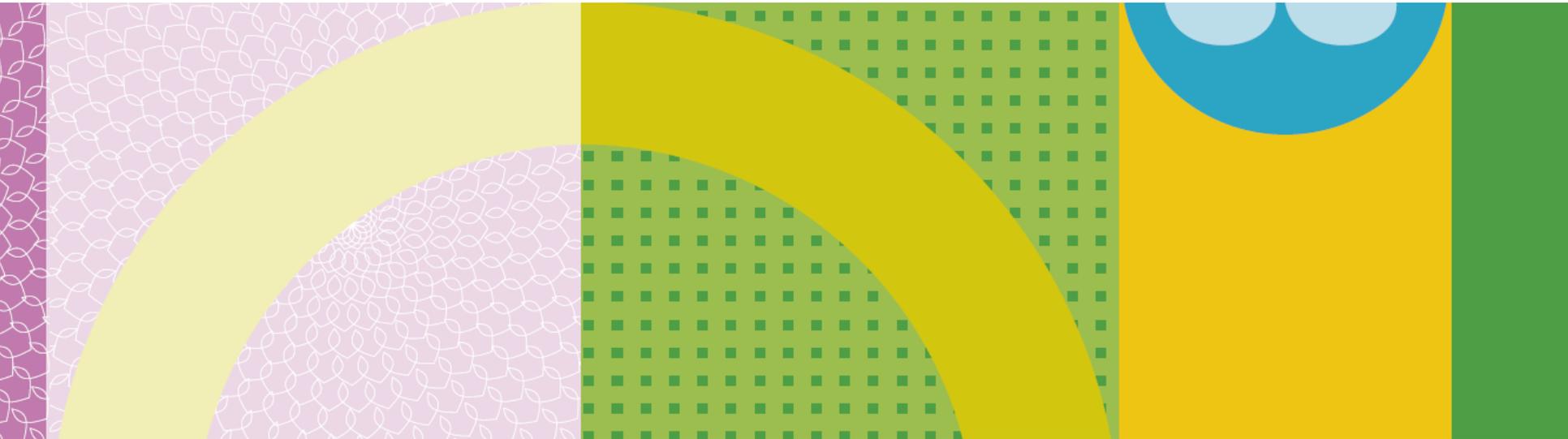




Benefits and Covid Update for Money Advisers.

Tom Messere - Big Book of Benefits - July 2021



PayPlan®

Headline sponsor

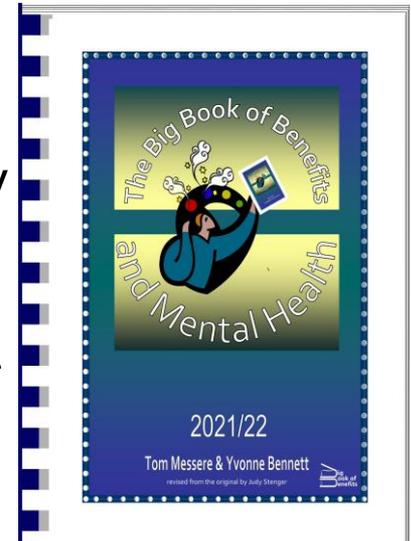


Virtual exhibitors

Who am I?



- I've been an adviser for many a year...
- Citizens Advice, HAs, Social services/WRUs, cancer charities
- Big Book of Benefits:
 - Writing, Training, and Consultancy
 - www.bigbookofbenefits.com
 - out now: *The Big Book of Benefits Mental Health 2021/22*



Headline sponsor

PayPlan[®]

What are we going to cover?



- Self isolation – SSP, ESA and Self Isolation “*maybe*” Payments
- The HMRC schemes – CJRS and SEISS
- Covid changes in main benefits – “*there and back again*”
- Other changes and “*What’s occurring?*” in benefits land

Q&A pause

- Health & disability benefits and the Scottish enlightenment
- UC’s growing pains: *legal decent and fit for purpose?*
- The growing impacts of caps and limits

Q&A Pause

- Report back on wider research on impacts of Covid

*Final Q&A pause discussion
and put the kettle on 😊*

Headline sponsor

PayPlan®

Initial help to self isolate



- **Statutory Sick Pay (SSP)**
 - Funding for 2 weeks covid-related absence restored for small employers
 - NHS advice good enough – and for ESA
 - But only 27% of workers eligible: e.g. under threshold, self-employed – not a lot at £96.65.
- **ESA**
 - waiting periods dropped if covid related
- **UC £20 – (well 86.67 pcm) -uplift:**
 - extra £20 as way to match SSP – but if benefit capped ... benefit capped
 - Restored effects of rates freezes and 1% caps
 - But not applied to legacy benefits
 - Siren calls to switch – but always get advice first....

Headline sponsor

PayPlan®

Self Isolation Support Payment



- **England:**
 - Main scheme 37% allowed, discretionary 20% - under and chaotically funded and strict criteria
 - <https://www.bbc.co.uk/news/uk-england-56043487>
- **Wales:**
 - same scheme wider eligibility, more secure funding
 - discretion payment should apply if earning under £500
- **Scotland:**
 - similar to Wales - wider criteria than England
 - A guarantee if earning below the Real Living Wage.
- **Other countries:**
 - NZ, S. Korea, Taiwan, Finland don't muck about
 - flat rate £300 pw week payments and Lower Covid rates

Headline sponsor

PayPlan®

Job Retention Scheme



- July switch from Phase 4 to 5:
 - HMRC have been paying all of the 80% so far
 - Phase 5 – employers chip in: 10% July 20% in Aug & Sept of hours not worked.
- Flexible furloughing. You can:
 - work part of week/month and furlough the rest.
 - come off and on furlough, a week at a time.
- Reset the dates for qualifying employees:
 - Been an employee from before 2nd March 2021
 - No longer need to have ben furloughed before.

Headline sponsor

PayPlan®

Job Retention Scheme (2)



- Can come back from redundancy.
- Definitely that's it from 30th September 2021
- *If* extended, perhaps the more targeted **Job Support Scheme?**
- UC are readying for a big rush of claims after
- HMRC details at:
<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>
- Citizens Advice at:
<https://www.citizensadvice.org.uk/work/coronavirus-being-furloughed-if-you-cant-work/>

Headline sponsor

PayPlan®

Self Employment Income Support Scheme (SEISS)



- Took a longer to emerge and always paid in arrears
- Now based on a 2019/20 Self Assessment
- Brought in 600,000 of those excluded from both schemes: See more at [ExcludedUK](#)
- Fourth and fifth - and final- Grant:
 - 4th: 80% of net profits if affected by covid
 - 5th: May to Sept 80% if 30%+ impact 30% if less
- More details at :
 - [HMRC:](#)
 - [Citizens Advice:](#)

Headline sponsor

PayPlan®

Benefits and SEISS Grants



- JRS payments will just be like earnings in benefits.
- SEISS is 3 months in arrears, so gets more complicated
- WTC is annualised anyway
- HB has rules to average appropriately or often over a year.
- Contributory ESA is weird:
 - If not no permitted work is ignored
 - If permitted work will be averaged out and added to it
- UC is dysfunctional:
 - Treats the whole amount as earnings in the period it is received
 - For some that means not only coming off UC that month but hitting the surplus earnings rule – an imaginary debt is created and taken off future UC sums

Headline sponsor

PayPlan®

Treatment of SEISS grants



- Return to lowest 30% for LHA but freeze remains
- Disregard of 20% uplift in WTC ends as now a separate grant to be disregarded.
- Increasingly likely that HB will survive UC as:
 - Need to keep make benefits sections for CTR viable
 - HB is still where new claims are made if over 66
 - UC system can't cope with supported /temporary accommodation
- New exception to single room rent for under 25s leaving care or from a homeless hostel now (not Oct 23)

Headline sponsor

PayPlan®

Tax Credits



- WTC £20 uplift, converted to a separate grant of £500 until September.
- Will be treated as in sufficient work until the JRS ends
- New Court rulings on discrepancy between child disability addition in CTC and UC
- Ongoing campaign by IDS against HMRC dumping alleged overpayment, some never actioned on to UC as overpayments

Headline sponsor

PayPlan®

JSA and UC (unemployed)



- UC still gets confused about JSA:
 - Income-based JSA is merging into UC
 - Contribution-based JSA is not – so still important for households above UC levels
- Work requirements and sanctions dropped
- New Health and Work programme
- Return of Disability Employment Advisers.
- 2.5 million new claims for UC from unemployed in March/April 2020 and small bumps every time the end of JRS is forecast

Headline sponsor

PayPlan®

The role of ESA



- Again UC is confused:
 - “You can’t claim ESA anymore” . **Yes, you can**
 - “No point in claiming C-ESA as only be taken off UC” – **Yes, but...**
- *Income-related ESA*: closed to entirely new claims, but can still be added on for the first time to old-style Contributory ESA
- You can now claim “*New-style*” ESA online to avoid UC gatekeeping myths
- On it’s own, C-ESA helps al with NI, retaining a stake for higher earners in the system
- Claiming “*New-style*” ESA does **not** trigger a switch of legacy benefits to UC. It can sit with either legacy benefits or UC. Just not Ir-ESA

Headline sponsor

PayPlan®

New-style ESA & UC



- Both need a Claimant Commitment, but if **not** claiming UC, it should feel very different.
- ESA treats you as having LCW while assessed; UC doesn't, so UC wants to talk work options
- UC can forget if passed WCA under ESA, it's good for UC
- It can be worth claiming both, even if ESA taken off:
 - It is not all eggs in one UC basket
 - ESA is paid fortnightly that can aid budgeting
 - ESA is more reliable at organising any WCA
 - ESA pays full class 1 NI Credits
 - It's the only way for a disabled student to access UC.

Headline sponsor

PayPlan®

Work Capability Assessment (WCA)



- The same test in ESA and UC – so no re-assessment migrating.
- Different timelines for WCA and work conditionality.
- **Telephone assessments only:**
 - Focus mainly on new claims for Support / LCWRA group – down 50% and no fit for work
 - Widening of range of decisions from January 2021
- New Style ESA claimants can get timed out before their WCA. Send in evidence and press for paper decision
- Change to receiving ESA pending appeal. If covered:
 - do **not** have to have a Mandatory Reconsideration (with no ESA)
 - but can lodge appeal at once and continue their ESA

Headline sponsor

PayPlan®

Safeguarding



- Some of those who have died after benefit cut offs:



- For more information. See.
 - <https://www.bbc.co.uk/news/uk-56819727>
 - <https://www.disabilityrightsuk.org/news/2021/may/82-benefit-claimants-have-died-after-some-alleged-dwp-activity-such-termination>

Headline sponsor

PayPlan®

Safeguarding: A scandal?



- 4 reported coroner's reports to Prevent Future Deaths . One found that **28 failings** by DWP / Capita materially contributed to death of claimant
- 69 Internal Process Reviews, that DWP have resisted releasing . Some summaries under Court pressure
- 11 years since the issue has been highlighted to DWP
- Some summaries released under court pressure
- In 2020, DWP told NAO they had no tracking system.

Headline sponsor

PayPlan®

Safeguarding progress



- additional support markers to become “watermarks” on IT system later this year.
- Serious Case Panel reviews strengthened
- Lots of reviews and a spending allocation since 2020.
- Every area now has Advanced Customer Support Senior Leader, formerly known as Senior Safeguarding Leader.
- Ultimately not the SoS’s responsibility, but decision to stop payment only made after tried “every reasonable route”
- Concerns around “managed migrations” where DWP require everyone to actively make a UC claim...

Headline sponsor

PayPlan®

Disability Benefits



- AA,DLA & PIP - gamechanger in income maximisation
- New process re failing to attend a PIP telephone assessment
- Priority for phone/video assessment:
 - new assessments and change of circumstances
 - **not** renewals or DLA to PIP (275,000 still to switch, now by 2025)
- Number of PIP MRs running at less than half normal
- No more DLA to PIP in Scotland. Will be DLA to ADP
- “Back to normal” - slow, uncertain and variable.
- Pilots extending for online PIP claims, then PIP2s.
- Starting pilots of WCA and PIP assessments at same time.
- 18-month minimum award length from April 2021

Headline sponsor

PayPlan®

Disability benefits (Scotland)



- Affects **all** in the UK: –
 - “If it works in Scotland, why not here?”
- **New timetable:**
 - *Child Disability Payment (CDP)*- pilots Summer, nationwide Autumn
 - *Adult Disability Payment (ADP)* from Spring 2022
 - *Pension Age Disability Payment (PADP)* - start tbc
- **Same criteria as** AA, DLA and PIP (but no “six month” in special rules, CDP to continue to age18)
 - Allows automatic switch and easier comparison

Headline sponsor

PayPlan®

Claims and assessment changes in Scotland



Social Security Scotland have:



Social Security Scotland
Dignity, fairness, respect.

- statutory duty to encourage take up
- Give you the choice how to claim:
 - phone, post, online, in person.
 - SSS offer to help with forms / signpost
- Limit face to face assessments:
 - None for CDP and PADP - any evidence sought from those who know you
 - As with ADP , but retained as a last resort (matched specialism)
- Will be more inclined to believe you:
 - Especially if consistent , plausible, fits medical guidance

Headline sponsor

PayPlan®

Special rules for terminal illness.



- Affects fastrack to top rates in ESA, UC and disability benefits.
- Much confusion re “death within 6 months rules”
- Medics can be reticent to issue a DS1500: a legal opinion?, with comeback?, death must be within six months?.
- **NO** - case law says:
 - No need for there to be **any** existing prognosis
 - Issue is: *“Would it be a surprise if your patient died within 6 months” even if realistic hopes of lot longer.*
 - *“A future test”* – awards made for 3 years - can be renewed with fresh DS1500.
- Scotland: *“disease reasonably expected to cause death”* NI Assembly also want to lose the 6-month rule
- DWP ‘working at great speed’ to change says Justin Tomlinson. But it may be implementation rather than the rule?
- UC continue to struggle with the whole concept and need to change.

Headline sponsor

PayPlan®

End of the SDP Gateway



- Affects some 500,000 who get a “*severe disability premium*” within their “legacy benefits”
- SDP is an extra £67.30 a week if you get disability benefits and meet other conditions
- UC does not have any adult disability elements.
 - Instead an extra amount in one of its limited capability elements
 - Some will gain, some lose as a result.
- UC does **not** offer the usual transitional protection...yet

Headline sponsor

PayPlan®

End of the SDP Gateway (2)



- Courts ruled UC approach as “*unlawful disability discrimination*”. So:
 - SDP Gateway stopped switches to UC until 27.01.2021
 - A new claim if needed could be for legacy benefits
 - Now replaced with a switch to UC with some transitional protection
- But grudging and not the full amount as in a “managed migration”
- So it’s back to Court...
- DWP response awaited to another Court ruling re disabled children...

Headline sponsor

PayPlan®

UC Budget changes



- ***Surplus earnings de minimis:***
Stays at £2,500, but drops to £300 from April 2022. So:
 - people need to be planning for this from October 2022
 - learn some Latin and scratch heads re surplus earnings.
 - see case study: Big Book of Benefits and Mental Health 😊
- ***Minimum Income Floor (MIF)***
 - no MIF applies *until* 31st July 2021, *then*
 - at UC work coach's discretion if substantial covid impact
- ***Deductions from UC.***
Change brought forward from Oct. 2021:
 - *normal maximum deductions* down to 25% and
 - *repayment of APs* extended to 24 months

Headline sponsor

PayPlan®

Other recent UC happenings



- ***In- Work conditionality*** pilot scheme extended to Feb 22
- UC poses ***real risk to women's income*** – *Work & Equalities Committee*
- Serco to run an extra ***Job Finder Service*** for those with good skill & experience
- UC requirement for claimants to ***pay childcare costs up front*** ruled unlawful
- ***time DWP “took the blinkers off”*** says chair of W&P Select to DWP response to report on the 5 week wait.

Headline sponsor

PayPlan®

Recent UC happenings (2)



- DWP did not suspend repayment of *Advance Payments*, but more time.
- some 6,000 cases of *UC identity theft* referred to DWP Stolen Identity Team
- **Earnings, MAPs and the Courts:**
 - Some clerical re-allocation on request, if monthly pay falls twice in same MAP, to meet the Courts
 - A much wider problem : UC can create wild fluctuations in even regular incomes.
 - You Tube at: <https://www.youtube.com/watch?v=HMYLknF9da8>
 - Blog form at: <https://benefitsinthefuture.com/dwp-responses-to-my-suggestions-for-changing-the-assessment-of-earnings/>

Headline sponsor

PayPlan®

Research: The Wider Picture



- Sharing some points from a talk delivered by Richard Machin of Nottingham Trent University
- See article at:
<https://journals.sagepub.com/doi/full/10.1177/0261018320986793>
- Looked at:
 - Overall impacts of changes during Covid
 - Comparisons with other OECD countries
 - Changing Public Opinion
 - Lessons for reforms for a more sustainable social security system

Headline sponsor

PayPlan®

Introduction and positives



- A lack of resilience in main social security system
- But an initial package worth £7 billion
- Richard seeks to argue:
 - although the UK government's response was welcome it did not go far enough:
 - it merely took some of the rough edges off a failing system and failed to address fundamental flaws.
- **Some Positives:**
 - Distribution of additional funding
 - System coped e.g. : taking on 2.5 m new UC
 - HMRC JRS and SEISS

Headline sponsor

PayPlan®

Some Negatives



- Some overall downsides:
 - A two tier system
 - Impact of maintaining the benefits cap
 - LHA rules for under 35s
 - Impact of ending the £20 uplift
 - UC's 5 week wait maintained.
- Disproportionate impacts on:
 - women,
 - minority ethnic groups
 - carers
 - people with disabilities

Headline sponsor

PayPlan®

A way forward? Technical changes



- Increase UC levels (to at least 80% NMW)
- Abolish UC's 5 week wait and conditionality
- Extend Free School Meals
- Increase benefits for carers
- Raise Child Benefit by £10 a week

Headline sponsor

PayPlan®

A way forward?

Change in approach



- Adequate funding for advice services and take up campaigns
- [Increase use of universal benefit](#) and reduce means tested benefits
- A focus on [income security](#) on e.g. fixed amounts for a fixed time
- Start recognising social security as a human right – as in Social Security (Scotland) Act 2018

Headline sponsor

PayPlan®

Enough already...



Thank you / Diolch yn fawr for listening,
participating and kind questioning :-)

Contact Details:

- Visit our website at: www.bigbookofbenefits.com
- Find us on [Facebook](#)
- E-mail: enquiries@bigbookofbenefits.com



Time now for a well earned cuppa...

Headline sponsor

PayPlan[®]