

Short Benefits Guide



This factsheet gives information on benefits and funding available for lone parents, carers and individuals affected by disability or long-term illness.

Disability in either adults or children often causes financial hardship for many families, and especially for lone parents. Additional transport costs for getting around, extra heating costs, wear and tear on clothing, special diets, etc are just a few of the areas of expenditure that leave families very short of money.

Disability Living Allowance

Disability Living Allowance (DLA) is the main benefit for children and adults who have disabilities or serious health problems, due to either a physical or mental disability. DLA is a tax-free benefit, which is not means-tested and is intended to help with the extra costs of either a child or adult's disability. Income and savings do not affect payment of the benefit.

Carers Allowance

Carers Allowance (CA) is payable to someone over 16, who regularly spends 35 hours per week caring for a severely disabled child or adult. The disabled person needs to be receiving either the middle or high rate care component of Disability Living Allowance, or Attendance Allowance at any rate.

Incapacity Benefit

Incapacity Benefit is a benefit for people who are unable to work through illness or disability. Payment of Incapacity Benefit is dependant on having paid enough National Insurance contributions. Young people, however, who are incapable of work, may qualify for Incapacity benefit even if they have never worked or paid National Insurance contributions.

Important change to Incapacity Benefit - Incapacity Benefit was replaced on 27th October 2008 by a new benefit called Employment and Support Allowance (ESA). Existing claimants will remain on Incapacity Benefit for the time being. Employment and Support Allowance

Employment and Support Allowance

Employment and Support Allowance (ESA)

is a benefit for people who have difficulty working or cannot work due to a disability or long-term illness.

Claimants will initially take part in a 13 week assessment stage to establish if they are entitled to ESA and what group they will be included in. There are two groups. The majority of claimants will be in the Work-Related Activity Group and be expected to take steps towards entering employment. The other group is the Support Group. People in this group are not expected to participate in 'work-related activity' but can do so if they wish to.

ESA is paid at the same rate as IS for the first 13 week. If claimants are found to be entitled to ESA they will then be paid an extra amount depending on which of the two groups they move into.

Income Support

Income Support (IS) is a benefit intended to cover basic living expenses for people under 60, who have no income, or income below a minimum level. IS is also payable to carers or lone parents responsible for a child under 12 years of age.

Important Entitlement Change for Lone Parents – from October 2009 lone parents whose youngest child is aged 10 or over will no longer be able to claim Income Support (IS) solely on the grounds of being a lone parent. The benefit is means-tested, and other income is taken into account when calculating Income Support. Premiums are added onto the basic amount of Income Support, depending on your circumstances, which may include financial help for housing costs.

JobSeeker's Allowance (JSA)

To qualify for JobSeeker's Allowance you need to be available for work. If you have a physical or mental illness, or have caring responsibilities you may be able to restrict the hours you are available to work as long as there is still a prospect of securing a job.

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All factsheets are available free to lone parents.

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There are two types of JSA: contribution-based and income-based. You are entitled to contribution-based JSA if you have been in employment and have made the necessary National Insurance contributions. As it is not means-tested there may be advantages to claiming it, for example, if you receive other income such as maintenance. It is paid for 26 weeks.

You can claim income-based JSA if you have not paid the necessary contributions to claim contribution-based JSA. It is means-tested and can be paid for as long as you remain entitled.

Tax Credits

Tax credits are payments from the government, administered by Her Majesties Revenue and Customs (HMRC), which are designed to supplement low and middle incomes.

Child Tax Credit (CTC)

If you're responsible for at least one child or young person who normally lives with you (ie. under the age of 16 or under 20 years old if in full-time, non-advanced education or training), you may qualify for Child Tax Credit. CTC may be paid to both working and unemployed claimants.

Working Tax Credit (WTC)

To be eligible for Working Tax Credit, you must be working 16 hours per week or more and have care of at least one child (see CTC above). You can apply for help with the cost of childcare if you have a child under 15 years (16 if the child has a disability) and use registered childcare. Your Tax Credits last until the end of the tax year (5th April) and can be altered if your circumstances change.

If you become eligible for a higher rate of

Tax Credit, the award can be increased from the date of change. Tax Credits can be backdated for up to 3 months. If you are making a claim for DLA inform HMRC that a claim has been made so, if successful, Tax Credits can be back-dated to the date of the claim.

Changes that reduce your entitlement will always take place from the date of change so if you do not notify HMRC of the change immediately you will accumulate an overpayment and may be fined.

Working Tax Credit payments will continue for 4 weeks from the day you cease to work 16 hours per week or more.

Social Fund

The Social Fund can give grants and interest-free loans to people on a low income to help with specific costs. There are two types of payment: regulated and discretionary.

Regulated payments

these are payments made in specific circumstances, and are paid if certain criteria are met. The regulated payments are as follows: -

- i) Funeral Payments** - financial help for people who are responsible for paying the funeral costs of a close friend or relative. The Social Fund will pay only the cost of a plain funeral. To qualify for this help, you need to be receiving Income Support, income-based Jobseeker's Allowance (IbJSA), Pension Credit, Child Tax Credit (at a rate above the family element), Working Tax Credit (which includes a disability element), Housing Benefit or Council Tax benefit. Claim within 3 months of funeral date on form SF 200 from Jobcentre Plus.
- ii) Winter Fuel Payments** - an annual lump sum to help people over 60 meet extra winter heating costs.
- iii) Cold Weather Payments** - an automatic entitlement to a weekly cold weather payment for people in receipt of Income Support or IbJSA and receiving a disability premium, or have a child under 5yrs or a child with disability. This is £25 for each week during a period of cold weather. Watch for official announcements in the press.

Discretionary payments

these are grants and interest-free loans for larger expenses or for emergency situations which are difficult to meet from weekly benefits. Each type of grant or loan has a separate application form. There are three types of payments: -

i) Community Care Grants - these are grants for people getting Income Support, Pension Credit, or income-based Jobseekers Allowance and do not have to be paid back. The purpose of the grant is to ease "exceptional pressures" on individuals or families, thus allowing them to remain in their communities. The grant also helps people moving back into the community after a spell in hospital, prison, residential care or a women's refuge etc. Community Care Grants are often awarded to families with disabled children or children with serious health problems, e.g. to visit a sick child.

ii) Crisis Loans - these can be paid to anyone (in receipt of benefits or not) who has no money to meet his or her immediate needs in a crisis situation. The money has to be paid back to the Department for Work and Pensions. Call 0800 0328 366 to apply.

iii) Budgeting Loans - these are interest-free loans for people getting Income Support, income-based Jobseekers Allowance for 26 wks or more, and Pension Credit. The loan is intended to help people buy new items like a cooker, furniture, costs of looking for work, certain consumer debts if related to above, or even moving expenses to a new home.

Bereavement benefits

There are three different bereavement benefits for both men and women who have recently lost either a spouse or a civil partner:

- i) The Bereavement Payment** - this is a tax-free, one-off payment of £2000 for spouses or civil partners. To be eligible, the person must be under state pension age when their civil partner/spouse dies. In cases where the person is older, they might qualify if their partner wasn't getting a retirement pension, based on the claimant's own National Insurance record. If the spouse or civil partner dies as a result of an industrial accident or an industrial disease, these conditions qualify for the payment. Anyone needing to claim a bereavement benefit should phone Jobcentre Plus on 0845 608 8602
- ii) Widowed Parent's Allowance (WPA)** - this is a weekly payment for widowers and widows who have at least one dependent child. If the National Insurance record of the late

spouse or civil partner is complete, then the full rate is payable, otherwise the rate will be reduced, unless they died as a result of an accident at work or an industrial disease.

iii) Bereavement Allowance - this is a weekly payment for people aged 45 or over when their spouse or civil partner died and is payable for 52 weeks starting from the Tuesday on, or following, the death. The amount paid is related to the age of the applicant when the person dies.

If the spouse/civil partner has an incomplete National Insurance record, then the amount payable will be reduced, unless they died as a result of an industrial accident or prescribed industrial disease.

Useful Contact Details

One Parent Families Scotland (OPFS)

13 Gayfield Square, Edinburgh
EH1 3NX

Tel: 0131 556 3899 / 4563

Fax: (0131) 557 7899

Email: info@opfs.org.uk

Web: www.opfs.org.uk

Freephone helpline: 0808 801 0323

Information service: Monday to Friday
9.30am-4.30pm

Information, publications, library and training, details of local support organisations and OPFS childcare

Tax Credit Helpline

0845 300 3900

8am-8pm 7 days a week

For applications and enquires about Tax Credits.

Contact a Family

Helpline: 0808 808 3555 10am-4pm Mon-Fri, 5.30pm-7.30pm

Textphone; 0808 808 3556

Web: www.cafamily.org.uk

Support and information for families with a disabled child.

Directgov

Web: www.direct.gov.uk

Government website giving information on public services as well as information and application forms for welfare benefits.