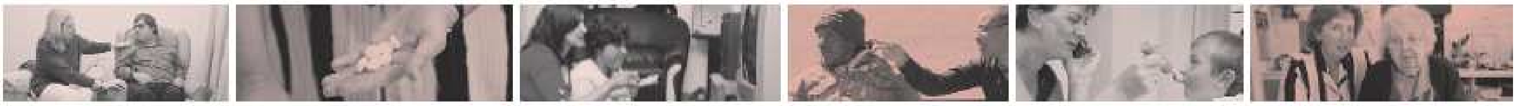
CARERS UK
the voice of carers

Frequently asked questions



Carers and the Welfare Reform Act

How carers will be affected by planned changes to benefits

January 2013

The Government is in the process of making the biggest changes to the benefits system for decades. This is bringing a great deal of uncertainty and fear for families affected by illness and disability who depend on benefits for their everyday living costs.

To try and explain, in plain English, what these changes will mean for carers and their families, Carers UK has put together a list of frequently asked questions about the changes the Government is making to the benefits system – this list was initially published in 2011 and has now been updated to take account of changes since then.

These questions do not cover everything, as the Government's plans are affecting so many different parts of the system and some details are still to be announced. But there are four key areas for carers:

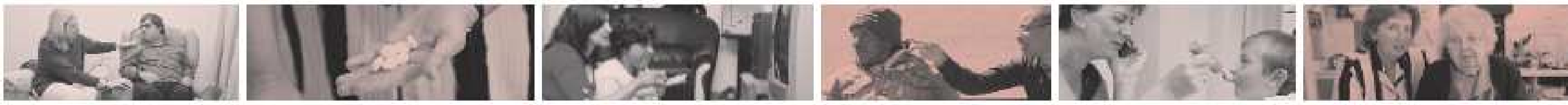
1. **Universal Credit -** this section explains the new Universal Credit the Government is introducing for people of working-age (people over pension age won't be affected), which benefits are being replaced, when the changes will come in and what these changes will mean to carers and their families.
2. **Carers' benefits -** although Carer's Allowance is remaining as an independent benefit, working-age carers on means-tested benefits will move onto the Universal Credit.
3. **Disability Living Allowance -** DLA for working age people is being replaced by a new benefit called Personal Independence Payment and the budget is being cut. What will this mean for families?
4. **Other changes –** the Government is also making other changes including 'localising' Council Tax Benefit

1. Universal Credit

What is Universal Credit?

To simplify the benefits system, the Government has announced that they are creating a new benefit, called Universal Credit, to replace most existing benefits and tax credits for people of working age. The benefits being replaced include:

- Working Tax Credit



- Child Tax Credit
- Housing Benefit
- Council Tax Benefit
- Income Support
- Income-based Jobseeker's Allowance
- Income-based Employment and Support Allowance

All of these payments will be wrapped into this new single benefit.

Universal Credit will be paid either on an individual basis if claimants are single, or to couples jointly.

When calculating how much Universal Credit people will get the Government will include a basic rate called the 'standard allowance' and extra amounts for people in different circumstances – for example, if they are a carer, have children, a disability or need help with housing costs.

Under the old rules these amounts used to be called 'premiums' – for example the carer premium or the severe disability premium. In future, extra amounts for people in different circumstances in Universal credit will be called 'elements'.

What will happen to me if I am currently getting one of the benefits being replaced by Universal Credit?

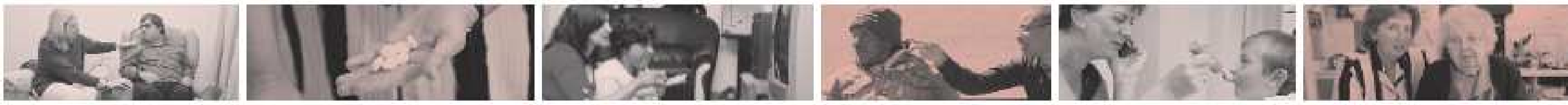
The Government plans to move everyone on the benefits listed above onto the Universal Credit within the next six years:

- In April 2013 a Universal Credit 'pathfinder' will take place in the North West – several thousand new claimants will be processed as Universal Credit claims across Tameside, Oldham, Wigan and Warrington.
- Between October 2013 and March 2014 further local pilots across the country will take new claims.
- From April 2014 there will be a phased introduction of Universal Credit for all new claims which are made for the benefits listed above.
- From 2015, people on existing benefits will begin to be moved onto Universal Credit. This process will be complete by 2017.

The Government has said that no-one will be worse-off as a result of moving onto Universal Credit. The Government says it will ensure that people will get the same amount that they used to get under the old system when they move to Universal Credit. So if you were moved onto Universal Credit and it looked like you would end up worse-off, the Government has said it will provide a top-up payment to keep your income at the same level as your previous benefit/s.

However this protection would not be permanent - and may be very short-term - because if your circumstances change your income would no longer be protected.

So if, for example, you were getting Income Support and a 'carer premium' for looking after a partner, who also received Employment and Support Allowance, then you would both be guaranteed



the same income when you were moved onto Universal Credit. But if your partner's condition improved briefly and you were both able to work, but then their condition worsened, you wouldn't be guaranteed the same money when you claimed Universal Credit again.

Will I be able to get Universal Credit if I/my partner are earning/have savings?

Like the benefits it is replacing, Universal Credit will be 'means-tested'. This means that anyone who applies for it will have their income and savings assessed. If they or a partner have income from benefits, earning or pensions over a certain amount or they have a certain amount of savings, they will be unable to get Universal Credit.

Income

Income is looked at on a 'household' basis, so if you have a partner who is earning, their income will be taken into account. However, some income from benefits such as Disability Living Allowance and Attendance Allowance will be ignored. People will also be able to earn some income which will be ignored.

People receiving Universal Credit will be able to earn a small amount each week before their Universal Credit is affected. This amount is called a 'work allowance'. The level may be higher if they have children or if they are disabled. If earnings are higher than the 'work allowance' amount then the person's benefits will start to be gradually taken away.

One of the principles of Universal Credit is that people should be better off in work and better off working more hours, so there should be fewer 'cliff edges' in Universal Credit, where just earning a little bit more suddenly causes a big cut in benefits.

The Universal Credit system is also being designed to communicate with employers and the tax system. In theory this means that if someone receiving it earns a bit more one week and a bit less the next their benefits should go up and down automatically.

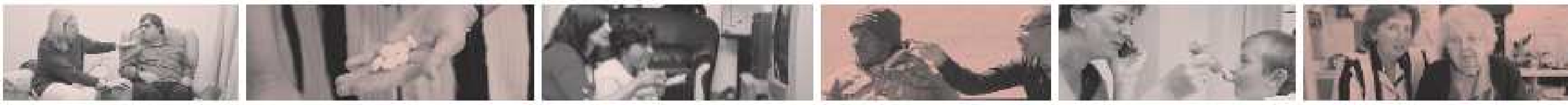
Savings

For Universal Credit, if you or you and a partner have over £16,000 of 'capital' (like savings, investments, certain compensation payments or property which you *do not* live in) you will not be able to receive any Universal Credit.

If you have between £6,000 and £16,000 the Government presumes you are getting some income from this 'capital' (like interest from savings, or dividends from shares). For every £250 of 'capital' over £6,000 you will be treated as having £1 a week in income. If you have less than £6,000 in 'capital', your Universal Credit claim will not be affected at all.

2. Carers benefits

What is happening to Carer's Allowance?



There are currently three main groups of people getting carers' benefits:

1) **Carers who currently do not qualify for means-tested benefits and just get Carer's Allowance at £59.75 (2013/14 rate) a week.**

   Carers in this group will not be directly affected by the introduction of Universal Credit. This group will remain outside the new system and the Government has not announced any plans to reform the Carer's Allowance they receive.

   Providing that the person they are looking after continues to receive benefits including -

   - the middle or higher rate of the care component of Disability living Allowance, or
   - Attendance Allowance, or
   - the daily living component of Personal Independence Payment,

   the carer will continue to receive to receive Carer's Allowance while they satisfy all the other rules for the benefit.

2) **Working age carers who receive means-tested benefits like Income Support, Jobseeker's Allowance, income-related Employment and Support Allowance or Housing Benefit; with or without a Carer Premium (an extra amount for carers of £33.30 a week – 2013/14 rate).**

   Carers in this group will have their means-tested benefits moved onto Universal Credit.

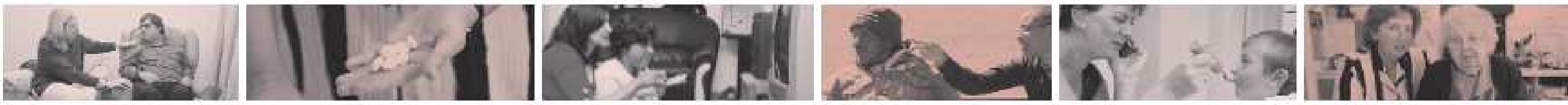
   Carers who are currently on Income Support or Jobseeker's Allowance will have those benefits replaced by the 'standard allowance' of Universal Credit and may get an extra amount for caring, called a 'carer element' - similar to the 'carer premium'. They may also get help with the costs of their mortgage interest payment and additional amounts for any children they have.

   If they qualify for Housing Benefit (to help with the cost of rent) they may receive other additional amounts, to help with these costs. However, there is a cap to the amount of benefits in total that some carers will be able to receive which may affect how much support carers get towards their housing costs – (see the section on 'Could the planned cap on benefits affect carers?' on page 10).

   For more information on how the changes will effect carers who also used to claim income-related Employment and Support Allowance (see section on Employment and Support Allowance).

   If carers' circumstances remain the same they should not be worse off when they move onto Universal Credit, but this could only offer very short-term protection (see page 2 for details)

3) **Carers over State Pension age, who qualify for Carer's Allowance but cannot get it at the same time as their State Pension because of the rules of the benefits system. These carers may get a Carer Addition (an extra amount for carers of £33.30 a week – 2013/14 rate) in Pension Credit.**



Most carers will not be directly affected by the introduction of Universal Credit and will continue to receive the same benefits and pension as they did before.

However, for new claimants, there will be changes to the age at which couples become entitled to Pension Credit. Before the introduction of Universal Credit, a couple could claim Pension Credit when one of them reached state retirement age. With the introduction of Universal Credit a couple will not be able to claim Pension Credit until both of them have reached state retirement age.

This will have an impact on the amount of income couples receive from benefits – with older people having to wait longer before they get entitlement to the more generous benefit rates of Pension Credit.

The Government has also announced that it is simplifying the process for claiming the carer addition in Pension Credit. Carers in receipt of a state retirement pension will be able to claim Pension Credit - and receive the additional carers premium in Pension Credit - without making a claim for Carer's Allowance.

But if I am moved onto Universal Credit, won't I be forced to look for work?

The Government has said that people with 'regular and substantial' caring responsibilities *will not* have to look for work. It looks like this will be defined as 35 hours a more of caring a week – Carers UK are checking whether this means 35 hours of care for one person, or whether the 35 hours could be made up of multiple caring responsibilities as we have argued that it should.

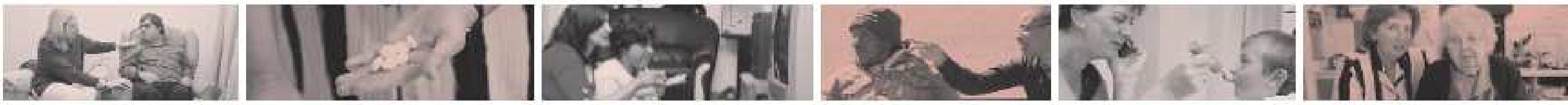
We also remain concerned about how carers caring for under 35 hours a week will be treated, as for many carers who provide substantial amounts of care, but not quite 35 hours a week, working would be impossible.

This protection from being forced to look for work is important because the Government plans to introduce much tougher measures for people on Universal Credit who are forced to look for work – including the removal of their benefits - if they are not considered to be trying hard enough. We also know that sometimes Department of Work and Pensions (DWP) staff are not always aware of the rules related to carers – and not good at identifying carers - when they are dealing with applicants.

Carers UK will therefore be working hard to try to make sure that DWP staff are well trained to recognise carers.

The person I care for gets Employment and Support Allowance (ESA)/ I get Employment and Support Allowance as well as caring – will these changes affect that?

Yes, Employment and Support Allowance (ESA) is one of the benefits affected by time limiting changes and the introduction of Universal Credit.



The Government has said that ‘contributory ESA’ will continue to exist outside of Universal Credit – however it is being time limited for people in the work-related activity group.

People who get ‘income-related ESA’ will be moved on to Universal Credit,

How ESA works

Firstly, here is a quick explanation of how the current ESA works. It is a benefit designed to provide an income for people who are unable or have a limited capacity to work and earn because of illness and disability.

There are two types of ESA:

- ‘Contributory’ ESA – this is not means-tested and is designed for people who have built up National Insurance contributions through paid work or being credited with contributions. As with other ‘contributory benefits’ the idea is that, because you have paid into the system through National Insurance, if you need help because you fall ill, the state will support you.
- ‘Income-related’ ESA – this is means-tested and is for people on a very low household income. You do not need to have a National Insurance record to get this.

Whichever of these you are entitled to, you go through the same process when you make a claim for ESA. You are asked submit evidence about your condition and then most claimants have a face-to-face ‘Work Capability Assessment’ to look at how able you are to work. Following the assessment, people who are found ‘fit for work’ are put onto Jobseeker’s Allowance and are expected to look for work.

Successful claimants for ESA are put into one of two groups:

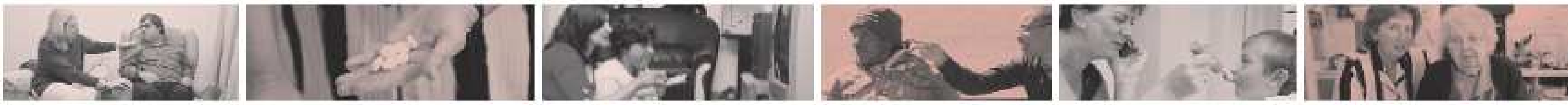
1. The support group - this is for people whose condition means they have a limited capability to work and are not expected to look for work as a result.
2. The work-related activity group – this is for people who have been judged as <u>not</u> having limited capability for work. In order to receive ESA claimants must be engaged in ‘work-focused activity’ to start preparing to go back to work. People in this group are paid a lower rate than the Support Group.

Time limiting

People who are found to have a ‘limited capability to work’ and are put into the support group will continue to get income related and contributory ESA indefinitely.

People who are in the work related activity group, have their benefit ‘time-limited’ and will only be able to receive the benefit for a year in total.

What does ‘time-limiting’ contributory Employment and Support Allowance mean?



Since April 2012, receipt of the work-related activity component of contributory ESA has been time-limited to 12 months.

Many of the people with the most severe illness and disabilities will not be affected, because they are put into the support group of ESA and will be able to receive this benefit indefinitely. However we know from the current system that the Work Capability Assessment often goes wrong. Charities representing people with fluctuating conditions like MS, or people with mental health conditions also express deep concerns that this assessment may only get a snapshot of someone’s condition (during a short interview) which does not reflect how they are most of the time.

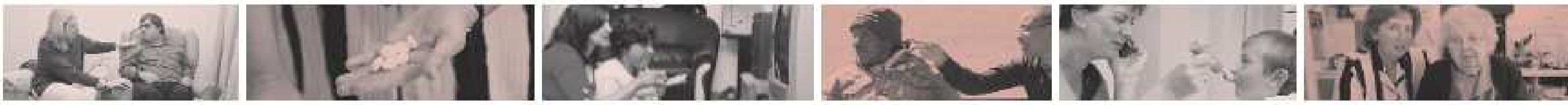
All of this means that there are a lot of people in the work-related activity group who face huge challenges in trying to work. Carers UK believes that telling people that they must find work within one year, before their sickness benefits are cut off, is completely impractical, unfair and fails to recognise the huge difficulties they and their families face. If you are recovering from serious illness like a stroke, or dealing with a condition that is gradually getting worse, reducing your benefits after a year may make your condition worse and push you into financial hardship – this is going to make it *less* likely you will get back into work, not more likely.

If people lose contributory ESA because of time-limiting, those who have no other income or who have a very low household income could make a claim for income-related ESA and, in the future, Universal Credit. But there are many ill or disabled people who have a small amount of savings or a partner who works who will not be able to get income-related ESA or Universal Credit and face losing their only independent income when ESA is cut off.

So, to recap: ESA claimants in the different groups will be affected in different ways:

Type of ESA	**Group**	**What is going to happen under Universal Credit**
Contributory	Support Group	People who are assessed as having ‘limited capability to work’ and have enough National Insurance Contributions will continue to receive ESA indefinitely, even once Universal Credit is introduced.
	Work-related Activity Group	People who are assessed and told their condition means they should be preparing for work, will have their ESA time-limited to one year.
Income-related	Support Group	This group will be moved onto Universal Credit which has a ‘limited capability for work’ element similar to the ESA support component.
	Work-related Activity Group	This group will be moved onto Universal Credit which has a ‘limited capability for work-related activity’ similar to the ESA work-related activity component.

Contributory ESA is not being made part of Universal Credit and is remaining as an independent benefit. But income-related ESA is being replace by Universal Credit. There will be a similar structure with a Limited Capability for Work (LCW) element similar to the Support Group component of ESA and a Limited Capability for Work-Related Activity (LCWRA) component like the Work-related Activity Group component of ESA.



What will happen under Universal Credit if I currently get both Employment and Support Allowance and the carer premium?

There are a considerable number of carers who also have health issues themselves – sometimes as a direct result of their caring roles.

If you lose contributory ESA because it is time-limited and you are a carer you may also satisfy the rules for Carer's Allowance. If this is the case it is important for you to seek expert advice – contact Carers UK's Adviceline.

What is changing for disabled carers under Universal Credit

For those carers that currently claim income-related ESA there are both disability related premiums and the carers premium added to the calculation of how much they will be entitled to when ESA is paid. Therefore the old system recognised that a carer with health problems may need more to live on than a carer without health problems.

Under the Universal Credit rules, a carer will only be entitled to *either* a carer element or a disability element – not both. The carer will be paid the disability element if this is worth more than the carer element.

Many carers with health problems will be worse off because of this change – Carers UK has said this is deeply unfair and completely fails to understand the reality of many families' lives - where you aren't *either* caring *or* disabled, but that carers can often be ill or disabled and that disabled people often care. However the Government is going ahead with this change.

If you are a carer and are getting either income related or contributory ESA yourself, the changes become complicated. Do seek advice!

What is happening to the severe disability premium in means tested benefits?

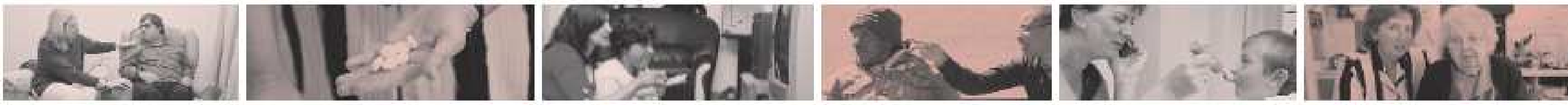
Again – the way that benefits are calculated are all important here.

Currently, working aged disabled people receiving the middle or higher rate care component of DLA, who are also on means-tested benefits (eg. Income Support, Jobseeker's Allowance, income-related ESA, Housing Benefit etc) might receive the severe disability premium (SDP), worth £59.50 a week (2013/14 rate), to meet the extra costs of disability.

The severe disability premium is often used by disabled people to help meet the range of additional costs they and their families face – like household, food or transport costs.

It can be claimed by an individual if

- They are in receipt of:–
    - The Disability Living Allowance care component (at the middle or highest rate)



- o Attendance Allowance (or Constant Attendance Allowance)

- No-one receives Carer's Allowance for looking after them.

- And if they do not live with another 'non-dependent' (ie. they are living on their own or are classed as 'living alone' because they live with another disabled adult receiving a disability benefit or with dependents, like children under 18).

So people being cared for by an adult who lives with them or who gets Carer's Allowance for looking after them would not be entitled to Severe Disability Premium.

However the severe disability premium is not being provided under Universal Credit and there is no similar replacement payment.

Disabled people will only qualify for the higher or lower level of the disability addition in Universal Credit (the LCW, 'limited capability for work'; or LCWRA 'limited capability for work-related activity' elements which will replicate the work-related and support groups of Employment and Support Allowance).

We do not yet have full details on the amounts for the elements in Universal Credit, but disability charities have expressed deep concerns that the abolition of Severe Disability Premium will leave this group substantially worse off.

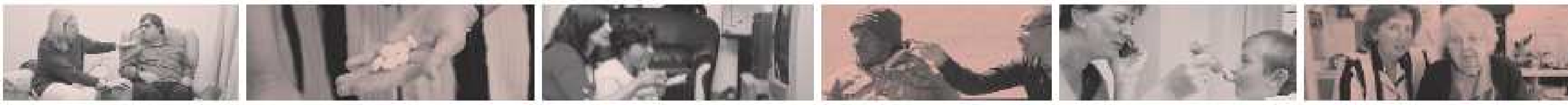
We know that many families still provide some support for someone receiving Severe Disability Premium (this is particularly common when the disabled person lives independently) and those families will be extremely concerned about the impact this drop in income would have on the people they support.

If I receive the disability addition to Child Tax Credit how will this be replaced in Universal Credit?

Currently, parents who receive Child Tax Credit (a means-tested credit for people responsible for children) who care for disabled children are entitled to a top up to their tax credit – a 'disabled child element,' (worth £3,015 a year, £57.89 a week – 2013/14 rates) if their child receives any level of Disability Living Allowance. Children with the most severe disabilities are entitled to a 'severe disability element' (worth an additional £1,220 a year, £23.46 a week).

The Government has announced that the replacement for these elements in Universal Credit will be 'aligned with the adult disability additions in Universal Credit'. This means that there will be a lower rate (at approximately £30 a week) and a higher rate (at around £80 a week). It is expected that the higher rate will link to the top rates of the DLA care component/Personal Independence Payment daily living component and this rate looks like it will be very slightly higher than the existing severe disability element. So families of the most disabled children may be slightly better off.

However this means that families of children receiving the middle or higher rates of DLA or the standard rate of Personal Independence Payment would only qualify for the lower rate and would



receive a considerably smaller additional payment under Universal Credit (approximately £30 a week) than they currently would (the £57.89 element of Child Tax Credit).

Again, what could be short-term transitional protections would apply, but only for families who receive the existing element.

Could carers be affected by the planned cap on the total benefits households will be able to receive?

Yes. Although many carers will be protected from the cap because they are linked to the disability benefits of the person they care for (some of which will give protection from the cap) we know that around 5,000 carers in the UK will be affected.

The Government has said that single people will have their total 'household benefits' capped at £350 a week, and couples and lone parents at £500 a week.

This is different from the 'cap' on how much benefits rise each year to take account of rising household bills ('inflation') – this is explained on page 16 'Are benefits going to be cut?'

What is a 'household'?

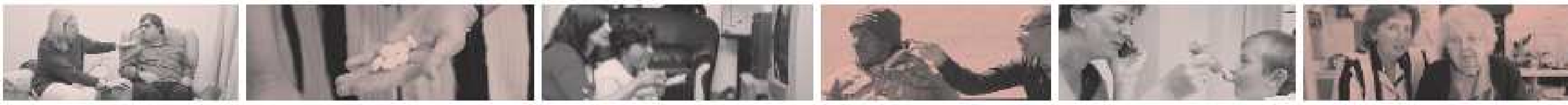
This is a very important question – and whilst it may seem obvious, the way that a 'household' is defined in the benefits system doesn't just mean the people who live in the same home.

For the purposes of the benefits system, a 'household' is considered to be an adult, their partner (if they have one) and any children they have under 18. If any other adult relatives, like older parents, brothers and sisters or even adult children live in the same house they are considered to be part of a different benefits 'household' or unit. The logic of this is that if you are living with your brother or sister, for example, your incomes are separate and you wouldn't expect any of their earnings or savings to be taken into account by the Government when calculating your benefits. This also applies when children turn 18 – their benefits are seen to be their own independent income and aren't counted as part of their parents' benefits package.

So who will see their benefits capped?

Any 'household' who has benefits over £350 a week for a single person or £500 a week for a couple or lone parent will have their benefits reduced to those levels. However the Government has said that if someone in the household receives certain benefits the cap will not be applied to that household.

So the cap will not apply if someone in the 'household' (an individual, their partner or a child under 18) receives Working Tax, the support component of Employment and Support Allowance, Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Industrial Injuries Benefit (and equivalent payments under the War Disablement Pension or Armed Forces Compensation Scheme) or a war widow's or widower's pension



This means that many carers should not be affected - because they are caring for a disabled partner or child who receives one of those benefits their benefit ‘household’ will be protected from the cap.

But carers could still be affected if they are caring for an *adult* disabled child or other adult relative, even if they are living with them. This is because of that definition of a ‘household’. The adult disabled person would not see their own benefits capped if they receive one of the benefits listed above, but this protection from that cap would only apply to them (and if they have a partner or any children themselves). But their protection from the cap would not extend to other people who aren’t treated as being within the same benefits ‘household’ as them.

Here are a couple of examples to illustrate this:

Phillip and Trish care for their disabled son Mark who is 15 and receives Disability Living Allowance. Because all three are considered to be part of the same ‘household’ (because they are a couple and their son is under 18), the fact that Mark receives DLA means that they will all be protected from the cap.

Tony and Christine care for their disabled daughter Jess who is 19 and receives Disability Living Allowance. Jess lives with her mum and dad but her benefits (DLA and Employment and Support Allowance) aren’t considered to be part of the same ‘household’ because Jess is an adult. So whilst Jess’s benefits would not be capped, Tony and Christine could have their benefits capped because no-one in their benefits ‘household’ receives one of the benefits which offer protection from the cap.

In short, people caring for children under 18 and partners receiving one of the protected benefits will not be affected, but if you care for an adult disabled child or another adult who isn’t a partner (a brother, sister, older parent, cousin, aunt or uncle for example) then you are at risk of having your benefits capped, because their benefits wouldn’t offer you protection *even if you live together.*

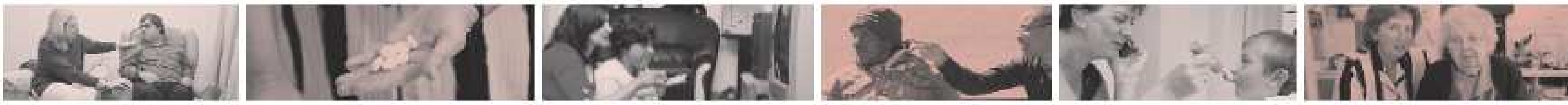
However, carers caring for an adult disabled child or other adult relative could see their benefits capped, because the AA/DLA/PIP of the people they care for is not considered to be in the same benefit ‘household’/unit as the carers’ – even if they are living together.

This is confusing and complicated, and Carers UK has repeatedly told the Government it is simply unfair to protect some carers but not others just because of a technical detail about how the benefits system works. Carers UK worked with MPs and Members of the House of Lords to fight this, however the Government is pressing ahead with the plans.

We do know that most carers will not be affected by the cap because of these exemptions or because they already receive less than the cap levels. However the Government has now told us that over 5,000 carers in the UK will see their benefits capped.

This is only around 2 in every 100 carers on means-tested benefits, but these families would lose an average of £105 per a week which could push them into crisis.

Local councils and job centres have a responsibility to advise families what action they should take if they have their benefits capped, and there is some funding to give some families ‘discretionary



hardship payments' if they are struggling. However this is only designed to be temporary and most of the advice will centre on how to find work or finding a cheaper place to live, both of which are options unsuitable for most carers.

If your benefits have been capped and you are a carer – ask for a discretionary housing payment from your local council and they will also try and give advice on what options you have.

What is the 'bedroom tax'? Will it affect carers?

The 'bedroom tax' is the name campaigners have given to changes the Government is making to the 'size criteria' in Housing Benefit – the rules on how much Housing Benefit you get according to the size of your home.

The size criteria rules have restricted Housing Benefit for people renting in the private sector for some years. From April 2013 these rules will also be applied to people in the 'social housing sector' (eg. housing associations or local council tenancies).

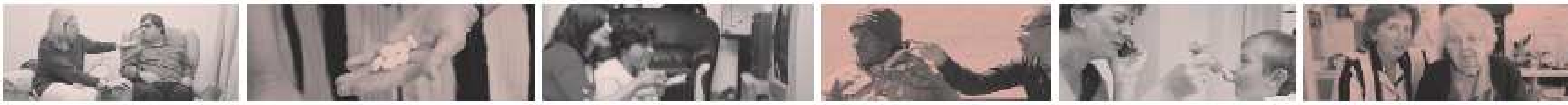
The change will restrict Housing Benefit to allow for one bedroom for each person or couple living as part of the household, with the following exceptions:

- Children under 16 of the same gender are expected to share
- Children under 10 are expected to share regardless of gender
- A disabled tenant or partner who needs support overnight from a 'non-resident' will be allowed an extra room (this could be a carer or a care worker, but they must not live with them).

In addition, following a court case, children unable to share a room because of a disability will be able to have an extra bedroom. The Government is appealing this decision and the outcome of this Appeal is likely to be known in April 2013 on whether it will be possible for an extra bedroom to be claimed by the family of a disabled child.

However if families do not fall into one of these groups and are seen to be 'under-occupying' their home because they are seen to have 'spare' bedrooms, their Housing Benefit will be reduced. The reduction in support will be 14% of the total eligible rent for under occupation by one bedroom, or 25% of the total eligible rent for under occupation by two bedrooms or more – this means tenants will have to find this shortfall in rent themselves. These new rules will be similar when Universal Credit is introduced, and people who are considered to be 'under-occupying' their homes will have the support Universal Credit supplies for housing reduced.

Carers UK is concerned that there are groups of carers who do not fall into these exceptions who would be affected. For example, couples who use their 'spare' bedroom when recovering from an illness or operation, or who cannot sleep in the same room because of disturbed sleep, parents whose disabled children visit but are not part of the household.



People will be able to apply for 'Discretionary Housing Payments' from their councils but these are only designed to be temporary to give people to either increase their income from working or to find smaller accommodation. For carers unable to work they will simply be unable to find the extra money and would be forced to consider down-sizing or moving to a cheaper area.

3. Disability Living Allowance

What is happening to Disability Living Allowance?

The Government plans to replace Disability Living Allowance (DLA) with a new Personal Independence Payment, which will have a new structure and new assessment process.

The Personal Independence Payment will have the following structure:

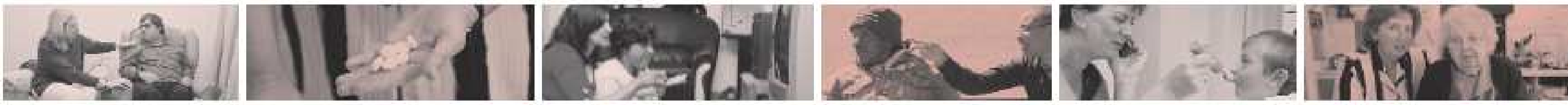
1. A *daily living component* for disabled people whose ability to carry out daily living activities is limited by their physical or mental condition. This is similar to the existing care component of DLA
2. A *mobility component* for individuals ability to carry out mobility activities is limited by their physical or mental condition – this is similar to the DLA mobility component.

However there will be a difference in the rates compared to DLA:

Disability Living Allowance (current system)		**Personal Independence Payment (replacement benefit starting in 2013)**	
Care component	Lower Middle Higher	Daily living component	Standard Enhanced
Mobility component	Lower Higher	Mobility component	Standard Enhanced

So the Personal Independence Payment daily living component will have only two rates rather than the three rates of the DLA care component. It is becoming clear that this will mean substantial numbers of people currently receiving the lower rate care component will lose support, but the Government's figures also show large numbers of people from the other groups either seeing support reduced or losing support entirely.

How will people be assessed for the new benefit?



A new assessment will also be introduced, including evidence from an 'independent medical professional' which is likely to include a face-to-face interview. Everyone of working age on DLA and all new claimants for people under 65 will be assessed with this new process.
We are worried that this new assessment will focus on a small amount of medical evidence from this independent assessor, based on a short face-to-face meeting, and will fail to fully understand disabled people's needs. Following concerns that very severely disabled people would be called in for a stressful and unnecessary assessment when the level of their disability is already very clear, Government has said that, when assessors receive evidence on paper, they may decide that a face-to-face assessment is not necessary. We don't know how this will work but it is clear that the vast majority of people will still be called in for a face-to-face assessment.

Carers UK believes that it is essential that a wide range of evidence is used, including carers' knowledge and expertise. We have big concerns about the new test, given many of our member's experiences of existing similar tests for Employment and Support Allowance and it will be very important that if people lose support following an assessment they are helped to appeal against the decision.

Do these changes apply to everyone on DLA?

The Government has announced that all *working-age* claimants will have to be reassessed under the new process or when they make a new claim.

The Government may look at implementing the Personal Independence Payment changes for disabled children on DLA at a later date – but that is not part of current plans. At the moment children and young people under 16 will continue to be able to claim DLA.

People currently over 65 who have kept their DLA claim will continue to get DLA so long as they continue to meet the conditions.

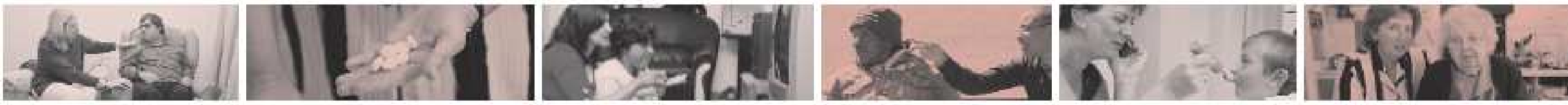
There are currently no plans to reassess these people for Personal Independence Payment.

People who need support after the age of 65 will also continue to be able to claim Attendance Allowance – which isn't be affected by these changes.

What if someone is already claiming Disability Living Allowance?

The new Personal Independence Payment will start to be introduced in 2013, starting with new claims. In April 2013 small trial areas in Merseyside, North West England, Cumbria, Cheshire and North East England will begin with several thousand new claims, and by June 2013 this will be rolled out nationally and the Government will treat every new claim for DLA for people of working age, as a claim for the new benefit – Personal Independence Payment.

For people already claiming DLA the reassessment process starts in October 2013 when a relatively small group of DLA claimants will be selected for a reassessment under the new assessment for Personal Independence Payment. This will build up to a full national programme focussing on reassessing all working age people on DLA. To start with, it will just focus on people whose



circumstances change and in 2015 this will expand further to reassessing everyone else of working age who gets DLA even if their circumstances have stayed the same (again it is important to remember that children under 18 and people over 65 receiving DLA aren't being affected by these changes). They are aiming to have reassessed all (working age) DLA claimants under PIP by 2016.

Existing DLA claimants will have to apply for the new benefit and evidence will be gathered from a range of sources on their condition, including the new face-to-face assessment. Unlike with the Universal Credit, they have not guaranteed that people will not be left worse-off.

Isn't the Disability Living Allowance budget being cut?

Yes. Whilst the Government has said that they intend to keep the rates of the new benefit (how much claimants get each week) similar to the DLA levels, when they have made it clear that, by the time the reforms are complete, the total budget for Personal Independence Payment will be over a fifth less than it would have been if DLA had been kept.

We are now starting to understand what this means for disabled people. By 2018 there will be 607,000 fewer people getting Personal Independence Payment than would have received DLA if these changes had not taken place.

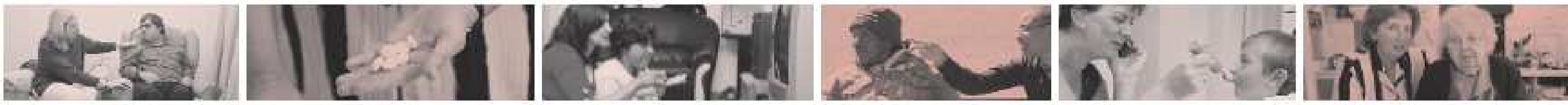
This amounts to a cut of 28% (over 1 in 4) in the number of people who would be entitled to DLA. This will include people making new claims who will now not be entitled to the benefit, and because everyone on DLA is going through a reassessment, some people currently getting support from DLA will lose this support when it is replaced by Personal Independence Payment.

Carers UK completely opposes this cut. It is not backed up by evidence that lots of people are receiving DLA who do not need it, and the fraud rate is only 0.5%. Having benefits reduced or removed could be devastating for many disabled people and their families who depend upon DLA to meeting basic living costs.

Who is going to lose the benefit as a result of cuts?

We can't be sure. It is clear from the Government's figures that the groups most at risk of losing support, or not getting support when they apply for disability benefits, are those who are receiving/or would receive the lower rates of DLA. We are starting to understand which groups are likely to be affected, but because people are going through a new assessment and fewer people are going to get support, each case will depend on a new examination of written evidence and the face-to-face assessment. We do have concerns, based on previous experiences of face-to-face assessments for other benefits like Employment and Support Allowance, about how accurate the new assessments will be. Unfortunately it means we can't provide any guarantees that even the most disabled people are completely protected from losing support.

We realise this will mean a lot of anxiety for families who may have had to fight to get DLA in the first place, and that is why Carers UK is putting together resources to help people prepare for assessments. We cannot make any promises about what the result of a reassessment would be, but we can help arm you with as much information as possible to help you to prepare.



What will the changes to DLA mean for carers?

Currently, in order to qualify for Carer's Allowance you need to be caring for someone on the middle or higher rate care components of DLA or Attendance Allowance. The DLA care component is being replaced with a daily living component of the Personal Independence Payment at standard and enhanced rates. We now know that both of these rates will act as a 'gateway' to Carer's Allowance, similar to DLA.

But this does not mean that carers are protected. The number of people who will be entitled to Personal Independence Payment is going to reduce by 28%. Regardless of whether they get Carer's Allowance or not, many families supporting disabled people could be hit hard if the person they care for loses disability benefits which help them to be independent and pay the extra costs of disability.

In addition, if disabled people lose or are unable to claim their disability benefit, friends or family members would no longer be able to get Carer's Allowance for looking after them. The Government said that their initial testing of Personal Independence Payment, which has included disabled people going through an early version of the assessment, indicated that the number of carers receiving Carer's Allowance would not be affected.

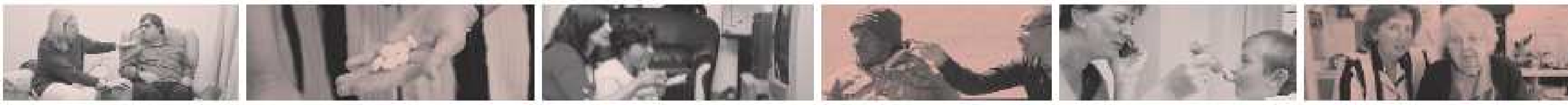
However, we estimate that there will be a 10% reduction in the Personal Independence Payment groups where someone can get Carer's Allowance for looking after them (as the groups receiving middle or higher rate care component are moved onto the standard and enhanced rates of Personal Independence Payment daily living component). As a result, we do not understand how the Government is able to assert that the number of people receiving Carer's Allowance will not be affected.

We have calculated that, if the number of carers on Carer's Allowance reduced by the same proportion as the number of disabled people eligible for PIP in the groups which will act as gateways to Carer's Allowance, we would expect to see a fall of over 24,000 in the numbers in receipt of Carer's Allowance/Universal Credit carer element – meaning around 4 in every 100 carers in receipt of Carer's Allowance would be at risk of losing their benefits.

Government has said that they are continuing to assess the knock-on impact of the introduction of PIP including the impact on carers. However the benefit is starting to be implemented in 2013 and we have said very clearly that this sort of impact should have been looked at long before now.

What if changes to the benefits of the person I care for mean that I lose Carer's Allowance?

In a worst case scenario, at reassessment, a disabled person could see their benefits reduced or removed which would mean that someone looking after them would no longer be entitled to Carer's Allowance. Not only would this have a disastrous impact on family incomes many carers will be worried that they'll be forced to look for work even though they still are looking after someone who needs care.



It is not clear whether this could happen under the Government's proposals, and whether carers would have to take part in 'work-focussed' activity if they started to claim Universal Credit Carers UK are making it clear to the Government that this would be completely unacceptable and would lead to the breakup of families, increased debt and poverty and would ultimately put huge pressure on the NHS and care services as families are pushed to breaking point.

4. Other changes

Aren't benefits being cut across the board?

In December 2012 the Chancellor announced that most benefits and tax credits, including Income Support and Jobseeker's Allowance, would rise by only 1%, this is less than inflation and means that the cost of living will rise faster than the level of benefits. This is effectively a cut in the level of those benefits.

However certain benefits would be protected from this and would continue to rise with inflation (at 2.2%) these included Carer's Allowance and the carer premium to means-tested benefits like Income Support, Disability Living Allowance, Attendance Allowance and the Support component of Employment and Support Allowance. Carers UK had written to the Chancellor calling for carers to be protected for any freeze in benefits and welcomed these protections for most carers and disability benefits.

This does not mean carers and their families are completely protected though. People in the work-related activity group of Employment and Support Allowance will see their benefits rise below inflation, for example. Some carers will themselves still receive a below inflation rise if they receive means-tested benefits. This is because the 'personal allowance' (the basic amount) of benefits like Income Support will only rise by 1% even though the carer premium part of the benefit is increasing by 2.2%.

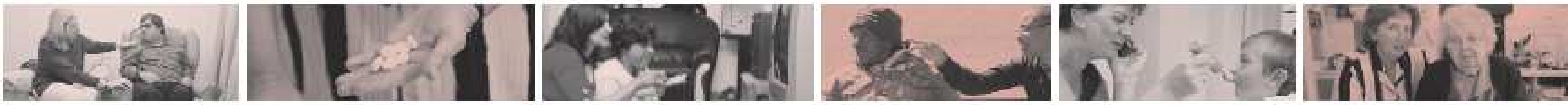
So a carer on Income Support might currently get £103.60 made up of their personal allowance plus the carer premium. They would see the personal allowance part (£71) rise by 1% and the carer premium part (£32.60) rise by 2.2%.

What does the 'localisation' of Council Tax Benefit mean?

Council Tax Benefit is a means-tested benefit paid to help people on a low income pay their council tax. The amount you get will depend on who lives with you and your income and savings.

The Government has announced that from April 2013 support with paying for Council Tax is being transferred to local councils.

Councils will have to come up with reduction schemes to help local people with the cost of Council Tax. Whilst Government is transferring funding to councils to deliver this they are cutting the funding



available by 10%. The Government has also told councils that they must provide help for pensioners – this means that support the spending reduction will fall more heavily on working age people.

The Government has said that principle of the transfer and the cut in spending is to improve work incentives whilst protecting vulnerable groups. As a result, Carers UK argued that carers should also be identified by Government as a group who must receive support. However, apart from the need to help pensioners, it has been left up to councils which groups they will support with the reduced funding available. Looking at councils who have already published their plans, it is clear that schemes are going to be very different in different areas and that, in many areas, schemes may not provide support for carers. Carers UK will continue to encourage councils to protect carers, and it is very important that carers check what support their council is offering.

What is happening to Motability?

Motability is a charity which leases cars, scooters and powered-wheelchairs to disabled people and who receive the higher rate mobility component of DLA. When PIP is introduced people who receive the enhanced rate of the mobility component of PIP will be able to lease a vehicle or wheelchair from Motability – mirroring how it works for DLA.

People who move from the higher rate mobility component of DLA onto the enhanced mobility component of PIP following an assessment should not have any disruption to their Motability scheme.

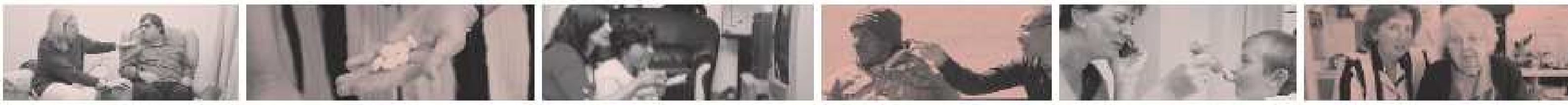
However we know that far fewer people are going to qualify for the enhanced rate of PIP. The latest Government figures show that by 2015 under DLA 1,285,000 disabled people would be receiving the higher rate mobility component, but under their forecasts for PIP this will only be 563,000 – a reduction of 466,000. This reduction will be made up of people who have applied for PIP for the first time and do not qualify for it, but would have qualified for DLA; and people who currently get DLA and are reassessed and either don't qualify for PIP at all or who only qualify for the standard (lower) rate of the mobility component. In addition to losing out on the cash (as the level of their benefit is less or they don't get it at all) people not receiving the enhanced (higher) mobility component would not be eligible for the Motability Scheme. This means that their lease would end and the vehicle would have to be returned.

Carers UK is deeply concerned about this and the impact it would have not just on disabled people but their whole families, as for many people, their Motability vehicle is their only car.

5. What next?: The politics and campaigning around welfare reform

What is Carers UK doing?

- As these plans were debated in Parliament, Carers UK submitted extensive evidence, carers stories and modelling demonstrating the likely impact on family finances. We met frequently with officials and Ministers at the Department for Work and Pensions to tell them what the



impact of these plans would be on families, and to call for an urgent assessment of what these proposals will mean for carers.

- Carers UK also worked with Peers and MPs to table over ten separate amendments to the Welfare Reform Bill specifically designed to protect carers. We gave Parliamentarians the cases of Carers UK members who could be hit by the measures in the Welfare Reform Bill, and made sure that Parliament hears our view that penalising carers is completely wrong, given their massive contribution to society.
- Carers UK also worked with over fifty other disability, illness and condition-specific organisations in the Disability Benefits Consortium to lobby MPs, Peers and the Government. We were amongst the charities who set up the Hardest Hit campaign against the cuts in benefits for disabled people and their families leading to the largest ever protest of disabled people and their families outside Parliament in 2011.
- We had some successes - winning the fight to ensure that all of Carer's Allowance would not be taken into the Universal Credit and become subject to means-testing, and MPs and Peers used amendments drafted by Carers UK to secure commitments on the linking of Carer's Allowance to Personal Independence Payment. We also succeeded in winning protection for carers from changes to tax credits which would have meant carers juggling work and care having to increase working hours from 16 to 24 hours. Our work in partnership with disability organisations also led to the Government reversing decisions to cut the DLA mobility component for people in residential care and increasing the 'qualifying period' for DLA/PIP.
- However we have been frustrated and disappointed that our arguments were not listened in other areas and that a number of proposals have gone ahead which will have a negative effect on carers and their families.

What can I do?

- **Write to your MP** – because the House of Commons makes the final decisions, now is the time to tell your MP what these changes as we continue to work on protecting carers from some of these changes, it is crucial MPs get will mean for your family and why they need to speak up for you. Find their details at www.writetothem.org
- **Join Carers UK** so that we can keep you up to date with all the latest details and how to get involved with our campaigns against cuts to benefits and services. Join at www.carersuk.org
- **Tell us if you are affected** – in 2013 Carers UK will be gathering evidence about how carers and their families are being affected. Visit www.carersuk.org/get-involved for details on how to tell us if these changes have affected you.

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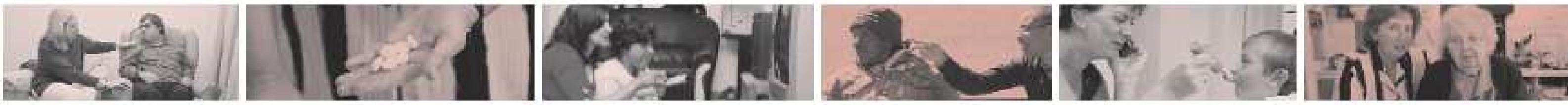

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