



HOUSING ADVISORY SERVICE

HOW TO INCREASE YOUR INCOME

You have five main options to increase your income:

1. Increasing working hours/taking on a part-time job.
2. Taking in a boarder or lodger.
3. Claiming a tax rebate.
4. Claiming arrears of benefit/increasing amount of benefit already claimed.
5. Claiming new benefits.

Most of these options are self-explanatory. For example, if you have recently finished working you may be eligible for a tax rebate, and would need to contact your tax office in writing about this. Also, the option of renting out all or part of your home is dealt with in another leaflet.

You may be unaware of other benefits that you could claim, so this leaflet will concentrate on the major benefits, including a summary at the end of the outlining current benefit rates and capital limits.

If you are using this pack after the end of March 2003, you will need to check these rates, as they change every year at that time. Also, the details given relate only to owner-occupiers, and cannot be used as a guide to claiming for everyone.

CONTRIBUTORY BENEFITS

These are benefits paid on the basis of your National Insurance contribution record. They are not generally means-tested, but may have an effect on means-tested benefits such as Income Support. If, by claiming one of these benefits your income rose above Income Support levels, then you would need to think again about claiming. This is because it is more beneficial to be on Income Support due to the housing costs you can receive

The only benefits which will increase your income if you are on Income Support, are Attendance Allowance or Disability Living Allowance; these are ignored for Income Support purposes.

JOB SEEKERS ALLOWANCE

Job Seekers Allowance or JSA is paid for 6 months to people who are out of work, and are available for and actively seeking work. You will need to sign on at an Employment Service office and claim the benefit from there. You can receive this benefit even if your partner is in full-time paid employment.

INCAPACITY BENEFIT

Incapacity Benefit or IB, is paid to people who are out of work and too sick to work. You will have to provide medical certificates from your doctor to the local Benefits Agency office in order to claim. You will either move onto this benefit having claimed Statutory Sick Pay (which lasts for 6 months) or will have been signing on and getting JSA, and later become



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sick. You can claim extra money for your partner as long as their earnings are low – check the enclosed benefits rates list for the limit.

There is also a “therapeutic earnings limit”, meaning that if you have, for example, been advised to take up a particular job by your doctor in order to stop your illness deteriorating further, you can earn up to a certain amount and keep claiming incapacity benefit.

BEREAVEMENT BENEFITS

Bereavement Benefits are paid in three different ways, and they depend on your late spouses’ National Insurance contributions.

A **BEREAVEMENT PAYMENT** is a tax-free lump sum, which you can claim as long as your spouse never received Retirement Pension. You must claim this within 12 months of the death of your spouse, and must not have been divorced or living with a new partner.

WIDOWED PARENTS ALLOWANCE is a benefit paid to men or women who have a child for which they receive Child Benefit.

BEREAVEMENT ALLOWANCE is paid to women or men who are 45-65 at the time of their spouses’ death, or when Widowed Parents Allowance ends. This can be claimed whilst you are working. You need to check whether you can also claim on any private pension your spouse saved towards.

RETIREMENT PENSION

You can claim your Retirement Pension, (the amount of which will depend on your National Insurance Contributions), at the age of 60 for woman and 65 for a man. If you are claiming Retirement Pension in your own right, it does not matter whether you are in paid employment. You can still continue to work and receive your pension. However, if for example, you are a man claiming an addition to your pension for your wife, you would not receive this if you wife was in paid employment.

If Retirement Pension is likely to be your only source of income, then you should claim income support as well, and you would receive immediate help with all eligible housing costs.

MATERNITY BENEFITS

STATUTORY MATERNITY PAY

You are paid Statutory Maternity Pay by your employer for an 18-week period: 90% of your wages for the first 6 weeks, and a standard payment for 12 weeks (the amount of this changes year by year).

You will qualify as long as you have been with your employer for 26 weeks continuously immediately before you go off on maternity leave. Also your earnings must have been at least at the level of the lower earnings limit (currently £72.00 per week).

MATERNITY ALLOWANCE

This is paid as an alternative to Statutory Maternity Pay:

Key Conditions:

Must be self-employed, have given up your job or changed jobs during pregnancy.

Must have worked, either employed or self-employed in at least 26 weeks of the 66 weeks before the week in which the baby is due.

You must have earned an average of at least £30 a week for 13 of these 66 weeks.

NON-CONTRIBUTORY BENEFITS

These benefits are not paid on the basis of National Insurance contributions and most are not means-tested. However, if you are claiming any other means-tested benefits and you claim a non-contributory benefit, this may be taken as income and affect your means-tested benefit.

The only benefits which directly increase your income, if you are on Income Support are Attendance Allowance or Disability Living Allowance.

DISABILITY LIVING ALLOWANCE

Disability Living Allowance is a benefit for children and adults up to age of 65, who have problems getting about, have significant care/supervision needs, or both. This is a very complicated benefit to claim and has a care component and mobility component, either or both of which you can claim. If you make a successful claim, it can result in an extra premium being added to your Income Support, so you will need to check this.

If you do have care and mobility difficulties arising from a physical or mental illness or disease, it is advisable to claim this benefit as it is difficult to assess eligibility beforehand. The claim form is extremely long and you may wish to seek some welfare rights advice concerning your claim – a benefits advisor may be able to help you with filing in the form.

ATTENDANCE ALLOWANCE

You can claim Attendance Allowance if you are aged 65 or over, and have care needs – although if you are already in receipt of Disability Living Allowance you can continue on this benefit, which is more financially advantageous.

CHILD BENEFIT, CHILD TAX CREDITS and EDUCATIONAL MAINTENANCE ALLOWANCES.

The Child Benefit Act 2005 has introduced a number of changes to the assistance available for young people.



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- ◆ Child Benefit and child tax credit extended to young [people in education and approved training up to and including 19 year olds (as long as they started the course/training before they were 19).
- ◆ Widowed mother's allowance, widowed parent's allowance and guardian's allowance extended for families where there is a young person who meets the new child benefit conditions; increases in maternity allowance and retirement pension can also continue where claimant's have transitional protection to these payments.
- ◆ Inclusion of family premium and personal allowances for young people in housing benefit and council tax benefits, where there is a young person in claimant's family who meets the new child benefit conditions.
- ◆ Education maintenance allowance payable to young people in approved training, meaning income support maybe available if they are eligible.
- ◆ Terminal dates in child benefit changed so that they are not fixed to school terms.

Child benefit extension period changed to 20 weeks from date young person leaves education or training.

MEANS-TESTED BENEFITS

If you claim any of the following benefits, your income will be subject to a 'means test' as part of the rules of eligibility. You will only receive help if your income is low enough to qualify, regardless of any other rules that you do satisfy.

TAX CREDITS is for people who are responsible for at least one child or are a qualifying young person. Child Tax Credit is paid direct to the person who is mainly responsible for caring for the child or children. If you are a lone parent you will receive the payment.

Working Tax Credit is for people who are employed or self-employed (either on their own or in a partnership) who

- Usually work 16 hours or more a week
- Are paid for that work, and
- expect to work to at least 4 weeks

and who are

- aged 16 or over and responsible for at least one child, or
- aged 16 or over and disabled, or
- aged 25 or over and usually work at least 30 hours a week

HOUSING BENEFIT

You will need to consider a claim for this benefit if you pay rent or, occupy your property on a shared ownership basis (paying rent and mortgage).

Housing Benefit is calculated on a “sliding scale”, so if you are in doubt whether you would qualify it is best to apply and seek further advice to clarify the amount of benefit you will receive. You claim this benefit from the local authority.

COUNCIL TAX BENEFIT

Before you look at claiming Council Tax Benefit, there are some ways of reducing your bill by contacting your local Council Tax office. Get in touch with them if you want to claim a discount for being a single adult occupier in your property, or if you are a disabled person and have had adaptations made to your property you may claim a Disability Discount.

If you are claiming Housing Benefit, you can claim Council Tax Benefit on the same form.

Important

The above information lists most welfare benefits. Many of the benefits are subject to capital restrictions and/or residence conditions. If you have restrictions on your stay in the UK, or recently returned you may not be eligible to claim benefits and should seek specialist advice. This is also the case if you are going abroad for a lengthy period, or a claim you have made has been refused.

MAIN BENEFIT RATES – AS OF APRIL 2006

Income support and jobseeker's allowance (income-based)

Personal allowances

Single person

	<i>per week</i>
16–17	£34.60
18–24 (including some 16/17-year-olds)	£45.50
25 or over	£57.45

Lone parent

Under 18	£34.60
Under 18 in certain cases	£45.50
18 or over	£57.45

Couple

Both under 18 maximum	£68.65
Both 18 or over	£90.10



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Premiums

Carer premium	£26.35
Bereavement premium	£22.80
Severe disability premium (one qualifies)	£46.75
Severe disability premium (two qualify)	£93.50

	Single	Couple
Disability premium single	£24.50	£34.95
Enhanced disability premium	£11.95	£17.25
Pensioner premiums	£56.60	£83.95

Children

(Pre-6 April 2004 claims with no child tax credit)

Child under 20 personal allowance	£45.58
Family premium	£16.25
Disabled child premium	£45.08
Enhanced disability premium (child)	£18.13

Earnings disregards

Single person	£5.00
Couple	£10.00
Higher amount	£20.00

Capital Limits

	Lower	Upper
Standard	£6,000	£16,000
Care homes	£10,000	£16,000

Tariff income £1 per £250 between lower and upper limit.

Pension credit

	Per week
Standard minimum guarantee (single)	£114.05
Standard minimum guarantee (couple)	£174.05
Severe disability addition (one qualifies)	£46.75
Severe disability addition (two qualify)	£93.50
Carer	£26.35

Savings credit

Threshold (single)	£84.25
Threshold (couple)	£134.75
Maximum (single)	£17.88
Maximum (couple)	£23.58



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Capital disregard

Standard	£6,000
Care homes	£10,000
No upper limit	
Deemed income £1 per £500 above disregard	

Housing Benefit and council tax benefit

Personal allowances

Single person 60 under 65

	Per week
16–24	£45.50
25 or over	£57.45

Lone parent under 18

	£45.50
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Lone parent 18 or over

	£57.45
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Couple

Couple both under 18	£68.65
One or both 18 or over	£90.10

Dependent children

Under 20	£45.58
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Couple 60 both under 65

Children

Both Under 20	£174.05
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Pensioner 60 or over (not on IS or income-based JSA)

Single under 65	£114.05
Single 65 or over	£131.95
Couple both under 65	£174.05
Couple one or both 65 or over	£197.65

Premiums

Family premium (ordinary rate)	£16.25
Family premium (some lone parents)	£22.20
Bereavement premium	£22.80
Carer premium	£26.35
Disabled Child Premium	£45.08
Severe disability premium (one qualifies)	£46.75
Severe disability premium (two qualify)	£93.50

	Single	Child	Couple
Disability premium	£24.50		£34.95
Enhanced disability premium	£11.95	£18.13	£17.25
Pensioner premiums (on IS or income-based JSA)	£56.60	(JSS ONLY)	£83.95



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Taper

Housing benefit	65%
Council tax benefit	20%

Deductions from rent

Fuel

Heating	£11.95
Lighting	£0.95
Hot water	£1.40
Cooking	£1.40

Meals

	Aged 16 or over	Aged under 16
Full board	£20.50	£10.35
Half board	£13.65	£6.85
Breakfast only	£2.50	£2.50

Non-dependant deductions HB CTB

	HB	CTB
Under 25 on IS/income-based JSA	Nil	nil
25 or over on IS/income-based JSA	£7.40	nil
On pension credit	Nil	nil

Others 18 or over, working full time,

Gross income		HB	CTB
£322.00 or more		£47.75	£6.95
£258.00		£43.50	£5.80
£321.99			
£194.00		£38.20	£4.60
£257.99			
£150.00		£23.35	£4.60
£193.99			
£101.00		£17.00	£2.30
£149.99			
Others , 18 or over		£7.40	£2.30

Earnings disregards

Single person	£5.00
Couple	£10.00
Higher amount	£20.00
Lone parent	£25.00
16/30 hours earnings disregard	£14.90
Maintenance disregard	£15.00
Childcare costs (one child)	Up to £175



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Childcare costs (two or more children) Up to 300.00

Capital limits

	Lower	Upper
Standard	£6,000	£16,000
Care homes (HB only)	£10,000	£16,000
Pension credit guarantee credit no limit		No limit
Tariff income £1 per £250 between lower and upper limit		
£1 per £500 for those aged 60 or over not on IS/income-based		
JSA (no tariff income for those on pension credit guarantee credit)		

Other benefits

Attendance allowance per week

Higher rate	£62.25
Lower rate	£41.65

Bereavement benefits

Bereavement payment (lump sum)	£2,000
Widowed parent's allowance	£84.25
Bereavement allowance (55 or over)	£84.25
Bereavement allowance (45–55)	£25.28 - £78.35

Carer's allowance

Claimant	£46.95
Adult dependant	£28.05
Earnings limit for claimant	£84.00

Child benefit

Only or eldest child	£17.45
Other children	£11.70
Only or eldest child (some lone parents)	£17.55

Child dependants increase

(For some existing claimants on carer's allowance, incapacity benefit short-term higher rate, retirement pension, severe disablement allowance, widowed parents allowance)

Only or eldest child	£9.25
Other children	£11.35

Disability living allowance

Care component

Higher rate	£62.65
Middle rate	£41.65
Lower rate	£16.50

Mobility component

Higher rate	£43.45
Lower rate	£16.50

Guardian's allowance

£12.50

Incapacity benefit

Short-term lower rate

Claimant under pension age	£59.20
Adult dependant	£36.60

Short-term higher rate

Claimant under pension age	£70.05
Adult dependant	£36.60

Long-term rate

Claimant	£78.50
Adult dependant	£46.95
Age addition under 35	£16.50
Age addition 35–44	£8.25
Permitted work higher limit	£81.00
Permitted work lower limit	£20.00

Industrial disablement benefit

18 or over 20% (£25.42)–100% (£127.10)

Under 18 20% (£15.58)–100% (£77.90)

Jobseeker's allowance (contribution-based)

Under 18	£34.60
18–24	£45.50
25 or over	£57.45
Earnings disregard	£5.00

Maternity allowance

Standard rate	£108.85
Adult dependant	£108.85

Retirement pension

Claimant	£84.25
Adult dependant	£50.50
Age addition for over 80s	£0.25



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Severe disablement allowance

Claimant	£47.45
Age addition under 40	£16.50
Age addition 40–49	£10.60
Age addition 50–59	£5.30
Adult dependant	£28.25

Statutory maternity, paternity and adoption pay

Standard rate	£108.85
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Statutory sick pay

Standard rate	£70.05
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For the Welfare Benefits and Tax Credits Handbook (£33),
 More posters (£5) and to get more details of CPAG's Welfare
 Benefits and Tax Credits CD-ROM, please write to:
 CPAG, 94 White Lion Street, London N1 9PF
 Or visit the website: www.cpag.org.uk.
 Post-free for orders up to £10 in value. For orders over
 £10,
 Please add a flat rate p&p charge of £3.99.

Tax credits

Child tax credit

	Daily Rate	Per Year
Family element	£1.50	£545.00
Baby element	£1.50	£545.00
Child element	£4.84	£1,765.00
Disability element	£6.44	£2,350.00
Severe disability element	£2.59	£945.00

Working tax credit

Basic element	£4.57	£1,665.00
Couple element	£4.50	£1,640.00
Lone parent element	£4.50	£1,640.00
30-hour element	£1.87	£680.00
Disability element	£6.10	£2,225.00
Severe disability element	£2.59	£945.00
50-plus element (working 16–29 hours)	£3.13	£1,140.00
50-plus element (working 30 hours or more)	£4.68	£1,705.00
Childcare element (one child) up to £175.00 per week		
Childcare element (two or more children) up to £300.00 per week		
Childcare element (per cent covered) 80%		



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Thresholds

First income threshold	£5,220.00
First threshold (entitled to CTC only)	£14,155.00
First taper 37%	
Second income threshold minimum	£50,000.00
Second taper 6.67%	
Income Disregard	£25,000

This poster gives annual benefit and tax credit rates. It does not explain who is entitled Or how much you get. You can get advice at:

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Community
Legal Service

