

Universal Credit Policy Briefing Note 7

Carers

1. Core Objectives

- a) Carers provide an invaluable service to people in some of the most vulnerable circumstances in our communities and Universal Credit will ensure that those carers on low incomes receive the support they need.
- b) Most carers of working age want to retain a foothold in the labour market, not just for their financial well-being, but also to enhance their own lives and the lives of those for whom they care. Universal Credit will provide support for carers and improve their opportunities to maintain links with the world of work.

2. Policy decisions and the impact of Universal Credit on Carers

Qualifying criteria and treatment of earnings

- a) It has been announced that Carer's Allowance will continue to exist as a separate benefit outside of Universal Credit.
- b) The Universal Credit award will include a carers element which will continue for as long as the carer provides care for at least 35 hours per week for a severely disabled person. The Universal Credit earnings taper will apply to the award and the overall Universal Credit award will be reduced depending on earnings.
- c) Within Universal Credit claimants will only qualify for a limited capability for work element or a carer element, not both. This reflects the fact that the elements are paid in respect of not being able to work through either a medical condition or by virtue of caring responsibilities. However, households will still be able to get a limited capability for work element for one member and the carer element for the other member.

Conditionality and the Work Programme

- d) Carers who are in receipt of the carers element will fall into the no conditionality group in Universal Credit. For other carers, different levels of conditionality may apply.
- e) It is important to have flexibility for other carers who do not fall into the no conditionality group as their caring responsibilities may change from day to day. To ensure these carers receive the level of conditionality that is appropriate to their needs, it is envisaged that the same level of

flexibility that is within the current systems will be incorporated into Universal Credit. Access to the Work Programme will depend on the carers conditionality group.

Earnings disregard and the benefit cap

- f) Some households will have an increased earnings disregard to reflect their different needs. Carers, though, are not a specified group entitled to an increased disregard. However, it is anticipated that the majority of carers will benefit from an income disregard because of other family circumstances, including a maximum disregard of £7000 if they are living in a household with a disabled partner.
- g) Exemption from the benefit cap will be extended to households which include a member who is in receipt of Personal Independence Payment which will replace DLA for individuals of working age (aged 16- 64) from April 2013. Some households will be exempt from the benefit cap, such as those in receipt of DLA. If, for instance, a carer's partner is in receipt of DLA, the household will be exempt from the cap. Being a carer will not in itself provide exemption from the benefit cap.

3. Further work we will do

- a) The Government will continue to consider future reform of Carer's Allowance
- b) We are considering the impact that the introduction of the Personal Independence Payment may have on eligibility for the carers element.
- c) We are looking at how Carers Allowance and Universal Credit will work together in the future. Our key priority is to ensure excellent customer service and a smooth customer journey. We are considering options around the data gather and administration of the two benefits.
- d) We intend to publish a revised Impact Assessment and Equality Impact Assessment for the Bill in the Lords, to incorporate the impact of the recent policy announcements.

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