

Money Matters for Every Child Booklet

April 2015 Update

Benefit Increases

There have been increases to the following benefit rates mentioned in the booklet:

For **Statutory Maternity Pay, Statutory Adoption Pay and Statutory Paternity Pay** the earnings threshold is £112 a week and the normal weekly amount is £139.58 (pages 8&10)

For **Maternity Allowance** the standard rate is £139.58 (page 9)

For **Child Benefit** the new rates are £20.70 a week for the eldest child and £13.70 for other children (page 18)

For **Income Support** the new basic rates are £73.10 a week (single person over 25) or £114.85 (couple rate) (page 24)

Contribution based Jobseeker's Allowance is now £73.10 for a single person over 25 and £57.90 for under 25's (page 26)

Pension Credit basic allowance now £151.20 for a single person and £230.85 for a couple (page 29)

Statutory Sick Pay is now paid at £88.45 a week and the earnings threshold is £112 (page 61)

Employment and Support Allowance assessment period rate has increased to £73.10 for a single person over the age of 25. The work related activity component is £29.05 and the support group component is £36.20 (page 62)

Personal Independence Payment

Daily living: enhanced rate £82.30; standard rate £55.10

Mobility: enhanced rate £57.45; standard rate £21.80 (page 65)

Carer's Allowance now £62.10 and the Carer Premium is £34.60 (page 67)

Disability Living Allowance

Care component: High rate £82.30; middle rate £55.10; low rate £21.80

Mobility component: High rate £57.45; low rate £21.80 (page 68)

Significant changes

A new flexible option for parental leave has been introduced, called Shared Parental Leave.

Changes to the earnings limit for Carers Allowance give more scope for some parents to claim Carers Allowance **and** claim Working Tax Credit.

There have been changes to rules for accessing pension pots and changes are planned to the State Pension.

Further information on these changes can be found below

Shared Parental Leave

This was introduced in April 2015. It provides flexibility in the way parents choose to care for a new baby. It can be used alongside, or instead of, traditional Maternity or Adoption leave. Or you can continue to use the previous system.

For Shared Parental Leave the amount of leave available is calculated using the mother's entitlement to maternity/adoption leave, which allows them to take up to 52 weeks leave. If they reduce their maternity/adoption leave entitlement they can opt in to the Shared Parental Leave system and take any remaining weeks as Shared Parental Leave.

Shared Parental Leave enables both parents to take time off together if they want, and you can stop and start it with separate periods of leave.

There is an entitlement to ask for up to 3 periods of leave although an individual employer may allow more. However although you can ask for up to 3 periods of leave an employer has the right to refuse such discontinuous leave for business reasons; an employer has to grant continuous leave provided the qualifying conditions (pay level, length of time in employment, sufficient notice given) have been fulfilled.

Shared Parental Leave must be taken within one year of the birth.

A notice of entitlement to take parental leave must be submitted at least 8 weeks before the employee intends to take it.

Shared Parental Leave can only be used after the mother has already returned to work or given notice of to their employer that reduces their maternity/ adoption leave

Eligibility

To qualify for Shared Parental Leave you must share care of the child with either:

- Your husband, wife , civil partner or joint adopter
- The child's other parent
- Your partner (if they live with you and the child)

You or your partner must be eligible for Maternity Pay or Leave, or Maternity Allowance, or Adoption Pay or leave

You must also:

- Have been employed continuously for at least 26 weeks by the end of the 15th week before the due date/ week of notification in the case of adoption
- Be employed by the same employer whilst you take Shared Parental Leave

For your partner to be eligible they must, in the 66 weeks before the baby is due:

- Have been working for at least 26 weeks (not necessarily continuously)
- Have earned at least £30 a week on average for 13 of the 66 weeks

(This can be in employment, self-employment or as an agency worker)

Sometimes only one parent in a couple is eligible to get Shared Parental Leave, in which case you can use the system to book your leave in separate blocks even if your partner cannot share it.

During Shared Parental Leave you will qualify for **Statutory Shared Parental Pay** if :

- you qualify for Statutory Maternity Pay or Statutory Adoption Pay
- You qualify for Statutory paternity Pay and have a partner who qualifies for Statutory maternity Pay/Maternity Allowance or Statutory Adoption Pay.

Statutory Shared Parental Pay will be paid at the rate of £139.58 per week or 90% of your average weekly earnings, whichever is the lower.

A comprehensive guide to Shared Parental Leave is available from ACAS at www.acas.org.uk

Carers Allowance

From 6th April 2015 the amount you are allowed to earn and still be entitled to claim Carers Allowance increased to £110 a week.

This means that for some families (in particular single parents or those where one parent is looking after a disabled partner) it is possible to work 16 hours a week on the minimum wage (currently £6.50 an hour, rising to £6.70 in October) **and** claim Carers Allowance **and** claim Working Tax Credit. (This situation used to exist a few years ago but then the minimum wage was increased without a corresponding increase in the amount carers were allowed to earn). This helps to maximise income.

Pensions

From April 2015 there has been more freedom over how to take money from some types of pension pots (defined contribution pensions). Advice on this can be obtained from Pensionwise. Phone appointments can be made with the Pensions Advisory Service or face to face appointments arranged to take place at some Citizens Advice Bureau offices. More detail can be obtained from www.pensionwise.gov.uk

A new system of state pension will be introduced from 6th April 2016. The amount you receive will be the higher of the amount you would receive under the current state pension, or the amount you would receive if the new state pension had been in place at the start of your working life. A state pension statement can be obtained by going to www.gov.uk/state-pension-statement.

Advice on workplace, defined benefit pensions (ones based on your salary and the length of time you have been with your employer) can be obtained from the Pensions Advisory Service (0300 123 1047, www.pensionsadvisoryservice.org.uk) or The Money Advice Service (0300 500 5000, www.moneyadviceservice.org.uk)

Additional changes

Local Assistance Scheme (page 45) - Applications for this can now be made on-line, go to www.surreycc.gov.uk/las

FEET (page 51) – Since 31st Dec 2014 there has ceased to be entitlement via “other circumstances”. Details of FEET are now available at www.surreycc.gov.uk/feet

Career Advice (page 52)- The helpline number for U-explore is now 0113 276 8080

Universal Credit

Latest DWP guidance suggests that Universal Credit will start to be introduced in Surrey between December 2015 and April 2016. However it should only apply to single people at that stage and not families. We will keep you up to date and provide further details when we know more.