

Money Matters for Every Child Booklet

April 2016 Update

These updates apply to the October 2014 version of this booklet. A previous set of updates was issued in April 2015 and most of these still apply.

Benefit Increases

Benefit rates have, in most cases, been frozen and so the April 2015 rates still apply. The exceptions are pension and pension credit payments.

Pension Credit basic allowance is now £155.60 for a single person and £237.55 for a couple (page 29)

Change to system for claiming Maternity Allowance for the self-employed

There has been a change in the way the self-employed pay their NICs earlier in the year. HMRC has stopped collecting them throughout the year and instead they are calculated when a Self-Assessment return is sent back. This means that any NICs for e.g. April 2015 might not have to be paid until January 2017 for those who file their returns on line.

The rules for claiming the full rate of Maternity Allowance (the relevant maternity payment for self-employed women) require women to have to have paid Class 2 NICs for 13 weeks in the 66 week test period and under the new NI collection rules this would not be achievable.

To address this, self-employed women whose babies are due on or after 12 July 2015 and who claim MA will be given the option to pay Class 2 NICs early before their Self-Assessment is due under an exceptions process, so that they may be awarded the standard rate for their claim. This payment option is only available to those claiming MA and will apply whether or not you ultimately become liable to pay Class 2 NICs.

This is not alluded to on the Maternity Allowance claim form and notes. In practice it seems you fill in the form and Jobcentre Plus will contact HMRC who will then let you know how to pay in advance. We are not sure how well this works in practice and would definitely suggest writing a letter to go with your form and phoning Maternity Allowance if you have queries. (Page 9)

The same rules seem to apply to those who can claim Maternity Allowance because they regularly take part in the self-employed business of their spouse or civil partner, because the spouse or civil partner can in this instance pay NI in advance. However in these cases they can never receive more than £27 for 14 weeks. (Page 9)

Change to Tax Credit Income rise disregard

Previously, if your income went up during the year, it was only necessary to inform Tax Credits immediately, to avoid an overpayment, if your income had risen by more than £5,000. It is now important to do this if your income rises by more than £2,500 (page 21).

Change to waiting period for help with Mortgage Costs

This has increased from 13 weeks to 39 weeks

Change to Carer's Allowance from previous update

Last April we reported that the amount you were allowed to earn and still claim Carer's Allowance had increased to £110 a week. This meant that for some families it was possible to work for the minimum wage, claim Carers Allowance **and** claim Working Tax credit (as they could work 16 hours). The introduction of the National Living Wage of £7.20 an hour makes it unlikely for this to be achievable any more unless there are deductions from earnings that can be made (or the carer is under 25 and not eligible for the National Minimum wage). (Page 66)

New Case Law for Disabled Children in Hospital

If a child was in hospital for more than 84 days any payments of DLA care and mobility components were stopped. However a ruling in the Supreme Court in 2015 has resulted in this suspension of payment being deemed discretionary, depending on the amount of care being given by the parents. Seek advice if a child is in hospital and substantial amounts of care are still being given by the parents.

Future Planned Changes (for Universal Credit see next section)

- It is intended to replace the current **help with mortgage costs** by a system of recoverable loans, from April 2018 (page41)

- The government intends to stop the additional £29.05 component for those placed in the WRAG group for **ESA**, (page 62). The additional payment of £36.20 for those in the support group will be continued.
- Following a ruling in the Supreme Court in 2016, the government has announced its intention to exempt all recipients of Carers Allowance from the **Benefit Cap** (page 41); it is also intended to exempt recipients of Guardian's Allowance. This is expected to happen in October 2016.

Universal Credit

For a number of years we have been telling you that Universal Credit will be replacing Income Support, Income based Job Seekers Allowance and Employment and Support Allowance, Tax Credits and Housing Benefit.

It has been possible to claim Universal Credit in Surrey since February 2016. However, at the moment, it can only be claimed by British 18-60 year olds who are fit for work, do not have children, are not pregnant and are not in receipt of any disability benefit, nor have any caring responsibilities (as well as a number of other exceptions).

Hence almost all the families that you are dealing with will be continuing under the old benefits system for some time to come; although any families already claiming Universal Credit, who move into the area, will continue under the Universal Credit system.

We will give you more information about Universal Credit when it affects more families in Surrey. However you may come across it in the following areas:

Benefits for Young People 16-19 Not in Education or Approved Training or Employment (page 59)

16-17 year olds in this category continue to only be eligible for Jobseeker's Allowance in very limited circumstances, or Severe Hardship payments.

Young unemployed people aged 18/19 who are British, single, fit for work, have no disability benefits, no caring responsibilities and no children, are likely to have to claim Universal Credit.

They will have to sign a Claimant Commitment, which is a version of the Jobseekers Agreement. It is likely that the Claimant Commitment will impose activities of work focussed interviews, work preparation and work search and the young person will be expected to take-up work immediately.

Applications can be made on line via the www.gov.uk website or online at the local Job Centre Plus. There is a Universal Credit helpline on 0345 600 0723. The basic monthly allowance for a single person aged under 25 is £251.77 a month (Universal Credit is paid monthly).

Contributions can be made towards housing costs but not if the young person lives with his/her parents (and there are plans to limit housing costs for young people from April 2017)

Healthy Start Scheme (page 13)

In the case of Universal Credit claimants there is as yet no definite qualifying condition for vouchers. Instead a discretionary payment might be made. A claim should be made by phoning the Healthy Start helpline on **0345 607 6823**. You will then be asked to send in your award notice and, following an assessment of your situation, you may be awarded cheque payments every 4 weeks.

Help with NHS health costs (pages 14 and 43)

Full help is available for NHS costs if a Universal Credit Claimant had no earnings or net earnings of £435 or less during the most recent assessment period **or** the Universal Credit award includes an element for a child and/or limited capability for work related activity, and there were no earnings or net earnings of £935 or less during the most recent assessment period.

Other Changes

Free school transport for Reception and Year 3 children (page 50)

The Surrey County Council website suggests that there is no longer automatic assessment and parents will have to obtain an application form. Those starting Year 7 will continue to be automatically assessed.

Apprenticeships (page 53)

The website and phone number for information on both apprenticeships and traineeships are now www.apprenticeships.gov.uk and 0800 015 0400

Help with Transport costs for Young people aged 16-19 in education (page 57)

The number for the student fare card team is 0300 200 1004.

Those seeking additional help because of low income or not living on a bus or train route or having a disability and being unable to use public transport, have to fill in an 'Application for Assistance with Travel Expenses for 16-19 year olds' form