

# How Universal Credit May Affect Disabled People



# Welfare reform agenda

Government's policy agenda:

- to improve work incentives by 'making work pay'
- to reduce welfare bill
- to reduce welfare dependency
- to reduce complexity

Housing Benefit  
Income Support  
Widow's pension  
Council Tax Benefit  
Maternity Allowance  
Child Benefit  
Incapacity Benefit  
Employment Support Allowance  
Sure Start maternity grants  
State Pension  
Carer's Allowance  
Statutory Maternity Pay  
Industrial Injuries Benefit  
Bereavement Allowance  
Pension Credit  
Working Tax Credits  
Guardian's Allowance  
Disability Living Allowance  
Statutory Sick Pay  
Attendance Allowance  
Child Tax Credit  
Severe Disability Allowance  
Community Care Grants  
Health Benefits  
War Disablement pension



# Welfare Reform Bill

- Universal Credit
- Personal Independence Payment
- Cap on total household benefits
- ESA limited to 12 months
- Changes to Housing Benefit
- Changes to discretionary social fund payments

# Universal Credit



**DWP** Department for  
Work and Pensions

Universal Credit:  
welfare that works

## How it will work

–Combines working age benefits and tax credits into one household allowance - “personal allowance”

# Universal Credit: delivery

- Most claims online
- Report changes of circumstances, once only & only about family
- Unless self-employed no need to report hours or income – employers/HMRC & automatic adjustment to UC
- One payment per household – though provision to pay part direct to landlords
- Paid monthly

# Changes that may affect disabled people

- **Removal of the disability element of child tax credit**
- **Abolition of the Severe Disability Premium**
- **Changes to Employment and Support Allowance**
- **Changes to pension credit**
- **Changes to carers allowance**
- **Changes to housing payments**
- **Abolition of disability element of working tax credit**

# Disabled Child Additions

- **Removal of the disability element of child tax credit**
- This will be paid through disability additions within the household benefit entitlement.
- The proposal is to cut this amount from the current £57 per week to £28 per week.
- This will not apply if the disabled child is receiving the higher rate care component of disability living allowance or registered blind.
- Integration of childcare costs to Universal Credit

# Severe Disability Premium

- **Abolition of the Severe Disability Premium**
- Currently severely disabled adults who live alone or with another disabled person or dependant children are paid an additional £58 per week intended to help with the additional cost of being disabled
- Couples may be better off where one of them is both a carer and working, they will be able to claim the carer premium even when in full time work.

# Employment and Support Allowance

- **Changes to Employment and Support Allowance**
- Contribution based ESA for those in the work Related Activity Group will be paid for 1 year only.
- Additional support for disabled adults in the support group for ESA
- The government have stated that any savings from the reduction in the disability addition for children and severe disability premium will be used to increase the means tested addition to those in the ESA support group.

# Pension Credit

- **Pensioners with a working age partner will no longer be eligible for pension credit**
- There will be no extra allowance for the person over pension age.
- Any extra support will mean making a universal credit claim.
- This will affect households where the person of working age is unable to work and the person over pension age is the carer.

# Carers premium

- **Carers will be able to keep the carer premium even when they earn more than the current earnings limit for carers allowance.**
- This will help couples where one is working and acting as carer.
- This will help a lone parent with a disabled child who works and does not have childcare costs.

# Housing Costs

- **Measures To Restrict Housing Benefit**
- Cap on the maximum amount of Benefit per Household
- Reduction of Local Housing Allowance
- Under-Occupancy rule for those in Social Housing
- Extension of Shared Room Rate for those between 25 and 35 years old.

# Disability Element of Working Tax Credit

- Disabled people currently working more than 16 hours per week are entitled to the disability element of working tax credit
- Under universal credit any person requiring additional support due to a disability will have to take the work Capability Assessment. Anyone found fit for work will receive no extra financial help through Universal credit.

# Transitional Protection

- The Government say that existing claimants will have transitional protection to ensure they will not lose financially at the point at which they are transferred to universal credit as long as their circumstances remain the same.