



## Benefits

What happens if you suddenly find yourself unable to work? Perhaps you lose your job, are injured or fall ill, or you have to look after a family member. The Government (Department for Work and Pensions) give payments called 'benefits' to support people who are unable to earn money for themselves. There are a number of different types of benefits. Some of these are 'means tested', which means the amount paid depends on the person's income and capital (things they own of value, e.g. property) and their partners income and capital. It could also depend on:

- the reason the person cannot work
- his or her age
- savings (for most benefits, savings must be less than\* £16,000)
- past National Insurance Contributions (NICs) – money taken regularly by the Government from salaries and wages (see Fact Sheet FA2 - Income Tax and National Insurance for more information).

Some of the main types of benefits include:

### Jobseekers allowance

- This support is for people between the ages of 18 and retirement age who work less than 16 hours per week.
- They must be able to work, available and looking for work, and not a student.
- It is usually around £53.45 per week (for those under 25) or £67.50 (for those 25 and over).

### Employment Support Allowance

- This support is for people aged between 16 and retirement age who are not available for work, or who are working less than 16 hours a week. (This could be because they are a single parent, a refugee, caring for someone full-time, ill or disabled.)
- It is also for people who have been working and paying NICs, but are then suddenly unable to continue working due to disability or illness (and unable to get statutory sick pay).
- They may also get other benefits such as Housing Benefit or Council Tax Benefit, free medical prescriptions and dental care.

### Disability Living Allowance

- This support is paid to people who have difficulty getting around or taking care of themselves because of physical or mental illness.
- Disability Living Allowance has two parts called 'components':
  - a care component - if you need help looking after yourself or keeping safe
  - a mobility component - if you can't walk or need help getting around
- Some people will be entitled to receive just one component and others may get both.
- Depending on the severity of disability, components may be paid at different rates.

Cont'd

## Benefits cont'd

### Carer's Allowance

- This support is available to people who are over 16 and spend more than 35 hours every week looking after someone who is ill or disabled (and therefore cannot get a full-time job).
- Unlike many other types of benefits, payment does not depend on the amount of the person's savings or on whether he or she has paid any National Insurance.

### Housing Benefit and Council Tax Benefit

- Housing Benefit is for people with little or no income who rent their home and have savings of less than £16,000. It helps to pay all or some of their rent.
- They are paid by local councils.
- The amount depends on your income, savings and circumstances (e.g. Is the rent reasonable? Is the home size reasonable for family size?)
- Some people are also eligible for discounts on their Council Tax (the tax paid every year to local authorities for services – see Fact Sheet FD2 - Local and National Taxation for more information).

### Child Benefit and Guardian's Allowance

- Child Benefit is paid to people who are responsible for looking after a child or children of 16 or under (or up to 19 in full-time education).
- The weekly rate in May 2011 was around £20 for the oldest child and £13.40 for each other child. These figures will remain the same (frozen) for three years from April 2011.
- Guardian's Allowance is a tax-free benefit, which people can claim if they look after a child who is not their own.

\* Correct at May 2011