

# Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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## HB/CTB A1/2008

### ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Return to Work Credit

### Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against *paragraph BW2.584 and BW2 Annex B, paragraph 10*

### Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at [www.dwp.gov.uk/hbctb](http://www.dwp.gov.uk/hbctb)
- have any queries about the
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## Return to Work Credit

### Background

- 1 The Return to Work Credit (RTWC) was introduced as part of the Pathways to Work programme in 2003.
- 2 Currently 40% of the country is covered by Pathways to Work. Full national coverage will be achieved by 28 April 2008 via a phased rollout.

### Impact on Housing Benefit/Council Tax Benefit

- 3 Schedule 5, paragraph 13 of the Housing Benefit Regulations 2006 and Schedule 4, paragraph 14 of the Council Tax Benefit Regulations 2006 allow for RTWC to be fully disregarded for Housing Benefit/Council Tax Benefit (HB/CTB) purposes.
- 4 Customers receiving RTWC who move to a non-Pathways area prior to 28 April 2008 can continue to receive RTWC. It should still be disregarded.

### National rollout

- 5 RTWC will be available to all customers from 28 April 2008 who have been claiming one or more of the following for 13 weeks or more
  - Incapacity Benefit, including credits only
  - Income Support on the grounds of incapacity
  - Severe Disablement Allowance
  - Statutory Sick Pay for 13 weeks or more and who are now claiming an Incapacity Benefit
- 6 RTWC is a non-taxable weekly payment of £40 per week payable for a maximum of 52 weeks. It will be paid into the claimant's bank or building society account, or an existing Post Office® card account. Very exceptionally, it may be paid by cheque.
- 7 To be eligible, the customer must be starting a job that is
  - of 16 hours or more per week, and
  - expected to last at least five weeks
- 8 Their expected gross annual salary/income from trading must not exceed £15,000. Applications must be made within five weeks of starting work. Customers who are starting self-employment are also eligible to apply.
- 9 RTWC **will not** be treated as income for HB/CTB purposes.
- 10 Further information about RTWC is included on the Department's website [http://www.dwp.gov.uk/welfare-reform/pathways\\_process.asp](http://www.dwp.gov.uk/welfare-reform/pathways_process.asp).

## Queries

11 If you have any queries about RTWC, contact

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