribution-based benefit, and normally you will have paid/been credited with enough class 1 or 2 National Insurance Contributions in the last two full tax years prior to the year you claim to qualify.

You need to have a fit note from your Doctor advising that you are not well enough to work. If you have only just become ill you can self-certify for the first seven days.

This benefit does not take into consideration any savings that you or your partner have. The majority of your income is ignored, but if you are receiving an amount from a personal pension this may affect the amount you receive.

The maximum amount you can receive a week is £74.35 if you 25 and over and £58.90 if you are 18-24.

As with New Style JSA, if you do not have enough income to meet your housing and other costs, you may be eligible for Universal Credit as well if you meet the criteria for both benefits.

**Important: If you are getting a Severe Disability Premium (SDP) in your current legacy benefits, or if you received Severe Disability Premium in the last month and are still eligible for it, you cannot claim Universal Credit. Always seek expert advice if you are in this position and your circumstances change.**

## Tax Credits – Child Tax Credit and Working Tax Credit

Child Tax Credit and Working Tax Credit has been replaced by Universal Credit for most people.

You can only make a new claim for [Child Tax Credit](#) and/or [Working Tax Credit](#) if you:

- Get the severe disability premium, or are entitled to it
- Got or were entitled to the severe disability premium in the last month, and you're still eligible for it

If you require assistance because of the following:

- On a low income and employed or self-employed
- On a low income and have children
- On a low income and require assistance with child care costs
- On a low income and have an illness or disability

Then you will need to claim [Universal Credit](#).

## **Pension Credit**

[Pension Credit](#) is a means tested benefit for people who are on a low income and have reached [State Pension Age](#).

This benefit tops up your weekly income to the following basic amounts for 2020/21:

- Single person £173.75
- Couple £265.20

As with Universal Credit there are additional amounts paid if you are severely disabled, or a carer for someone who is.

In addition you may be eligible for other means-tested benefits to help with your costs, such as Housing Benefit, support with mortgage Interest, and Council Tax Support.

## **Housing Benefit**

[Housing Benefit](#) is provided through your local council and is a means-tested benefit to assist people on low incomes with their rent.

A claim for Housing Benefit can be made if:

- Both you and your partner have reached State Pension Age
- You or your partner have been getting Pension Credit prior to the 15 May 2019
- You live in temporary accommodation
- You are getting a benefit with a Severe Disability Premium included or recently stopped getting a benefit with this included

If you do not fall into one of these categories and you require assistance with your rent then you should claim [Universal Credit](#).

## **Support with Mortgage Interest (SMI)**

To qualify for a [Support for Mortgage Interest \(SMI\)](#) loan you usually need to be getting one of the following:

- Income Support

- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Universal Credit
- Pension Credit

You can start getting a loan:

- From the date you start getting Pension Credit
- After you've had 9 consecutive Universal Credit payments
- After you've claimed any other qualifying benefit for 39 consecutive weeks

You might still be able to get SMI if you apply for one of the qualifying benefits but cannot get it because your income is too high. You'll then be treated as getting the benefit you applied for.

Support with Mortgage Interest is provided by way of a loan and is repayable with interest when you sell or transfer ownership of your home.

## **Council Tax Support**

This benefit is administered by your local council and is a means-tested benefit to assist people on a low income with their Council Tax bill.

This benefit is localised and the support you receive will depend on your particular local council rules, although they are broadly similar across the country.

It is means tested and takes into consideration your income and capital.

It is available to people who live in rental properties or who are home owners.

Details for support can be found on your local council website.

## **Personal Independence Payment**

**Personal Independence Payment (PIP)**, is a benefit for people who are between 16 and State Retirement Age, and due to an illness or disability have additional care needs.

This is a non-means-tested benefit so your income and capital are ignored.

This benefit is made up of a daily living and mobility component. The daily living component is for the extra help you need with everyday tasks and includes preparing a meal, washing, dressing, bathing, communication with other people and managing money. The mobility component takes into consideration how far you can walk and difficulties with undertaking a journey.

The weekly rates for 2020/2021 are:

### **Daily Living**

- Standard - £59.70

All information taken from DWP website April 2021

- Enhanced - £89.15

### **Mobility**

- Standard - £23.60
- Enhanced - £62.25

## **Disability Living Allowance (DLA)**

**Disability Living Allowance (DLA)** is a benefit for children who have additional care or mobility needs due to an illness or disability. The child must be under 16 years of age to claim, with additional age rules for the mobility component.

Disability Living Allowance has two components, the personal care component and the mobility component.

This benefit is non-means-tested and therefore capital or income is not taken into consideration.

The weekly rates for 2020/2021 are:

### **Care Component**

- Low Rate - £23.60
- Middle Rate - £59.70
- High Rate - £89.15

### **Mobility Component**

- Lower Rate - £23.60
- Higher Rate - £62.25

## **Attendance Allowance**

**Attendance Allowance** is for people who have reached State Pension and are either physically or mentally disabled and require assistance or supervision with their personal care needs or require supervision or support to ensure they are safe.

It is available to people who live on their own or with others, and is not dependent on whether the assistance required is being given.

It is a non-means-tested benefit and therefore capital and income are ignored.

If you are awarded this benefit you should check to see if you are eligible for other means-tested-benefits or disability discounts.

The weekly rates for 2020/21 are:

- Lower Rate (You require help either in the day or night) £57.30
- Higher Rate (You require help in the day and night) £85.60

All information taken from DWP website April 2021

## Carers Allowance

**Carers Allowance** is paid to those who provide informal care of more than 35 hours a week to a person who is in receipt of one of the following benefits:

- Personal Independence Payments
- Disability Living Allowance – Middle or higher rate of the care component.
- Attendance Allowance

All of the following must apply:

- You are 16 or over
- You spend at least 35 hours a week caring for someone
- You are not in full-time education
- You are not studying for 21 hours a week or more
- Your earnings are £128 or less a week after tax, National Insurance and expenses

If your earnings are sometimes more than £128 a week you might still be eligible for Carer's Allowance. Your average earnings may be calculated to work out if you're eligible

Before claiming Carer's Allowance please seek advice as it can have an impact on the benefit entitlement of the person you are caring for.

An award of Carers Allowance may create entitlement to other means-tested benefits, or an increase to existing ones. Please seek further advice to ensure you are in receipt of everything you are entitled to.

The weekly rate for this benefit in 2020/21 is £67.25 a week.

## Council Tax Reduction/Discount Schemes

### Disability Reduction Scheme for Council Tax (Disabled Band Reduction Scheme)

This is a non-means-tested reduction and therefore not dependent on income and capital.

A reduction on your Council Tax bill can be made if you or someone in your home is 'substantially and permanently disabled' and one of the following applies. You:

- Have a room (other than a bathroom, kitchen or toilet) which is used to meet your needs e.g. for the purposes of dialysis, treatment or for the storage of equipment
- Have a second bathroom or kitchen used to meet your needs
- Have enough space in your home to use a wheelchair indoors

If any of these apply, the bill for your dwelling is reduced to the next lowest band. If you are already in a band A property, you will have your bill reduced by one sixth.

The reduction can be backdated but this may be limited to six years.

Contact your local council for further details and an application form.

## **Severe Mental Impairment disregard for Council Tax**

People who are severely mentally impaired are not included when working out Council Tax bills.

- Someone in the household is diagnosed as having a “severe mental impairment” that appears to be permanent. This might be due to such conditions as dementia, severe learning difficulties or another condition that causes a “severe impairment of intelligence and social functioning. You will need a certificate from your doctor confirming this.
- In receipt of one of the following benefits, Personal Independence Payment (standard or enhanced daily living component) Attendance Allowance (any rate) an adult in receipt of Disability Living Allowance care component at the middle or higher rate.

If you meet the criteria and live with one other person who is not severely mentally impaired then you will receive a 25% discount on your Council Tax.

If everyone in the house has a severe mental impairment then an exemption for the whole property is applied and there will be nothing to pay.

If you are considered severely mentally impaired but live with two or more adults who are not severely mentally impaired you will not get any discount on your Council Tax.

To apply for this benefit contact your local council. In Wales there is a national scheme.

## **Carer Disregard for Council Tax**

You are disregarded as an occupant of the property if you are a live-in carer looking after someone. The person you care for cannot be your husband, wife, civil partner or your child under 18. If you are the carer of a child under 18 you can be disregarded if you are not their parent.

You must care for the person for at least 35 hours of care a week and they must be in receipt of either:

- Any rate of Attendance Allowance
- the middle or highest rate of the care component of Disability Living Allowance
- Any rate of the daily living activity component of Personal Independence Payment
- An increase in his or her disablement pension

- An increase in Constant Attendance Allowance.

The carer does not have to be in receipt of Carer's Allowance to be disregarded.

Care workers living at a property may also be disregarded for Council Tax purposes.

To be considered a care worker, they will need to meet the following conditions:

- They provide support or care to another person at the same address
- They are employed to provide support or care to that person, and were introduced to him or her by a charity or local authority
- They earn no more than £44 per week
- They work for at least 24 hours a week
- They live where the care is given or in premises which have been provided for the better performance of the work.

**Note:** This is not an exhaustive list. For more information on council tax discounts contact your local council.

This information is meant for general advice only and to provide an indication of possible entitlement. It is not exhaustive. Every effort has been made to ensure that the information is correct. However, as the benefits system is complicated and legislation can change, we recommend that you should always seek expert advice on your personal situation when in doubt.