

The benefits system can be bewildering and is constantly changing, with even the agency dealing with benefits having changed its name in 2001 to the Department for Work and Pensions. This paper is intended as an overall review and an aid to understanding the system, with the information correct as at **August 2002**, but the advice of the National Schizophrenia Fellowship (Scotland) is always to seek specialist benefits advice.

The Department for Work and Pensions

Former departments of Social Security, Education and Employment and the Employment Service joined together in June 2001 to form a new Department for Work and pensions. It is intended as a single point of delivery for jobs, benefits advice and support. A new Agency has been formed within the department, operating from October 2001, named Jobcentre Plus.

Jobcentre Plus - is the access point for Income Support and all disability benefits. The first stage was the creation of Pathfinder offices around the country with four in Scotland, which although they are work focussed, are also committed to ensuring people are on the most appropriate benefits. Pathfinder's Service Delivery Vision⁽¹⁾ states: "At the same time, for those who need long term support, we will aim to provide the highest possible quality of service and support. We will ensure that our customers receive the benefits to which they are entitled and are aware of the support available to them from us and from our partners in the community." New posts of personal advisers are being created, who will see all new claimants with part of their role being to ensure that people are seen by a benefits expert.

Relevant benefits for people diagnosed with schizophrenia

The main benefits available are:

- ◆ Income Support / Premiums
- ◆ Disability Living Allowance (DLA)
- ◆ Incapacity Benefit
- ◆ Severe Disablement Allowance (SDA)
- ◆ Attendance Allowance (AA)
- ◆ Disabled Persons Tax Credit (DPTC)

Income Support is for people on a low income, with certain conditions, and with savings below £8,000. There is a reduction of Income Support if there are savings of over £3,000. Getting Income Support means people usually also get help with rent and Council Tax, as well as other passported health benefits. e.g. free prescriptions. People will only be entitled to income support if their income is less than their applicable amount. The applicable amount depends on the number of people in the person's family, and their circumstances. It is made up of a personal allowance, certain premiums to which the person may be entitled and an element for housing costs in some cases.

Premiums are part of a person's applicable amount to which they may be entitled depending on their circumstances. A person may be entitled to more than one premium. A person is entitled to the severe disability premium if:-

- s/he is getting attendance allowance or the higher or middle rate care component of disability living allowance
- s/he does not have any non-dependants aged 18 or over living with her/him
- no-one gets invalid care allowance in respect of the disabled person. If a carer starts to get invalid care allowance, severe disability premium will be withdrawn and this could reduce or stop the disabled person's income support.

A person is entitled to the disability premium if they or their partner is under 60 and disabled. The disability premium cannot be paid at the same time as any of the pensioner premiums. A person aged 60 or over will get one of these instead. There is one rate for a single person and a higher rate for couples (whether or not both partners meet the conditions).

There is help with some housing costs through housing benefit and help with other costs may be included in income support.

Disability Living Allowance (DLA) is for people under 65 who have care or mobility needs. There are three different care rates depending on the level of help needed, and two different mobility rates where there is difficulty with walking or there is a need for supervision. A person has to have needed help for three months and likely to need it for at least a further six months. DLA is not means tested and not affected by savings or income.

Incapacity Benefit is for people who are incapable of work but have paid National Insurance contributions in one of the last three complete tax years. Fitness for work is determined by a 'personal capability assessment'. There is a short term rate for the first 26 weeks, short term higher rate from week 29 to week 52, and the long term rate from week 52.

Severe Disablement Allowance (SDA) was abolished for new claimants in April 2001. People in receipt of the benefit before that time continue to receive it.

Attendance Allowance (AA) is for people over 65 who need a lot of care or supervision. There are higher and lower rates and it is not means tested.

Disabled Persons Tax Credit is paid to help working people on a low income, who are working more than 16 hours per week, but restricted in the type of work or number of hours because of illness or disability.

Benefits for carers

There are two main benefits:

- ◆ **Invalid Care Allowance**
- ◆ **The Carer Premium**

Invalid Care Allowance (ICA) is for people under 65 who, who spend at least 35 hours a week caring for someone, are not in full time employment, and there is an upper earnings limit. The person being looked after must be receiving Attendance Allowance or DLA at the middle or higher rate for personal care.

The Carer Premium is not a benefit in itself but part of the person's applicable amount when claiming Income Support, Housing Benefit or Council Tax Benefit. A person is entitled to the carer's premium if they or their partner is entitled to and receiving invalid care allowance. This applies even if they are entitled to invalid care allowance but are receiving another benefit instead. Entitlement continues until eight weeks after entitlement to invalid care allowance stops. If both members of a couple are entitled to invalid care allowance, the claimant is entitled to two carer's premiums.

Benefits linked to Housing

Housing Benefit. People who pay rent and are getting income support, or are on a low income, are entitled to assistance with their rent through Housing Benefit, provided they fulfil certain other conditions. A person will have to claim this from the local authority. When working out Housing Benefit the council will look at income and savings, and pay at most what is called eligible rent, which may not be the same as the full rent. This is based on whether the rent is reasonable for the particular home, being reasonable for the area, and the home being a reasonable size for the person or family. Each local council produces their own leaflets on Housing Benefit.

People who have a mortgage may be entitled to some help with the mortgage interest. No help is available with paying the capital or any other payments, for example, endowment premiums.

Council Tax Benefit is for people on a low income and is paid by the local council. To work out the benefit the council will normally, as above, look at income and savings but people with 'severe mental impairment' are exempt from the tax if they live alone, or they will receive 25% discount if they live with another adult. If the disabled person lives with a carer who is not a partner, the carer may also be entitled to a discount of 25% giving them a total discount of 50%. Water and sewage charges are paid to water authorities and are not part of council tax benefit calculations.

Some benefits can be dependent on other benefits and allowances being paid. Therefore -

- A person with a disability/illness receiving Income Support is entitled to Housing Benefit (if paying rent) and Council Tax Benefit. She/he may also be entitled to DLA or AA.
- A person with a disability/illness getting Incapacity Benefit or SDA may be entitled to Disability Living Allowance.
- A carer may be entitled to Income Support and would then be entitled to Housing Benefit and Council Tax Benefit.
- A carer of someone receiving Attendance Allowance or the middle or high rate care component of DLA may be entitled to Invalid Care Allowance and Council Tax Carers Discount.

The Application Process

Applications should be in writing on the approved forms, and relevant information or evidence as required should be included with the claim. The forms can be obtained from social security offices, and the nearest office can be found in the Benefits Agency advert in the business section of the phone book or on the Department's website at www.dss.gov.uk.

There is no clear timescale on the decision-making process. The Customer Charter⁽²⁾ gives a commitment to customers that the claim for benefit will be dealt with quickly and that people will be kept informed about the progress of their claim.

There are time limits for claiming benefits, though these just limit the extent to which benefits can be backdated rather than being cut-off points for claiming benefits. Time limits vary with the different benefits, from Income Support being immediate on the initial claim to Incapacity Benefit and Invalid Care Allowance having a three month period when payments can be backdated. Disability Living Allowance has a six week period from the date when the claim pack was requested or six weeks from receipt of claim if not recorded when the pack was requested.

The Decision

Written notification is given of what is termed the outcome decision. This lets the applicant know whether their application has been successful, how much benefit is to be paid and from when. There is also information given that a person can ask the decision maker for a written explanation for the reasons for that decision if the person is unhappy with it, along with an explanation of dispute and appeal rights.

The Appeals Process

When an application has been unsuccessful there is an opportunity to ask for a review of a decision which people do not agree with. This should be done within a month of the decision and should, where possible, be looked at again by a different decision maker. If the review does not alter the original decision then an appeal can be made using the form GL24, within a month of being notified of the review decision. The Appeals Service is an independent body which arranges and hears appeals. The appeal will be heard by a Tribunal which consists of one, two or three people depending on the type of benefit. Awards can be increased or decreased, or the decision can be confirmed as correct. We do advise that you get help when requesting reviews/appeals, for example from your local Citizens Advice Bureau, to ensure that you don't lose your entitlement altogether.

Volunteering and Benefits

Receiving welfare benefits should not prevent claimants from becoming volunteers as long as they follow the correct procedures. The most important thing that claimants need to do is to inform the Department of their intention to volunteer before they actually begin their voluntary work.

Payment may be made of expenses actually incurred, which includes special clothing and more commonly, travel expenses. A change of regulations⁽³⁾ in September 2001 allows advance payments to cover expenses that are to be incurred, rather than the person having to pay for them him/herself and then reclaim. Payments must be for expenses only as receipt of more than this will be seen as work and may jeopardise benefits. This rule about no payments above expenses includes fees that service users and carers may be offered to take part in training or consultation exercises.

It must be deemed reasonable for the volunteer not to receive any payment for the activity undertaken, and if it is regarded as unreasonable meaning that this should be paid work, there is a "notional earnings rule" which applies, reducing benefits by the amount that a person could expect to be paid even though they do not receive payment.

Therapeutic Work and Permitted Work

The old system of therapeutic work was abolished on 8 April 2002. Existing claimants continue on the 'old system' until April 2003.

The new system is called Permitted Work, with more flexible rules for people on Incapacity Benefit, Severe Disablement Allowance or Income Support to gain paid work without losing benefit. People can work up to 16 hours per week and earn up to £66.00 per week (as at June 2002). It is no longer necessary for a doctor to confirm that the work helps a person's medical condition. However the office dealing with benefit should be informed that Permitted Work has been started. Permitted Work is allowed for 26 weeks, in the first instance. People may be allowed to continue this for a further 26 weeks if agreed by a job broker, Disability Employment Adviser or a Personal Adviser.

There is also Supported Permitted Work, which is work supervised by someone employed by an agency whose job it is to arrange work for people with disabilities. The same earning limit applies, but the work can be done as long as the person is on the appropriate benefit. It is also possible to earn up to £20.00 per week with no time limit, this is intended to help those who wish to work on a limited basis in order to have social contact.

Going into Hospital

Most benefits are reduced or withdrawn during a hospital stay of over four weeks. The benefits office should be informed about admission and contact should be made with the hospital social work department.

References and Further Reading

- (1) Department of Work and Pensions. *Jobcentre Plus. Pathfinder Service Delivery Vision*
- (2) *Disability and Carer Benefits Directorate Customer Charter*
- (3) *Social Security Amendment (Volunteers) Regulations 2001*
- (4) www.advice.co.uk

The National Schizophrenia Fellowship (Scotland) is a member-led organisation which works to improve the wellbeing and quality of life of those affected by schizophrenia and other mental illnesses, including families and carers.

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