

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB A2/2010

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	For information
SUBJECT	Housing Benefit and Council Tax Benefit: 2010 uprating

Guidance Manual

The information in this circular does affect the content of the

- *HB/CTB Guidance Manual*. Please annotate this circular number against paragraph A4 4.750, 4.910, A5 Annex A & Annex D, BW2 W2.150 & W2.550, BW3 Annex A and BP3 Annex A
- *HB/CTB Overpayments Guide*. Please annotate this circular number against paragraph 4.430 – 4.432

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
 - technical content of this circular, contact Ben Aylott
Email: ben.aylott@dwp.gsi.gov.uk
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Contents

para

Housing Benefit and Council Tax Benefit: 2010 uprating

Introduction	1
Background.....	4
Overview of 2010 uprating	15
Benefit rates from April 2010	21
Specific Points of interest	23
Non-dependant deductions	23
Child Allowances and Child Tax Credit	24
Family Premium	25
Child Dependency increases.....	28
State Pension Credit	31
Fuel deductions – deductions for ineligible fuel charges.....	35
One room rate deduction	36
Disregards in Housing Benefit and Council Tax Benefit.....	37
State Pension	39
Additional components to the State Pension	41
War Pension rates	44
Working Tax Credit, Child Tax Credit, Child Benefit and Guardian’s Allowance	45
National Insurance Contribution rates.....	50
Recovery of overpayments from ongoing Housing Benefit.....	54
Appendices	
Council Tax Benefit for people who have not attained the qualifying age for state pension credit	Appendix A: Annex 1
Housing Benefit for people who have not attained the qualifying age for state pension credit	Appendix A: Annex 2
Housing Benefit and Council Tax Benefit rates for people who have attained the qualifying age for state pension credit	Appendix B
Income Support rates.....	Appendix C: Annex 1
Jobseeker’s Allowance rates.....	Appendix C: Annex 2

Employment and Support Allowance ratesAppendix C: Annex 3
Other Contributory and non-contributory
social security ratesAppendix D: Annex 1
Bereavement Benefits ratesAppendix D: Annex 2
Tax Credits and Child Benefit rates.....Appendix E: Annex 1
Main National Insurance Contribution ratesAppendix E: Annex 2

Housing Benefit and Council Tax Benefit: 2010 uprating

Introduction

- 1 In her written statement to Parliament on 14 December 2009, the Secretary of State announced her proposals for the social security benefit rates, including Housing Benefit (HB) and Council Tax Benefit (CTB), to apply from April 2010. Details of all the social security benefit rates can be found on the DWP website

<http://www.dwp.gov.uk/docs/benefitrates2010.pdf>

- 2 This circular advises you of the rates so you can take the appropriate action.

Note: At the time of writing the Order bringing the changes into effect is still subject to the appropriate Parliamentary process.

- 3 Any queries about the information contained in the circular should be emailed to Ben Aylott: ben.aylott@dwp.gsi.gov.uk

Background

- 4 In line with previous practice, the HB and CTB uprating will be introduced in advance of the setting of the main social security benefit rates. To coincide with the new Council Tax year and the week in which many rents change, the 2010 uprating will take effect on

- **Thursday 1 April 2010** for CTB cases
- **Thursday 1 April 2010** for cases to which *Housing Benefit Regulation 79(3)(a)* (for working age customers) and *Housing Benefit (SPC) Regulation 59(3)(a)* (for people who have attained the qualifying age for pension credit) applies, when rent is paid monthly or at any interval which is not a week or multiples of a week
- **Monday 5 April 2010** for cases to which *Housing Benefit Regulation 79(3)(a)* (for working age customers) and *Housing Benefit (SPC) Regulation 59(3)(a)* (for people who have attained the qualifying age for pension credit) applies, when rent is paid on a weekly basis

- 5 The 2010 uprating for the other income related benefits - Income Support (IS), income-based Jobseeker's Allowance (JSA(IB)), income-related Employment and Support Allowance (ESA(IR)) and State Pension Credit (PC) - and the majority of other social security benefits is **Monday 12 April 2010**. This is the first Monday in the fiscal year, i.e. the first Monday on or after 6 April.

- 6 The following Regulations allow you to take account of these rates earlier in April

- *CTB 2006 Regs 32(8) and 67(4)*
- *HB 2006 Regs 79(3) and 42(8)*
- *CTB(SPC) Regs 31(9) and 31(10) and 50(4)*, and
- *HB(SPC) Regs 41(9) and 41(10) and 59(3)*

- 7 Associated guidance is set out in *HB/CTB Guidance Manual BW2 W2.790* and at *BP2 P2.790*.
- 8 Working Tax Credit (WTC) and Child Tax Credit (CTC) will increase from 6 April 2010 in line with the start of the new tax year. However, the updating of tax credits by Her Majesty's Revenue and Customs (HMRC) should not affect the assessment of tax credits as income in HB and CTB. Action award notices as normal using the April instalment rates, shown on the current award notices, as appropriate.
- 9 There is no provision in the relevant regulations to uprate a customer's social security benefit other than by using the correct amount. Most customers will know their rates of benefit well before 1 April each year. As there is no tolerance rule in HB/CTB, the benefit paid should reflect the customer's income to the penny, subject to the minimum payment rule in HB and rounding.
- 10 We are aware that many local authorities IT systems apply a percentage increase to uprate income from other social security benefits in the assessment of HB/CTB. In previous years, we have advised that as this method should, in most cases, produce accurate results, **providing the LA has satisfied itself as to the accuracy of its method**, it should be able to meet its duty to make proper determinations.
- 11 Non-income related social security benefits, such as State Pension are generally uprated by the Retail Prices Index (RPI) in September, whereas the income-related benefits such as HB and CTB are uprated by the ROSSI index.
- 12 In September 2009 the percentages are
- RPI : minus 1.4 per cent
 - ROSSI : 1.8 per cent
 - Average Earnings : 1.8 per cent
- 13 As a consequence of the RPI figure for September 2009 being minus 1.4 per cent, some benefit rates have remained unchanged for 2010. However, the basic State Pension has been increased by 2.5 per cent, reflecting a long-standing Government commitment.
- 14 The 2010 uprating has not increased certain components of some social security benefits, in particular, the components of the State Pension. We draw your attention to specific examples later in this circular, and you will need to take these into account when considering any general approach to the method you employ.

Overview of 2010 uprating

- 15 People of working age, who are claiming income related benefits, will have their benefits uprated in line with the ROSSI index, which is the RPI less housing costs. This means those people who receive benefits such as Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA), and other incapacity benefits, will receive an increase of 1.8 per cent from April 2010.

- 16 This year, as a consequence of the economic conditions, the RPI has moved into negative territory, standing at minus 1.4 per cent in September 2009. This means that those who rely on benefits being uprated by the RPI could expect to see their benefits frozen in cash terms and that would mean no increase in April 2010.
- 17 Instead, the Government has decided these benefits should be increased by 1.5 per cent from April 2010. This means benefits for disabled people and carers, statutory payments for parents and others who receive National Insurance linked benefits will be increased by 1.5 per cent from April 2010. So recipients of Attendance Allowance (AA), Carers Allowance, Disability Living Allowance (DLA), and maternity allowances will have these benefits up-rated.
- 18 The basic State Pension, which is also traditionally up-rated in line with the RPI, will be up-rated by 2.5 per cent from April 2010. This means from April 2010, the basic State Pension based on a person's own National Insurance contribution record will rise to £97.65 a week, while the basic State Pension based on a spouse's or civil partner's National Insurance contribution record will increase to £58.50.
- 19 The uprating of additional State Pension feeds directly through to public service pensions and to some aspects of occupational pension schemes. As a result, the Government has decided not to uprate these benefits in 2010. However, the 2.5 per cent increase for the basic State Pension will mean that, on average, pensioners in Great Britain will see an overall increase of two per cent in their State Pension.
- 20 For the poorest pensioners, the standard minimum guarantee in Pension Credit will rise from April 2010 by £2.60 a week for single pensioners and £3.95 for couples.

Benefit rates from April 2010

- 21 The appendices to this circular set out the new rates of benefits as follows
- *Appendix A* sets out the new rates for CTB and HB for those who have not attained the qualifying age for state pension credit
 - *Appendix B* sets out the new rates for HB and CTB for those who have attained the qualifying age for state pension credit
 - *Appendix C* sets out the new rates for IS, JSA and ESA
 - *Appendix D* sets out the new rates for other contributory and non-contributory social security benefits
 - *Appendix E* sets out the 2010/2011 tax credits and child benefit rates, the main National Insurance Contribution rates and War Pension Rates
- 22 We anticipate that War Pensions will be uprated week commencing 5 April 2010. As these are not social security benefits, *HB Reg 42(8)* (for working age) and *HB(SPC) Reg 41(9)* (for those who have attained the qualifying age for state pension credit) and *CTB Reg 32(8)* (for working age) and *CTB(SPC) Reg 31(9)* (for those whom have attained the qualifying age for state pension credit) do not apply.

Specific points of interest

Non-dependant deductions and AMCTB

- 23 In April 2010, the non-dependant deduction rates for HB, CTB and IS, JSA(IB) and ESA(IR) and State Pension Credit will remain unchanged and the income-bands will also remain unchanged. Similarly, income bands used to determine Alternative Maximum Council Tax Benefit (AMCTB) will remain at their 2009/10 levels.

Child Allowances and Child Tax Credits

- 24 Child related allowance in IS, JSA and ESA and HB/CTB will be increased in line with Child Tax Credit rates. This means that families in receipt of these benefits gain from the full value of the increase in Child Tax Credit.

Family Premium

- 25 The 2010 uprating increased the Family Premium in HB/CTB from £17.30 to £17.40.
- 26 The specific rate that applies to certain lone parents remains at a fixed weekly rate of £22.20. This rate only applies to lone parents who fulfilled certain conditions before a particular date. See *HB Regs Schedule 3, para 3(3)* and *CTB Regs Schedule 1, para 3(3)*.
- 27 The additional amount for a child under one remains at £10.50.

Child Dependency increases

- 28 Child Dependency increase remains at £11.35.
- 29 The eldest child rate has been reduced from £8.20 to £8.10.
- 30 Regulations provide for the rate of child dependency increases to be adjusted when the increase is payable for the eldest eligible child for whom Child Benefit is also payable. The weekly rate of the increase is reduced by the differential rates (less £3.65 from April 2003), between the rate of Child Benefit payable for the oldest eligible child and that payable for a subsequent child.

State Pension Credit

- 31 The guarantee element of State Pension Credit has been uprated in line with earnings since its introduction in 2003. The Pensions Act 2007 requires that the standard minimum guarantee in Pension Credit is reviewed and increased at least in line with average earnings. This year's increase meets the statutory requirement.
- 32 The standard minimum guarantee will be increased by 2.0% from £130.00 to £132.60 for a single person and from £198.45 to £202.40 for a couple.

- 33 The amount of the maximum savings credit is also being increased from £20.40 to £20.52 for a single person and from £27.03 to £27.09 for a couple. However, these figures cannot be used to calculate a likely savings credit entitlement from April 2010. Savings credit is calculated on an individual basis, using the income and capital of that person. In addition *HB (SPC) Reg 27/CTB (SPC) Reg 17* state that the Pension, Disability and Carer's Service (PDCS) calculation of income, capital and savings credit must be used. You cannot calculate the figure yourself.
- 34 S.I.2004/290 made provisions for the date on which Pension Credit cases should be uprated and the associated guidance, to apply each year to the annual uprating exercise. See *HB/CTB Guidance Manual Uprated changes in social security benefits paras BP2 P2.790; CTB (SPC) Regs 31(10); and HB (SPC) Regs 41(10)*.

Fuel deductions – deductions for ineligible fuel charges

- 35 This year the RPI for fuel and lighting is minus 7.4%, and the Government has decided to set the rates for statutory fuel deductions from HB for 2010/11 remain at their 2009/10 levels, as shown below (*HB/CTB Guidance Manual A4, paras 4.900*).

Service charges for fuel	2009/2010	2010/2011
Heating	21.55	21.55
Hot water	2.50	2.50
Lighting	1.75	1.75
Cooking	2.50	2.50
Total all fuel	28.30	28.30

One room rate deduction

- 36 The formula for the one room rate deduction is set out in Housing Benefit Regulations at *Schedule 1, part 2, paragraph 6(2)(a) to (d) and (3)*. Sub-paragraph (3) states the ineligible amount for service charges when the accommodation consists of only one room shall be one half of the aggregate of the amounts specified in sub-paragraph (2)(a), (b), and (c). (See *HB/CTB Guidance Manual A4, para 4.910*)

	2009/2010	2010/2011
One room rate – heating and any hot water and/or lighting	12.90	12.90
Cooking	2.50	2.50
One room rate calculation:		
Heating (other than hot water)	21.55	21.55
Hot water	2.50	2.50
Lighting	1.75	1.75
Total	25.80 divide by 2 = 12.90	12.90

Disregards in Housing Benefit and Council Tax Benefit

- 37 The child care disregards in HB/CTB remain set at
- £175.00 for one child, and
 - £300.00 for two or more children
- 38 The additional earnings disregard in HB/CTB that can be applied to those entitled to WTC is increasing from £16.85 to £17.10. See *HB/CTB Guidance Manual BW2 W2 2.132 – 2.179*).

State Pension

- 39 A commitment was first given in November 2001 that future increases to the basic State Pension would be either 2.5% or RPI whichever is greater. The Chancellor restated this commitment in the 2009 Budget. Subsequently, as RPI for September 2009 is minus 1.4%, this year's Category A and Category B basic State Pension will increase by the commitment figure of 2.5%.
- 40 From April 2010, the full Category A basic State Pension will increase by £2.40 from £95.25 to £97.65 a week. The Category B basic State Pension paid to a wife, a husband or a civil partner based on their husband's, wife's or civil partner's National Insurance record, will increase by £1.45 from £57.05 to £58.50 a week.

Additional components to the State Pension

- 41 Invalidation Allowances (previously paid with invalidity benefit - the precursor to Incapacity Benefit) and age additions of Incapacity Benefit, are carried over and paid as an increase with basic State Pension when a recipient reaches State Pension age. However, they are abated by any additional State Pension (SERPS or State Second Pension) or Guaranteed Minimum Pension, to which the person is entitled.
- 42 Until April 2009, these allowances and additions were paid at the same rates to all recipients and generally uprated in line with RPI. In April 2009, working-age rates were reduced to support migration of customers from Incapacity Benefit to Employment and Support Allowance; however, this did not apply to State Pension recipients. For 2010/11, the rates will be frozen at their 2009/10 rates.
- 43 There will also be no increase to other components of the State Pension. This includes the additional State Pension, and increments to the basic State Pension, the additional State Pension, the Graduated Retirement Benefit and the inheritable lump sum. Further details are set out in Appendix D: Annex 1.

War Pension rates

- 44 These are the responsibility of the Veteran's Agency, which is part of the Ministry of Defence. As yet we have not received details of War Pension rates from April 2010, but we are expecting to receive these shortly and will inform you as soon as possible.

Working Tax Credit, Child Tax Credit, Child Benefit and Guardian's Allowance

- 45 The Chancellor confirmed in his Pre-Budget Statement on 9th December 2009 that, as announced in Budget 2009, the child element of the Child Tax Credit will rise by £65 in April 2010 to £2,300.
- 46 There will also be increases in April 2010 of 1.5% to Child Benefit, Guardian's Allowance, the disability elements of the Child Tax Credit, all elements of the Working Tax Credit (apart from the childcare element).
- 47 The threshold for receipt of the maximum Child Tax Credit award will rise to £16,190, reflecting the income level at which a family in receipt of the basic and couple's or lone parent's element of WTC would have their entitlement to WTC tapered to zero. Other rates and thresholds in tax credits will remain unchanged.
- 48 A full disregard of Child Benefit in HB/CTB was introduced in November 2009.
- 49 All the current and new 2010 rates can be found on the HMRC website:

<http://www.hmrc.gov.uk/rates/taxcredits.htm>

National Insurance Contribution rates

- 50 The 2009 Pre-Budget Report announced that the starting point for employers', employees' and self employed National Insurance Contributions (NICs) will be maintained at £110 per week despite RPI being negative.
- 51 The upper earning and profits limits for Class 1 and Class 4 NICs respectively will also be maintained at their current level of £844 a week, and for the self-employed, the rate of Class 2 contributions will continue to be £2.40 a week. Class 3 contributions will also remain at their current rate of £12.05.
- 52 In line with the increase in the amount of the state pension, the lower earnings limit and the special class 2 rate for volunteer development workers which are linked to this level will rise to £97 a week and £4.85 a week respectively.
- 53 For a full set of the the National Insurance Contribution rates for 2010/2011, see HMRC website: <http://www.hmrc.gov.uk/rates/nic.htm>

Recovery of overpayments from ongoing Housing Benefit

- 54 The standard maximum weekly rate of recovery from continuing Housing Benefit is increasing from £9.75 to £9.90 from April 2010. Similarly, the maximum weekly rate of recovery from continuing Housing Benefit, when the overpayment has arisen as a result of fraud, (as defined in Reg 102(3) of HB Regulations 2006 and Reg 83(3) of HB (SPC) Regulations 2006) has increased from £12.80 to £13.20.
- 55 In addition, a local authority can increase deductions by half (50%) of certain disregards, if applicable for
- earnings
 - regular charitable income or voluntary payments
 - War Disablement Pension or War Widows Pension
- 56 LAs must not recover more than these prescribed amounts from ongoing HB. LAs should have regard to any special health or financial circumstances of the customer before deciding the level of deduction, or when to commence the deductions, to avoid causing undue hardship to the customer or their dependants. See *HB/CTB Overpayments Guide, Recovery of Overpayments, paras 4.430 – 4.432*

Council Tax Benefit rates	April 2009	April 2010
<i>Personal Allowances</i>		
Single claimant aged not less than 18 but less than 25	50.95	51.85
Single claimant not less than 25	64.30	65.45
Single claimant of any age and entitled to main phase ESA	64.30	65.45
Lone parent	64.30	65.45
Couple	100.95	102.75
<i>Dependent children</i>		
Child from date of birth to day preceding first Monday in September following 16 th birthday	56.11	57.57
Young person from first Monday in September following 16 th birthday to day preceding 20 th birthday	56.11	57.57
<i>Polygamous marriages</i>		
If the claimant is a member of a polygamous marriage and none of the members of the marriage have attained the age of 60		
For the claimant and the other party to the marriage	100.95	102.75
For each additional spouse who is a member of the same household as the claimant	36.65	37.30
<i>Premiums</i>		
Family Premium	17.30	17.40
Family Premium if one or more children aged under 1 year	27.80	27.90
Family Premium (lone parent rate)	22.20	22.20
Family Premium (lone parent rate) if one or more children aged under 1 year	32.70	32.70
<i>Disability Premium</i>		
Single	27.50	28.00
Couple	39.15	39.85

Enhanced Disability Premium		
Single	13.40	13.65
Disabled child rate	20.65	21.00
Couple	19.30	19.65
Severe Disability Premium		
Single	52.85	53.65
Couple (lower rate)	52.85	53.65
Couple (higher rate)	105.70	107.30
Disabled Child Premium	51.24	52.08
Carer Premium	29.50	30.05
<i>Components ESA(IR) and ESA(C)</i>		
Work-related activity component	25.50	25.95
Support component	30.85	31.40
<i>Non-dependant Deductions</i>		
In receipt of state Pension Credit or in receipt of IS, JSA(IB), or ESA(IR)	Nil	Nil
Aged 18 or over and in remunerative work		
-gross income greater than £382.00	6.95	6.95
-gross income not less than £306.00 but less than £382.00	5.80	5.80
-gross income not less than £178.00 but less than £306.00	4.60	4.60
-gross income less than £178.00	2.30	2.30
Others aged 18 or over	2.30	2.30

Alternative Maximum Council Tax Benefit Rebate (% of Council Tax)		
Second adult on IS, JSA(IB), state Pension Credit or ESA(IR)	25%	25%
Students	100%	100%
Second adult gross income		
- less than £175.00 per week	15%	15%
- not less than £175.00 but less than £228.00 per week	7.5%	7.5%
Disregards		
Subtenants disregard	20.00	20.00
Earnings disregards		
Childcare charges	175.00	175.00
Childcare charges (2 or more children)	300.00	300.00
Additional earnings disregard	16.85	17.10
Permitted Earnings disregard - higher	92.00	93.00
Permitted Earnings disregard - lower	20.00	20.00
Capital Limits		
Upper capital limit – State Pension Credit guarantee credit NOT in payment	16,000	16,000
Upper capital limit – State Pension Credit guarantee credit in payment	No limit	No limit
Lower capital limit – below qualifying age for state Pension Credit	6,000	6,000
Lower capital limit – above qualifying age for state Pension Credit	6,000	10,000

Housing Benefit rates	April 2009	April 2010
<i>Personal Allowances</i>		
Single		
16 to 24	50.95	51.85
25 or over	64.30	65.45
Any age – entitled to main phase rate ESA	64.30	65.45
Lone parent		
Under 18	50.95	51.85
18 or over	64.30	65.45
Any age – entitled to main phase rate ESA	64.30	65.45
Couple		
Both under 18	76.90	78.30
One or both over 18	100.95	102.75
Any age – entitled to main phase rate ESA	100.95	102.75
<i>Polygamous Marriages</i>		
If the claimant is a member of a polygamous marriage and none of the members of the marriage have attained the age of 60		
For the claimant and the other party to the marriage	100.95	102.75
For each additional spouse who is a member of the same household as the claimant	36.65	37.30
<i>Dependent children</i>		
From birth to September following 16 th birthday	56.11	57.57
From September following 16 th birthday to day before 20 th birthday	56.11	57.57
<i>Premiums</i>		
Family Premium		
Family Premium if one or more children aged under 1 year	27.80	27.90
Family Premium (lone parent rate)	22.20	22.20
Family Premium (lone parent rate) if one or more children aged under 1 year	32.70	32.70
<i>Disability Premium</i>		
Single	27.50	28.00
Couple	39.15	39.85
<i>Enhanced Disability Premium</i>		
Single rate	13.40	13.65
Disabled child rate	20.65	21.00
Couple rate	19.30	19.65

<i>Severe Disability Premium</i>		
Single	52.85	53.65
Couple – one qualifies	52.85	53.65
Couple – both qualify	105.70	107.30
<i>Disabled Child Premium</i>	51.24	52.08
<i>Carer Premium</i>	29.50	30.05
<i>Components ESA(IR) and ESA(C)</i>		
Work related activity component	25.50	25.95
Support component	30.85	31.40
<i>Deductions</i>		
<i>Non-dependant Deductions</i>		
Aged 25 or over and on IS/JSA(IB), or aged 18 or over and not in remunerative work	7.40	7.40
In receipt of main phase ESA(IR)	7.40	7.40
In receipt of Pension Credit	Nil	Nil
Not in receipt of main phase ESA(IR) rate	Nil	Nil
Aged 18 or over and in remunerative work		
-gross income less than £120.00	7.40	7.40
-gross income not less than £120.00 but less than £178.00	17.00	17.00
-gross income not less than £178.00 but less than £231.00	23.35	23.35
- gross income not less than £231.00 but less than £306.00	38.20	38.20
- gross income not less than £306.00 but less than £382.00	43.50	43.50
- gross income not less than £382.00	47.75	47.75
<i>Service charges for fuel</i>		
Heating	21.55	21.55
Hot water	2.50	2.50
Lighting	1.75	1.75
Cooking	2.50	2.50
All fuel	28.30	28.30
<i>Fuel charges for one room</i>		
Heating and hot water and/or lighting	12.90	12.90
Cooking	2.50	2.50
<i>Amounts ineligible for meals</i>		
Three or more meals a day		
Single claimant	22.95	23.35
Each person in family aged 16 or over	22.95	23.35
Each child under 16	11.60	11.80

Less than 3 meals a day		
Single claimant	15.25	15.50
Each person in family aged 16 or over	15.25	15.50
Each child under 16	7.65	7.80
Breakfast only – claimant and each member of family	2.80	2.85
<i>Disregards</i>		
Childcare charges	175.00	175.00
Childcare charges (2 or more children)	300.00	300.00
Additional earnings disregard	16.85	17.10
Subtenants disregard	20.00	20.00
Permitted Earnings disregard - higher	92.00	93.00
Permitted Earnings disregard - lower	20.00	20.00
<i>Capital limits</i>		
Upper capital limit – State Pension Credit guarantee credit NOT in payment	16,000	16,000
Upper capital limit – State Pension Credit guarantee credit in payment	No limit	No limit
Lower capital limit – below qualifying age for state Pension Credit	6,000	6,000
Lower capital limit – above qualifying age for state Pension Credit	6,000	10,000

Housing Benefit and Council Tax Benefit rates for people who have reached the qualifying age for State Pension Credit	April 2009	April 2010
<i>Personal Allowances</i>		
Single claimant aged under 65	130.00	132.60
Single claimant aged 65 or over	150.40	153.15
Lone parent aged under 65	130.00	132.60
Lone parent aged 65 or over	150.40	153.15
<i>Couple</i>		
One or both aged 60 or over, but both aged under 65	198.45	202.40
One member or both members aged 65 or over	225.50	229.50
<i>Polygamous marriages</i>		
If the claimant is a member of a polygamous marriage and none of the members of the marriage have attained the age of 65		
For the claimant and the other party to the marriage	198.45	202.40
For each additional spouse who is a member of the same household as the claimant	68.45	69.80
If the claimant is a member of a polygamous marriage and one or more of the members of the marriage are aged 65 or over		
For the claimant and the other party to the marriage	225.50	229.50
For each additional spouse who is a member of the same household as the claimant	75.10	76.35
<i>Dependent child or young person</i>	56.11	57.57

Premiums		
<i>Severe Disability Premium</i>		
Single	52.85	53.65
Couple – one qualifies	52.85	53.65
Couple – both qualify	105.70	107.30
<i>Enhanced Disability Premium</i>		
Single rate	13.40	13.65
Disabled child	20.65	21.00
Couple	19.30	19.65
<i>Carer Premium</i>	29.50	30.05
<i>Disabled Child Premium</i>	51.24	52.08
Non-dependant Deductions in HB		
In receipt of state Pension Credit	Nil	Nil
In receipt of main phase ESA(IR)	7.40	7.40
Not in receipt of main phase ESA(IR)	Nil	Nil
Aged 25 or over and on IS/JSA(IB) or aged 18 or over and not in remunerative work	7.40	7.40
Aged 18 or over and in remunerative work		
-gross income less than £120.00	7.40	7.40
-gross income not less than £120.00 but less than £178.00	17.00	17.00
- gross income not less than £178.00 but less than £231.00	23.35	23.35
- gross income not less than £231.00 but less than £306.00	38.20	38.20
- gross income not less than £306.00 but less than £382.00	43.50	43.50
- gross income more than £382.00	47.75	47.75

<i>Non-dependant Deductions in CTB</i>		
Age 18 and over and in remunerative work		
-others aged 18 or over	2.30	2.30
- gross income less than £178.00	2.30	2.30
- gross income not less than £178.00 but less than £306.00	4.60	4.60
- gross income not less than £306.00 but less than £382.00	5.80	5.80
- gross income greater than £382.00	6.95	6.95
In receipt of Pension Credit, IS, JSA(IB), or ESA(IR)	Nil	Nil
<i>Disregards</i>		
Permitted Earnings disregard - higher	92.00	93.00
Permitted Earnings disregard - lower	20.00	20.00
Upper capital limit – State Pension Credit guarantee credit NOT in payment	16,000	16,000
Upper capital limit – State Pension Credit guarantee credit in payment	No limit	No limit
Lower capital limit – above qualifying age for state Pension Credit	6,000	10,000

Income Support Rates

	2009	2010
<i>Personal allowances</i>		
Single		
Under 25	50.95	51.85
25 or over	64.30	65.45
Lone parent		
Under 18 – usual rate	50.95	51.85
18 or over	64.30	65.45
Couple		
Both under 18	50.95	51.85
Both under 18, higher rate (for example, with responsibility for a child)	76.90	78.30
One under 18, one aged under 25	50.95	51.85
One under 18, one aged 25 or over	64.30	65.45
Both 18 or over	100.95	102.75
Dependent children		
Birth to September following 16 th birthday	56.11	57.57
<i>Premiums</i>		
Family Premium		
Family Premium	17.30	17.40
Family (lone parent rate)	17.30	17.40
Pensioner Premium (couples only)	97.50	99.65
Disability Premium		
Single	27.50	28.00
Couple	39.15	39.85
Enhanced Disability Premium		
Single rate	13.40	13.65
Disabled child rate	20.65	21.00
Couple	19.30	19.65
Severe Disability Premium		
Single	52.85	53.65
Couple – one qualifies	52.85	53.65
Couple – both qualify	105.70	107.30
Disabled Child Premium	51.24	52.08
Carer Premium	29.50	30.05
Capital limits		
Upper capital limit	16,000	16,000
Lower capital limit	6,000	6,000
Care home limit	10,000	10,000

Jobseeker's Allowance Rates

	2009	2010
<i>Contribution-based Jobseeker's Allowance</i>		
<i>Personal Rates</i>		
Under 25	50.95	51.85
Aged 25 or over	64.30	65.45
<i>Income-based Jobseeker's Allowance</i>		
<i>Personal Allowances</i>		
Single claimant aged under 25	50.95	51.85
Single claimant aged 25 or over	64.30	65.45
Lone parent		
Under 18	50.95	51.85
18 or over	64.30	65.45
Couple		
Both under 18	50.95	51.85
Both under 18 (higher rate – for example, with responsibility for a child)	76.90	78.30
One under 18, one 18 - 24	50.95	51.85
One under 18, one 25 or over	64.30	65.45
Both 18 or over	100.95	102.75
Dependent children		
From birth to September following 16 th birthday	56.11	57.57
From September following 16 th birthday to day before 20 th birthday	56.11	57.57
<i>Premiums</i>		
Family Premium	17.30	17.40
Family Premium (lone parent) rate	17.30	17.40
Pensioner Premium		
Single	65.70	67.15
Couple	97.50	99.65
Disability Premium		
Single	27.50	28.00
Couple	39.15	39.85
Enhanced Disability Premium		
Single rate	13.40	13.65
Disabled child rate	20.65	21.00
Couple	19.30	19.65
Severe Disability Premium		

Single	52.85	53.65
Couple – one qualifies	52.85	53.65
Couple – both qualify	105.70	107.30
Disabled Child Premium	51.24	52.08
Carer Premium	29.50	30.05
<i>Capital limits</i>		
Upper capital limit	16,000	16,000
Lower capital limit	6,000	6,000

Employment and Support Allowance rates

	2009	2010
<i>Personal allowances</i>		
Single – Aged under 25 and in Assessment Phase	50.95	51.85
Single - Aged 25 or over	64.30	65.45
Any age and in Main Phase	64.30	65.45
<i>Lone parent</i>		
Aged under 18 and in Assessment Phase	50.95	51.85
Aged 18 or over	64.30	65.45
Any age and in Main Phase	64.30	65.45
<i>Couple</i>		
Both aged under 18 and in Assessment Phase	50.95	51.85
Both under 18, with responsibility for a child, and in Assessment Phase	76.90	78.30
Both aged under 18 and in Main Phase	64.30	65.45
Both aged under 18, with responsibility for a child, and in Main Phase	100.95	102.75
One aged 18 or over and the other, while aged under 18, also satisfies certain conditions.	100.95	102.75
Both aged 18 or over	100.95	102.75
Claimant aged under 25 and in Assessment Phase and partner aged under 18	50.95	51.85
Claimant aged 25 or over and in Assessment Phase and partner aged under 18	64.30	65.45
Claimant in Main Phase and partner aged under 18	64.30	65.45
<i>Premiums</i>		
<i>Pensioner Premium</i>		
Single and in Assessment Phase	65.70	67.15
Single, entitled to work related activity component	40.20	41.20
Single, entitled to support component	34.85	35.75
Couple, and in Assessment Phase	97.50	99.65
Couple, entitled to work related activity component	72.00	73.70
Couple, entitled to support component	66.65	68.25
<i>Severe Disability Premium</i>		
Single	52.85	53.65
Couple – one qualifies	52.85	53.65
Couple , both qualify	105.70	107.30

Carer Premium	29.50	30.05
Enhanced Disability Premium		
Single	13.40	13.65
Couple	19.30	19.65
Components		
Work related activity component	25.50	25.95
Support component	30.85	31.40

Other contributory and non-contributory social security rates

	2009	2010
Attendance Allowance		
Higher rate	70.35	71.40
Lower rate	47.10	47.80
Carer's Allowance		
Carer's Allowance	53.10	53.90
Adult dependency increase for spouse or person looking after children	31.70	31.70
Child Dependency Increases		
<i>Rate of child addition to State Pension, Widowed Mothers/Parents Allowance, long-term Incapacity Benefit, short-term Incapacity Benefit (higher rate or over state pension age), Carer's Allowance, Severe Disablement Allowance, Industrial Death Benefit (higher rate), Unemployability Supplement.</i>		
Only, eldest or eldest child for child benefit purposes, couple	8.20	8.10
Other children (In certain circumstances, a child dependency addition may not be payable in respect of this child)	11.35	11.35
Disability Living Allowance		
Care component		
Highest	70.35	71.40
Middle	47.10	47.80
Lowest	18.65	18.95
Mobility component		
Higher	49.10	49.85
Lower	18.65	18.95
Incapacity Benefit		
<i>Long term Incapacity Benefit</i>		
Single person	89.80	91.40
Spouse or adult dependant (when appropriate)	53.10	53.10
<i>Short term Incapacity Benefit (under pension age)</i>		
Lower rate	67.75	68.95
Higher rate	80.15	81.60
Spouse or other adult dependant (where appropriate)	41.35	41.35
<i>Short term Incapacity Benefit (over pension age)</i>		
Lower rate	86.20	87.75
Higher rate	89.80	91.40

Spouse or other adult dependant (where appropriate)	51.10	51.10
<i>Increase of long term Incapacity Benefit for age</i>		
Higher rate	15.65	15.00
Lower rate	6.55	5.80
<i>Invalidity Allowance (transitional) for Incapacity Benefit recipients</i>		
Higher rate	15.65	15.00
Middle rate	9.10	8.40
Lower rate	5.35	5.45
Industrial Death Benefit		
Widow's Pension		
Higher rate	95.25	97.65
Lower rate	28.58	29.30
Widower's Pension	95.25	97.65
Industrial Injuries Benefit		
Disablement Benefit (100% assessment)	143.60	145.80
Unemployability supplement	88.75	90.10
Reduced earnings allowance (maximum)	57.44	58.32
Maternity Allowance		
Standard Rate	123.06	124.88
Threshold	30.00	30.00
Severe Disablement Allowance		
Basic rate	57.45	59.45
Spouse or other adult dependant (where appropriate)	31.90	31.90
Age-related addition		
Higher rate	15.65	15.00
Middle rate	9.10	8.40
Lower rate	5.35	5.45
State Pension		
Category A or B (Single Person)	95.25	97.65
Category B (lower) – spouse or civil partner's insurance	57.05	58.50
Category C (higher) or Category D - non-contributory	57.05	58.50
Category C (lower) – non-contributory	34.15	35.00
Additional State Pension – rate may vary		No increase
<i>Increments to:</i>		
Basic State Pension		No increase
Additional State Pension		No increase
Graduated Retirement Benefit		No increase
Inheritable lump sum		No increase

Addition at age 80	25p	25p
Adult dependency increase for spouse or person looking after children	57.05	57.05
Increase in respect of long-term incapacity for age		
Higher rate	18.65	18.65
Lower rate	9.35	9.35
Invalidity Allowance (Transitional)		
Higher rate	18.65	18.65
Middle rate	12.00	12.00
Lower rate	6.00	6.00
State Pension Credit		
Standard guarantee credit		
single	130.00	132.60
couple	198.45	202.40
Additional amount for severe disability		
Single	52.85	53.65
Couple (one qualifies)	52.85	53.65
Couple (both qualify)	105.70	107.30
Additional amount for carers	29.50	30.05
Savings Credit		
Threshold - single	96.00	98.40
Threshold - couple	153.40	157.25
Maximum - single	20.40	20.52
Maximum - couple	27.03	27.09
Amount for claimant and first spouse in polygamous marriage	198.45	202.40
Additional amount for additional spouse	68.45	69.80
Statutory Adoption Pay		
Earnings threshold	95.00	97.00
Standard Rate	123.06	124.88
Statutory Maternity Pay		
Earnings threshold	95.00	97.00
Standard rate	123.06	124.88
Statutory Paternity Pay		
Earnings threshold	95.00	97.00
Standard rate	123.06	124.88
Statutory Sick Pay		
Earnings threshold	95.00	97.00
Standard rate	79.15	79.15

Bereavement Benefits	2009	2010
Bereavement Payment (lump sum)	2,000	2,000
Widowed Parent's Allowance	95.25	97.65
Bereavement Allowance		
<i>Standard rate</i>	95.25	97.65
<i>Age related rate:</i>		
Age 54	88.58	90.81
Age 53	81.92	83.98
Age 52	75.25	77.14
Age 51	68.58	70.31
Age 50	61.91	63.47
Age 49	55.25	56.64
Age 48	48.58	49.80
Age 47	41.91	42.97
Age 46	35.24	36.13
Age 45	28.58	29.30

Tax Credits and Child Benefit

The rates and thresholds of the tax credits are shown below:

£ per year (unless stated)	2009-2010	Change	From April 2010
Working Tax Credit			
Basic Element	1,890	30	1,920
Couple and lone parent element	1,860	30	1,890
Thirty Hour element	775	15	790
Disabled worker element	2,530	40	2,570
Severe disability element	1,075	20	1,095
Aged 50 plus Return to work payment (16-29 hours)	1,300	20	1,320
Aged 50 plus Return to work payment (30 plus hours)	1,935	30	1,965
Childcare element of Working Tax Credit			
Maximum eligible cost for one child (per week)	175	-	175
Maximum eligible cost for two or more children (per week)	300	-	300
Percentage of eligible costs covered	80%	-	80%
Child Tax Credit			
Family element	545	-	545
Family element, baby addition	545	-	545
Child element	2,235	65	2,300
Disabled child element	2,670	45	2,715
Severely disabled child element	1,075	20	1,095
Income thresholds and withdrawal rates			
First income threshold	6,420	-	6,420

First withdrawal rate	39%	-	39%
Second income threshold	50,000	-	50,000
Second withdrawal rate	6.67%	-	6.67%
First threshold for those entitled to Child Tax Credit only	16,040	150	16,190
Income disregard	25,000	-	25,000
Child Benefit			
Eldest/Only child	£20.00	30p	£20.30
Other children	£13.20	20p	£13.40
Guardian's Allowance			
Weekly allowance	£14.10	20p	14.30

Main National Insurance Contribution Rates

Rates per week unless otherwise stated	2009-2010	2010-2011
Lower Earnings Limit, Primary Class 1	£95	£97
Upper Earnings Limit, Primary Class 1	£844	£844
Upper Accruals Rate	£770	£770
Primary Threshold	£110	£110
Secondary Threshold	£110	£110
Employees' Class 1 rate between primary threshold and upper earnings limit	11%	11%
Employees' Class 1 rate above upper earnings limit	1%	1%
Employees' contracted-out rebate	1.6%	1.6%
Married women's reduced rate between primary threshold and upper earnings limit	4.85%	4.85%
Married women's rate above upper earnings limit	1%	1%
Employers' secondary Class 1 rate above secondary threshold	12.8%	12.8%
Employers' contracted-out rebate, salary-related schemes	3.7%	3.7%
Employers' contracted-out rebate, money-purchase schemes	1.4%	1.4%
Class 2 rate – self employed	£2.40	£2.40
Class 2 small earnings exception (per year)	£5,075	£5,075
Special Class 2 rate for share fishermen	£3.05	£3.05
Special Class 2 rate for volunteer development workers	£4.75	£4.85
Class 3 rate	£12.05	£12.05
Lower Profits Limit, Class 4 rate – self employed	£5,715	£5,715
Upper Profits Limit, Class 4 rate	£43,875	£43,875
Class 4, rate between lower and upper profits limit	8%	8%
Class 4, rate above upper profits limit	1%	1%