



Valuing Involvement

Making a Real Difference

**Strengthening Service User and Carer
Involvement in NIMHE and CSIP**

Benefit Conditions & Systems

**Relating to paid and voluntary service user & carer
involvement activity**

Overview

This document has been developed from the 'Valuing Involvement – Payment and Reimbursement Policy Guidance' document as a guide to the benefit conditions and systems relating to services user and carer involvement. It has been designed to give CSIP/NIMHE, service providers and service users and carers a clear understanding of the benefit scenarios effecting patient and public involvement activity.

Acknowledgments

The Payment and Reimbursement Policy Guidance and related documents was developed and edited by Reg McKenna on behalf of the CSIP/NIMHE Making a Real Difference Project. Judy Scott (Judy Scott Consultancy) authored the sections detailing - benefit conditions and system, liaison with Jobcentre Plus, employment, tax and NI regulations.

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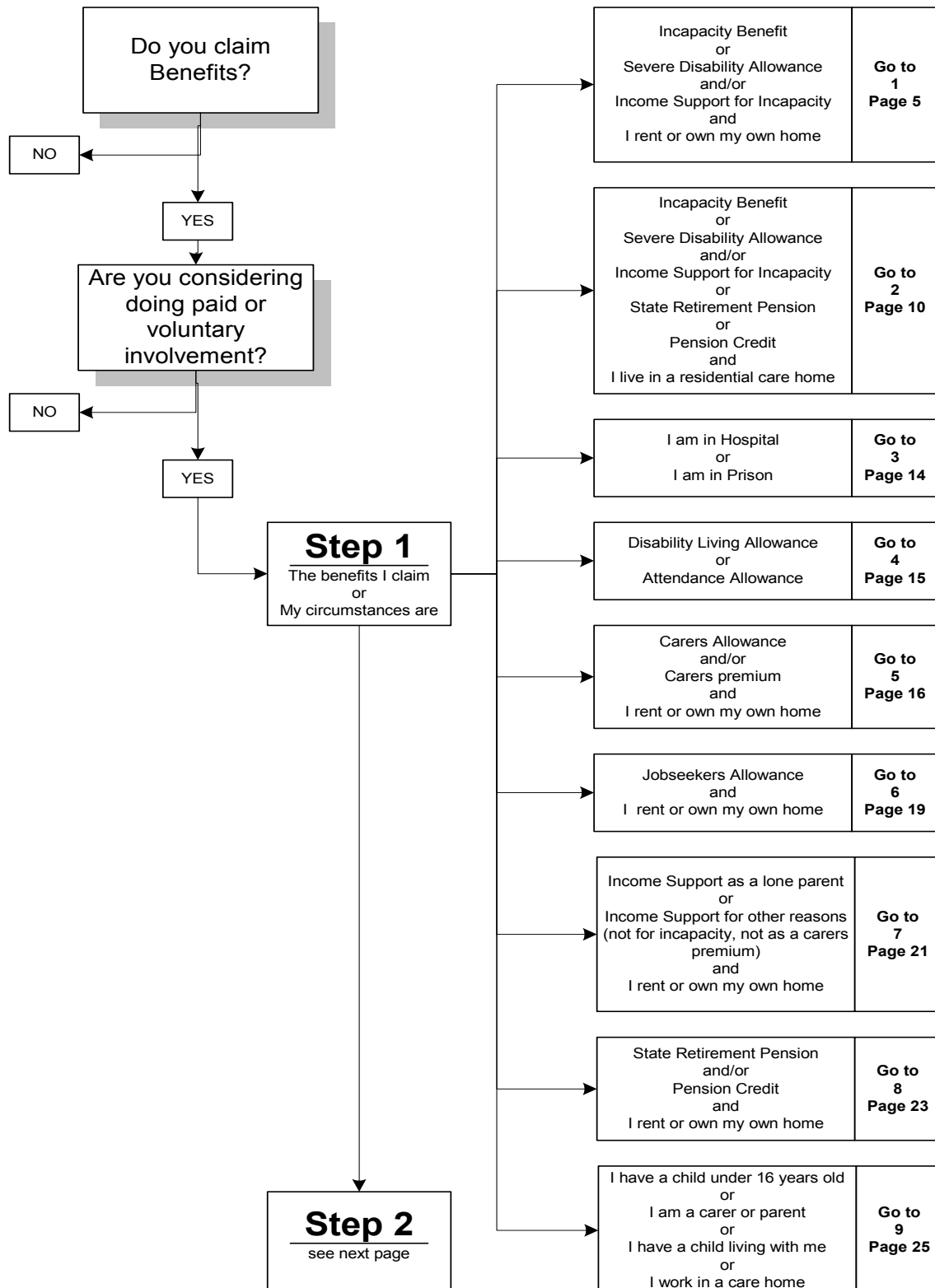
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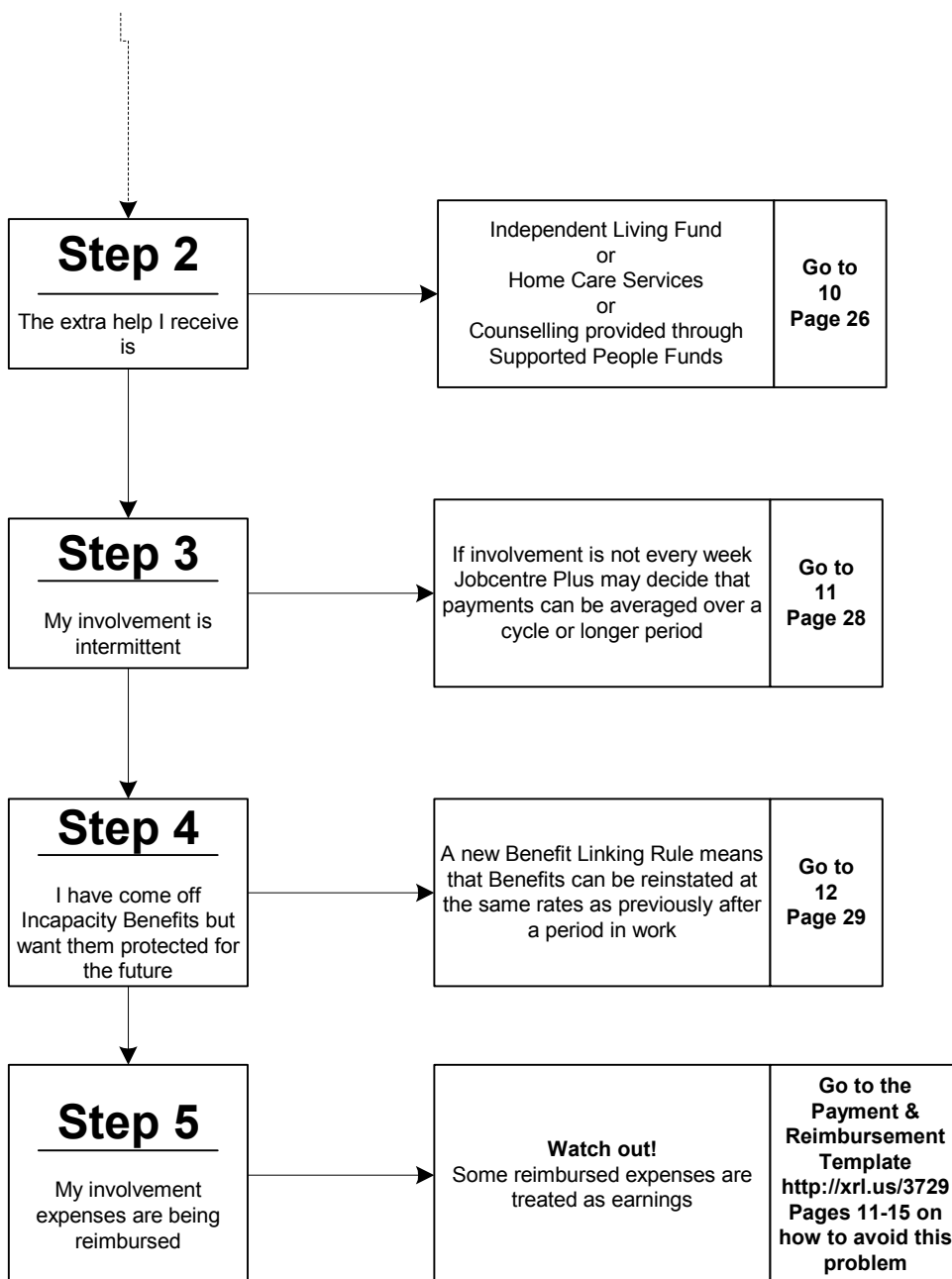
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Benefit Conditions and Systems around Paid and Voluntary Involvement

Stepped Pathways through the Benefit Conditions and Systems





Benefit conditions for voluntary or paid involvement

Step 1

1	Do you claim Incapacity Benefit or Severe Disablement Allowance and/or Income support for incapacity? Do you rent your own home or pay mortgage interest? Are you considering paid involvement for less than 16 hours a week? Are you considering voluntary involvement?
If so read on:	

Permitted Work rules

What is Permitted Work?

Permitted Work is part-time paid work that people on incapacity based benefits are allowed to do. Jobcentre Plus treat involvement that is paid in the same way as work that is paid. The benefit rules are the same.

Jobcentre Plus have now issued guidance to staff about involvement. The guidance explains that involvement is not the same as work. For this reason it is now important to let Jobcentre Plus know if you have been asked to be involved (rather than do paid work). This should avoid misunderstandings over capacity issues. See in Part 3, Appendix B & C for standard format letters that organisations that involve people can use.

Who do the Permitted Work rules apply to?

Permitted Work rules apply to people who are in receipt of:

- Incapacity Benefit, or
- Severe Disablement Allowance, and/or
- Income Support for incapacity.

The rules also apply to people getting:

- NI credits for incapacity,
- Housing Benefit or Local Housing Allowance with a disability premium, and

- Council Tax Benefit with a disability premium.

What are the rules?

There are three basic rules:

- Earnings must be within the lower limit of £20 a week or the higher limit of £88.50 a week. (The higher limit is increased in October in line with the minimum wage). These amounts are the net amount after tax deductions if these are applicable.
- Hours of paid work must be less than 16 hours a week.
- People starting part-time paid work must notify Jobcentre Plus that they are doing Permitted Work or paid involvement as soon as practicable after starting, on a form headed PW1. (This is a change that was introduced in April 2006; people who started Permitted Work under the previous rules should check the last paragraph on page 9 for more information).

If people don't keep to these rules the work doesn't count as Permitted Work and benefits can be stopped.

What are the options in Permitted Work?

There are now four options in Permitted Work.

1. Permitted Work, lower limit

People can earn up to £20 a week for as long as they want.

2. Supported Permitted Work

People can earn up to £88.50 a week for as long as they want. But see below for the catch.

For Supported Permitted Work (or paid involvement using this rule) people must either:

- have a nominated support worker, or
- work within a sheltered employment scheme (unlikely for involvement), or
- work under medical supervision as part of hospital treatment (again very unlikely for involvement).

The support worker must be employed by a public or local authority, or a voluntary organisation. They should be providing support for people with ill-health or disabilities to get work, as part of their job.

The support can be provided in the form of meetings outside of the part-time work or involvement. It must be regular. The amount of the support is up to the person and their support worker to agree.

When the PW1 form is filled in there is a place for the support worker to provide their details and the name of the organisation that they work for. There is a question on the form about the support that will be provided. If the amount of support seems minimal Jobcentre Plus may not accept that it is Supported Permitted Work.

If you are doing paid involvement with a public authority the organisation may well have a staff member who could act as a support worker.

3. Permitted Work, exempt

This means Permitted Work for people who are exempt from the Personal Capability Assessment because of a severe condition.

People can earn up to £88.50 a week for as long as they want. But see below for the catch.

This is a new category of Permitted Work that was introduced in October 2006. When people fill in the PW1 form to notify Jobcentre Plus of Permitted Work they should say if they are exempt from the Personal Capability Assessment.

4. Permitted Work, higher limit

People can earn up to £88.50 a week for 12 months only. Permitted Work, higher limit is intended to prepare people for a move into full-time employment. For this reason Permitted Work, higher limit, is unlikely to be appropriate for involvement. See below for the catch.

After one year, people must stop earning up to £88.50 a week. They can earn up to £20 a week. After one year they are allowed to earn up to £88.50 a week in Permitted Work, higher level again, for a further 12 months.

The catch: only some people can earn and keep £88.50 a week

People who claim ONLY non-means tested benefits can earn and keep £88.50 a week. Non-means tested benefits are:

- Incapacity Benefit or
- Severe Disablement Allowance.

People who live with a partner or carer might claim only non-means tested benefits, because their partner or carer is working and pay for all the housing costs.

People who claim means tested benefits can earn up to £88.50 a week, but there is a second benefit rule that applies to them. Means tested benefits have an earnings disregard of £5 or £10 or £20 a week. Earnings of up to £88.50 are allowed but the means tested benefit is reduced penny for penny for any excess earnings over the disregard.

Means tested benefits are:

- Income Support,(which may also pay mortgage interest),
- Housing Benefit,
- Local Housing Allowance,
- Council Tax Benefit

Earning disregard amounts

- £5 a week: Income Support for incapacity in the first year of claiming.
- £20 a week: Income Support with a disability premium (after one year of claiming or if also receiving Disability Living allowance).
- £10 a week: Income Support with a disability premium for people with a partner who is also on Income support.
- £20 a week: Incapacity Benefit. Partners can both earn up to £20 a week.
- £20 a week: Severe Disablement Allowance. Partners can both earn up to £20 a week.
- £5 or £10 or £20 a week for Housing Benefit, Local Housing Allowance, Council Tax Benefit according to which of the above incapacity benefits are claimed.

Which benefits are reduced?

Income Support is reduced penny for penny if earnings exceed the earnings disregard amount.

For instance a person on Income Support with a disability premium who also claims Housing Benefit who earned £88.50 a week, would have £68.50 a week deducted from their Income Support. The same amount of Housing Benefit will continue to be paid as long as some Income Support continues to be paid. Housing Benefit and Council Tax Benefit may be affected if no Income Support is paid.

People who do NOT claim Income Support but who claim Incapacity Benefit or Severe Disablement Allowance plus Housing Benefit, or Local Housing Allowance and Council Tax Benefit, can earn up to £88.50 a week; but when they notify the local authority (as they must), their Housing Benefit will be reduced by 65 pence for every £1 that they earn over £20 a week, and their Council Tax Benefit will be reduced by 20 pence for every £1 that they earn over £20 a week.

For instance a person who is living on their own and in receipt of Incapacity Benefit would if they earned £88.50 a week have their Housing Benefit reduced by £44.52 and their Council Tax Benefit reduced by £13.70.

Voluntary involvement for people claiming Incapacity Benefit or Severe Disablement Allowance and/or Income support for incapacity

- People claiming Incapacity Benefit, Severe Disablement Allowance and/or Income Support for incapacity can volunteer for non-profit making organisations for as many hours a week as they wish. Volunteering for profit making organisations is not allowed.
- Volunteering should be notified to Jobcentre Plus.

Might my incapacity benefits be reviewed when I notify Permitted Work or voluntary involvement to Jobcentre Plus?

Jobcentre Plus staff are no longer told to consider sending people for a medical review when they notify an activity that appears to indicate that their health condition may have improved. Jobcentre Plus staff have also been issued with a guide on involvement that states categorically that people are recruited for involvement because of their experience of using health and social care services rather than because they now have a capacity to work.

It is therefore unlikely that involvement will lead to your incapacity being reviewed. It is sensible to ensure that Jobcentre Plus are advised that the activity is involvement. See the standard covering letters in Part 3 Appendix B & C that the organisation involving you can provide when you send in your PW1 form notifying Permitted Work.

What if I started involvement according to the Permitted Work rules before April 2006?

Before April 2006, the rules for Permitted Work, lower limit, or Supported Permitted Work said that people should notify Jobcentre Plus 'sometime before the work ceased'.

When Jobcentre Plus made the change to the rules on notifying in April 2006 they did not inform people claiming benefits as they should have done.

As a result there will be many people who will be unsure as to what to do when they read about the new rules.

There is a risk that Jobcentre Plus may ask why they have not notified Permitted Work as required. People in this situation should ask the organisation that they are involved with to help and to get welfare rights representation.

People who were not told about the new rules cannot be expected in law to have notified Jobcentre Plus. But there is a risk of misunderstandings.

2	Do you live in a residential care home? Do you claim Incapacity Benefit or Severe Disablement Allowance and/or Income support for incapacity? Do you claim State Pension and/or Pension Credit? Are you considering part-time or full-time paid or voluntary involvement?
If so read on:	

Introduction

People who live in residential care homes, either registered or unregistered, can do part-time paid involvement or voluntary involvement.

Full-time paid work or involvement is also allowed. Only a small proportion of the care charges are funded through benefits. Therefore, people whose incapacity benefits stop when they do paid work for 16 hours or more in a week can stay in the care home and work and earn full-time; so can people who claim Pension Credit. People living in a care home can also claim Working Tax Credit.

Tax payable may be affected where benefits are taxable or a State Pension is claimed.

However, there is a catch. The local authority has the right to take any earnings over either £5 or £20 a week, whether from part-time or full-time work or involvement as a contribution towards care home charges. A resident may be no better off whether they earn £5 or £20 a week or a full-time wage.

A resident can negotiate to keep more of their earnings over £5 or £20 a week. The Department of Health gives local authorities discretion to consider a request on an individual basis. The local authority can decide to allow a resident to keep a greater proportion of their earnings if this would further their independence. See more below.

People who live in residential care homes say that local authority staff responsible for care home charging may need to be advised about the Department of Health guidance and their discretion to vary charging policy as they may be unaware of their discretionary powers.

Part-time paid work or involvement

If people claim Incapacity Benefit, Severe Disablement Allowance or Income Support for incapacity they may only do paid work or involvement if they follow the

Permitted Work rules. (See *page 5*). This means that they must keep to earnings of either £20 or £88.50 a week and hours of less than 16 hours a week.

If people receive a State Pension they can do paid work or involvement without any procedures or earning limits for any number of hours. State Pension is unaffected by work and earnings.

If people claim Pension Credit (for up to one year in a care home) earnings over either £5 or £20 a week may lead to a reduction of Pension Credit. If they receive a savings credit, earnings may not be affected.

The local authority has the right take any earnings over £5 or £20 a week and put this towards the cost of the care charges. This applies to those on Incapacity Benefit or Severe Disablement Allowance, as well as those on Income Support for incapacity, and to those getting a State Retirement Pension and Pension Credit. See below on how to negotiate to keep more.

Voluntary involvement

If you are offered voluntary involvement and only exact out of pocket expenses will be reimbursed to you, you can accept. Your benefits cannot be affected. Notional earnings cannot be applied to people who live in a residential care home.

Full-time paid work or involvement

When people work and earn for more than 16 hours a week, incapacity benefits are stopped so the Permitted Work rules no longer apply. People can be involved or do paid work and earn any amount. People can claim the Working Tax Credit to top up low wages. People can be involved or work for as many hours as you want. People can continue to live in the care home.

State Pension is unaffected by work and earnings. Pension Credit is unaffected by work but earnings over £5 or £20 a week may lead to it being reduced.

But if you live in a care home and plan to do some paid involvement for more than 16 hours a week on a regular basis and want to keep more than £20 a week of what you are paid, you will need to negotiate with the local authority.

You must also check to see that your incapacity benefits are protected by a linking rule. (See *Step 4 page 29*).

Negotiating with the local authority to keep more of your earnings

- The local authority is required by the Department of Health to consider allowing a resident living in unregistered care home who earns some money to keep more or all of their earnings and any Working Tax Credit if this promotes independence.
- The Department of Health also requires the local authority to consider allowing a resident living in a registered residential care home to keep more

of their earnings and any Working Tax Credit to allow for in-work expenses and promote independence.

You will need to use two documents for negotiation with the local authority:

- The local authority's policy on charging for residential accommodation,
- Department of Health's guidance to local authorities, 'Charging for Residential Accommodation Guide'. Type in CRAG 07 in the search box on the DH website

The local authority can decide to increase the level of their personal expenses allowance in recognition of the resident's need to be more independent if they are in non-registered residential care home. If they live in a registered care home the local authority can allow the resident to keep more of their earnings for work related expenses.

The local authority is given discretion by CRAG 07 to vary the amount of the resident's earnings that can be retained.

Special rules on earnings for people on incapacity benefits in residential care homes:

Notional earnings

The notional earnings rule does not apply to people living in residential care homes. This means that people on incapacity benefits can offer to be involved as a volunteer if they want rather than be paid. Benefits will not be affected.

Earning disregard per person

£20 of earnings are allowed per person. If people live in a care home together with a partner they can each earn £20. This is unlike the rules for people who do not live in a care home.

Averaging earnings when you live in a residential care home

The Department of Health guidance to local authorities says:

Payments for regular periods

Where the earnings are paid at regular intervals the weekly amount should be calculated as follows:

- a. earnings paid for periods of a week or less should be taken into account for one week.
- b. earnings paid for a calendar month should be multiplied by 12 and divided by 52 to arrive at the weekly amount.

- c. earnings paid annually should be divided by 52.
- d. earnings paid at other regular intervals should be multiplied by 7 and divided by the number of days for which the payment is made.

Does the £5 or the £20 a week earning disregard apply?

The £20 disregard applies to people on the following benefits:

- Incapacity Benefit
- Severe Disablement Allowance
- Income Support for incapacity
- Pension Credit following a claim for one of the above, with a disability premium or entitlement to Disability Living Allowance or Attendance Allowance or a motability vehicle or a carer's premium or as a lone parent.

£5 disregard applies to all others. It is best to check with Jobcentre Plus.

3	Are you in hospital or a similar institution? Are you in prison? Do you claim benefits? Are you considering part-time paid or voluntary involvement?
If so read on.	

If you still receive benefits then the same benefit rules apply

If you are receiving benefits of any description, the same benefit rules on hours of work and earnings apply in exactly the same way as if you are not in hospital or a similar institution.

If you are detained in a secure institution or prison

You may or may not be entitled to benefits if you count as a prisoner. You may, for instance, still get housing benefit.

If you get any benefits, you will be subject to the benefit rules on hours of work and earnings.

There is only one difference. The minimum wage rate does not apply to people who do paid work or involvement whilst detained in a secure hospital such as Broadmoor and Rampton or in prison.

The hospital or prison may also have rules on the amount that an inpatient/prisoner is allowed to receive.

4	Do you claim Disability Living Allowance or Attendance Allowance? Are you considering part-time paid or voluntary involvement?
If so read on.	

Payments for involvement do not affect Disability Living Allowance or Attendance Allowance

Disability Living Allowance and Attendance Allowance are non-means tested benefits and are not affected by earnings. This means that you can be paid any amount and these benefits are not affected.

Disability Living Allowance or Attendance Allowance are paid because of care and/or mobility needs

Disability Living Allowance or Attendance Allowance are paid because of the care or mobility needs that you have. If these needs change and become more or less than before you should notify the Disability and Carers Centre that pays your benefit so that they can consider whether you should be paid more or less than before.

Involvement activity whether paid or voluntary does not have to be notified to the Disability and Carer's Centre

Jobcentre Plus have confirmed that paid or voluntary involvement does not have to be notified to the Disability and Carer's Centre unless the activity demonstrates that your needs have changed.

5	Are you a carer? Do you claim Carer's Allowance? Do you claim carer's premium or Pension Credit as an additional amount for carers? Do you rent your own home or pay mortgage interest? Are you considering part-time paid or voluntary involvement?
If so read on.	

Do you claim Carer's Allowance?

Carer's Allowance is not affected by paid involvement provided that the carer continues caring for a disabled person for at least 35 hours a week (a carer's week runs from Sunday to Saturday) and net pay (after tax deductions) do not exceed £95 in a week (the rate usually increases in April each year). But if you also get carer's premium or Housing Benefit, check below for the lower earnings limit.

As long as the total number of hours spent in caring amounts to 35 hours or more a week, the claimant does not need to care for the disabled person every day of the week.

If net pay is more than £95 a week, this is considered to be 'gainful employment' and the Carer's Allowance is stopped.

Carer's Allowance is taxable (except for increases for children) so earnings may be taxable.

Do you also claim Carer's Premium (which is Income Support)?

If you are a carer and you

- claim carer's premium for your caring responsibilities, or
- you or your partner qualify for a disability premium

payments for involvement of up to £20 a week do not affect entitlement. (The £20 is shared with a partner).

Payments of more than £20 a week will result in carer's premium being reduced penny for penny over £20. Paid work or involvement for 16 hrs or more a week will lead to carer's premium being stopped.

Or do you also claim Pension Credit as an additional amount for a carer?

Check the rules for Pension Credit on page 23.

If you claim Income Support (but not carer's premium or a disability premium)

Payments of more than £5 a week will result in Income Support being reduced penny for penny over £5.

Which benefit is reduced first?

If you are claiming Carer's Allowance and carer's premium plus Housing Benefit and Council Tax Benefit and if you are paid more than £20 a week:

- Carer's Allowance is unaffected providing earnings are less than £95 a week net;
- your carer's premium will be reduced by any amount over £20 a week.

If the payment is for more than £47.15 in a week then your carer's premium may be wiped out altogether (£20 disregard plus Carer's premium of £27.15). Free prescriptions are lost if Income Support is no longer paid.

When your carer's premium is gone then Housing Benefit and Council Tax Benefit will be reduced next. Payments of more than £47.15 will result in Housing Benefit and Council Tax Benefit being reduced. Housing Benefit is reduced by 65 pence for every £1 over. Council Tax Benefit is reduced by 20 pence for every £1 over.

If you are paid more than £95 net in a week then Carer's Allowance is stopped.

Are you being offered reimbursed costs for a replacement carer?

If the organisation that pays you for involvement offers to pay for the costs of a replacement carer you should be aware of the following benefits rule.

All of the reimbursed costs of a replacement carer are treated as earnings if you claim Income Support. Half of the reimbursed costs of a replacement carer are treated as earnings if you claim only Carer's Allowance.

This means that if you accept £20 for involvement and this is the most you can get before your benefits are reduced, any additional amount of reimbursed costs of a replacement carer that you are given, will be deducted from your benefits entirely or in part.

If the organisation pays the replacement carer directly, then your benefits are not affected. For this reason, organisations are advised to offer to pay the replacement carer directly.

Are you being reimbursed other expenses?

Other reimbursed expenses do not affect benefits providing these are 'wholly, exclusively and necessarily' incurred during the course of the employment (or involvement).

6	Do you claim Jobseeker's Allowance? Do you rent your own home or pay mortgage interest? Are you considering paid or voluntary involvement for less than 16 hours a week?
If so read on.	

General benefit rules for Jobseeker's Allowance

Jobseeker's Allowance (JSA) is a benefit for people who are deemed capable of work, are available for work and who are actively seeking work. A 'jobseeker's agreement', made with Jobcentre Plus, sets out the conditions.

These requirements mean that any involvement activity, whether paid or voluntary, should not be seen to get in the way of availability for work or prevent actively seeking work.

Any proposed paid or voluntary involvement must be agreed in advance with Jobcentre Plus.

Jobseeker's Allowance and paid involvement

People who claim Jobseeker's Allowance (JSA) can only be paid £5 a week before benefits are reduced, penny for penny.

A couple on Jobseeker's Allowance, can be paid £10 a week before their benefits are reduced. One partner can use the £10 if the other partner is not earning anything.

People who get Disability Living Allowance as well as Jobseeker's Allowance can be paid up to £20 a week before their benefits are reduced.

The minimum wage rate per hour is £5.52 so unless the involvement is intermittent (not every week) and the averaging rule might apply, the lower earning amounts before benefits are reduced may deter people from agreeing to be involved. (See Step 3 page 28 for the averaging rule).

Jobseeker's Allowance and voluntary involvement

Voluntary involvement must be agreed in advance by Jobcentre Plus. Providing the number of hours per week of volunteering does not prevent availability for work nor actively seeking work Jobcentre Plus should agree. If you are doing regular voluntary work you can give one week's notice to take up a job offer. 48 hrs notice is allowed for an interview.

Housing Benefit, Local Housing Allowance, Council Tax Benefit and mortgage interest, and involvement

These benefits will not be affected by paid or voluntary involvement providing Jobseeker's Allowance continues to be paid. If Jobseeker's Allowance is wiped out the housing cost benefits are reduced next.

7	Do you claim Income Support as a lone parent? Or do you claim Income Support (not as a lone parent and not for incapacity, and not as a carer)? Do you rent your own home or pay mortgage interest? Are you considering paid or voluntary involvement for less than 16 hours a week?
If so read on.	

Do you claim Income Support as a lone parent?

Income Support is not affected by paid involvement as long as it is for less than 16 hours a week on average. Earnings up to £20 a week do not affect Income Support. Earnings over £20 lead to Income Support being reduced penny for penny.

Unlike people who claim Carer's Allowance there are no separate rules about the hours that must be spent looking after the child(ren).

Unlike people who claim incapacity based benefits there are no separate rules about qualifying for Income Support that could be affected by a work related activity.

Jobcentre Plus must be advised about any planned involvement and the payments. The frequency (weekly/monthly etc) and expected duration of involvement activity should also be notified. Income Support will be reduced if the weekly average payment is above £20.

What if payments for involvement exceed the total amount Income Support?

If payments for involvement over £20 exceed the total payment of Income Support it will be wiped out altogether that week. Access to other entitlements can be lost also. These can include free prescriptions and other health benefits and free school meals.

Housing Benefit and Council Tax Benefit

Lone parents who receive Income Support and Housing Benefit and Council Tax Benefit who earn above the disregard will have the Income Support reduced first.

If and when Income Support is wiped out by earnings Housing Benefit and Council Tax Benefit are reduced next. Lone parents have £25 of earnings disregarded, before reductions of Housing Benefit and Council Tax Benefit.

Child Benefit and paid involvement

Child benefit is not affected by earnings.

Child Tax Credit and paid involvement

Child Tax Credit is unlikely to be affected providing earnings are below £13,910 per annum.

Do you claim Income Support (not for as a lone parent, not for incapacity, and not as a carer)?

Income Support is not affected by paid involvement as long as it is for less than 16 hours a week on average. But usually only earnings up to £5 a week will not affect Income Support. Earnings over £5 a week will lead to Income Support being reduced penny for penny.

Couples have an earning disregard of £10 a week. Either partner can use this.

Voluntary involvement and Income support

People who receive Income Support for any reason can do any amount of voluntary work and this will not affect their entitlement. Voluntary involvement should be notified to Jobcentre Plus. Lone parents are not required by the benefit system to look after the child(ren) for a minimum number of hours per week (unlike carers).

8	Are you claiming a State Pension? Are you claiming Pension Credit? Are you claiming Housing Benefit or Local Housing Allowance and Council Tax Benefit Are you claiming for mortgage interest? Are you considering paid or voluntary involvement?
If so read on.	

State Pension

State Pension is not affected by earnings. State Pension is not affected by any amount of work or involvement, whether paid or voluntary.

State Pension is taxable so people who are paid for involvement may be subject to tax deductions on earnings.

Pension Credit

Pension Credit is not affected by hours of work or involvement, whether paid or voluntary. There is no restriction to less than 16 hours of paid work

Pension Credit may be affected by earnings.

People who get Pension Credit may be able to earn either £5 a week, or £10 a week or £20 a week before Pension Credit is reduced penny for penny. But if they get a savings credit, earnings may not reduce Pension Credit.

If you have a partner, one of you can earn £10 a week without Pension Credit being affected.

If you had a disability premium before getting Pension Credit you might be able to earn £20 a week without Pension Credit being affected.

If in doubt, ask The Pension Service how much you can earn and keep.

Pension Credit does not have a notional earnings rule.

People on Pension Credit can choose to volunteer for involvement even if offered paid involvement, because there is no notional earnings rule.

Housing Benefit or Local Housing Allowance or mortgage interest and Council Tax Benefit

People who receive Pension Credit, and Housing Benefit (or Local Housing Allowance) or mortgage interest and Council Tax Benefit who earn above the disregard, will have the Pension Credit reduced first. If Pension Credit is reduced to nil, housing cost benefits are reduced next.

Housing Benefit is reduced by 65 pence for every £1 over the earning disregard.
Council Tax Benefit is reduced by 20 pence for every £1 over the disregard.

9	Is the child in your care considering part-time paid involvement? Is your child under 16 years old? Are you a parent or carer? Does your child live with you? Do you manage a care home?
If so read on.	

Involving and making payments to young people

Young people of school age are only allowed to do work and work related activities (i.e. involvement) as long as it does not interfere with their education, health and physical development.

If a child in your care has been asked to help with paid involvement you will need to discuss it with the local educational welfare office. They may want the involvement to be registered and to carry out a risk assessment. The consent of both the parents or guardian and the school are required.

What happens if a child of school age is paid for involvement and has parents who are on benefits?

If Child Tax Credit is received and the amount of benefit for the child is not included in Income Support or Jobseeker's Allowance, the child's earnings are ignored.

Parents and guardians who still get the amount of benefit for their child included in Income Support or Jobseeker's Allowance will have their benefits reduced if the child's earnings are over the parents' or guardian's benefits personal earnings disregard.

What happens if a child of school age who lives in a children's home is offered paid involvement?

The local educational welfare officer must be consulted as must the manager of the children's home. They must give their consent as above.

Vouchers, mobile phone top up cards, etc.

Parents or guardians may prefer it if their child is offered vouchers or mobile phone top up cards rather than cash. However, if the involvement is ongoing, these will be treated as notional earnings, and as such may result in problems for parents on benefits. Even so, these may be preferred over cash for other reasons.

Step 2

10	Do you receive money from the Independent Living Fund? Do you have home care services? Do you have counselling provided through Supporting People funds? Are you considering involvement?
If so read on.	

If you claim the Independent Living Fund

The Independent Living Fund works with local authorities to provide a package of care for severely disabled people in order that they may lead an independent life.

Independent Living Fund is paid on the basis of income but earnings are not taken in to account.

Involvement, whether paid or voluntary, will not affect entitlement to the Independent Living Fund.

If you claim other benefits as well

If you claim other benefits as well, such as Incapacity Benefit, Severe Disablement Allowance and/or Income Support for incapacity (with a Severe Disability Premium), and housing cost benefits, these benefits have limits on earnings and hours of work. See Step 1 page 5.

If you get Home Care services

Local authorities provide home care services to people who are assessed as needing services such as for practical help with domestic tasks, personal care, dressing etc.

The local authority will assess the income of the person assigned home care.

Benefit income is taken into account.

Earnings are not taken into account.

Involvement whether paid or voluntary will not affect entitlement to Home Care services.

If you get other benefits as well

If you claim other benefits as well, such as Incapacity Benefit, Severe Disablement Allowance and/or Income Support for incapacity (with a Severe Disability Premium), and housing cost benefits, these benefits have limits on earnings and hours of work. (See Step 1 page 5).

Supporting People services

Supporting People services are provided by the local authority and other support agencies. The services are intended to complement the practical tasks of home care and provide vulnerable people with support and counselling in order to be more independent.

Guidance from the Office of Communities and Local Government is provided to local authorities on charging, but local authorities have discretion as to their policy. The guidance states that earnings are not chargeable where the Supporting People service is short-term (less than two years) or where Housing Benefit is paid.

However, earnings may be chargeable where the Supporting People service is long-term (more than two years), and no Housing Benefit is payable. This may vary between local authority policies because they have discretion on charging.

If you get Supporting People services and there is a possibility of keeping some earnings after your benefits have been reduced, you will need to use two documents for negotiation with the local authority:

- The local authority's policy on charging for Supporting People services,
- Guidance from the Office of Communities and Local Government local authorities on charging for Supporting People services.

If you get other benefits as well

If you claim other benefits as well, such as Incapacity Benefit, Severe Disablement Allowance and/or Income Support for incapacity (with a Severe Disability Premium), and housing cost benefits, these benefits have limits on earnings and hours of work. (See Step 1 page 5).

Step 3

11	Is the paid involvement that you do, intermittent (not every week)? Would it be helpful if Jobcentre Plus treated your payments for involvement as ‘averaged’ over several weeks or longer?
If so read on.	

When can earnings per week be averaged over several weeks or longer?

Involvement is not usually every week. As a result it can be helpful to ask Jobcentre Plus if the benefit averaging rules could be used for payments from involvement.

All types of earnings can be treated as averaged – including Permitted Work £20 a week or Permitted Work £88.50 a week or Carer’s Allowance £95 a week or carer’s premium £20 a week or Income Support or Jobseeker’s Allowance £5 a week.

The benefit rules on averaging are set out in the Jobcentre Plus guide for their staff:

The weekly amount of a person’s income may be averaged if the income varies or the regular pattern of work means that the claimant does not work every week.

The Decision Maker should average over:

- *A complete cycle if there is a recognisable cycle of work, **or***
- *Five weeks, **or***
- *Another period if this means a more accurate weekly amount can be calculated.*

Hours of work or paid involvement can be averaged as well.

Jobcentre Plus can advise if averaging can be applied in individual instances. Don’t assume that they will agree beforehand.

Step 4

12	Are you considering regular paid involvement for 16 hours a week or more which will mean that your benefits stop? Do you claim Incapacity Benefit or Severe Disablement Allowance and/or Income Support for incapacity and want to protect your benefit rates?
If so read on.	

Incapacity benefit linking rules

Introduction

The new **104 week incapacity benefit linking rule** can protect incapacity benefit rates when you start paid work (or paid involvement) **16 hours a week**, or training that takes you off your benefits and provides a training allowance instead.

If the job or paid involvement or training doesn't work out and you need to make a new claim to incapacity benefits again, you will get the same rates as before, providing you make the claim before the 104 weeks are up, and your doctor will provide another sick certificate. You can self-certify for the first 7 days.

The 104 week benefit linking rule replaced the 52 week linking rule in October 2006. The 104 week linking rule is easier to use. It is an automatic entitlement – no need to register; only one qualifying period of 28 weeks on incapacity benefits is needed – there are no waiting periods to re-qualify.

There are a further two linking rules. See more below.

What benefits are protected by the 104 week benefit linking rule?

The linking rule protects the current amount of:

- Incapacity Benefit, or
- Severe Disablement Allowance, and/or
- Income Support with a disability premium

and if you claim one of the above benefits the linking rule also protects:

- Housing Benefit
- Council Tax Benefit
- Income Support for mortgage interest (immediate reinstatement)

How do I qualify for the 104 week linking rule protection?

You have to claim Incapacity Benefit or Severe Disablement Allowance or Income Support for incapacity for 28 weeks to qualify for linking rule benefit protection. You have to start work (or training) within one month of your benefits stopping.

Once you have been on these benefits for a 28 week period for a first time you don't need to be on benefits for another 28 weeks if you want to use the linking rule again.

If you move off benefits into work or training and are protected by the 104 week linking rule, and then subsequently the work or training ends and you have to claim benefits again, the linking rule benefit protection will be available from the first day your benefits are paid again. You have another 104 weeks of benefit protection available immediately.

Will I be sent for a medical test of my incapacity if I have been off benefits and earning?

If your benefits were protected by the linking rule then when you make a new claim you cannot be sent for a medical test of your incapacity for 91 days.

What are the procedures to use the 104 week benefit linking rule?

When you start work or regular paid involvement for 16 hours a week or more, you must let the Jobcentre Plus office that pays your benefits know so that your benefits are stopped. Providing you have been on incapacity based benefits for 28 weeks or more and the time between leaving benefits and starting work or training is less than a month, you will qualify automatically for the 104 week linking rule. There are no forms to fill in.

If or when you want to make a new claim to benefits, you will still need a doctor's certificate. It might be helpful to discuss this with your doctor before coming off benefits.

Does the reason the work or paid involvement ended affect my entitlement to use the 104 week benefit linking rule?

Providing your doctor will provide you with another medical certificate it doesn't matter why the work or paid involvement ended. It could have been a temporary contract, you could have resigned, and you could have been sacked. It doesn't matter.

Are all types of Housing Benefit protected?

A small group of people do not have their Housing Benefit protected by the 104 week linking rule. These are people who rent from a private landlord and who first claimed Housing Benefit for their current accommodation before 1996.

If you are in this group and stop claiming Housing Benefit, and then subsequently you make a new claim, you will be transferred to the Local Housing Allowance when it is introduced to your area.

You might be worse off on the Local Housing Allowance if your rent is higher than average for the area or the local authority say that your accommodation is larger than you need.

You might be better off on the Local Housing Allowance if at the moment you are not getting Housing Benefit for all of your rent. The rates for the Local Housing Allowance are said to be better than Housing Benefit.

People in social housing (Housing Association and Council) will have their Housing Benefit rates protected.

What are the other linking rules?

The 8 week linking rule still applies. This is automatic as well and applies from day one of a claim. It protects the same benefits listed above for the 104 week linking rule.

The 52 week linking rule was abolished in October 2006 as it has been replaced by the 104 week Linking rule

The two year linking rule that is attached to a claim for Working Tax Credit with a disability element that ONLY protects Incapacity Benefit and Severe Disablement Allowance still applies. The two year linking rule does not protect Income Support or Housing Benefit or Council Tax Benefit. The 104 week linking rule is DIFFERENT from the two year linking rule.

Further advice and information on benefits

The Involvement Helpline for benefits advice

provides free advice to people who are involved with the Commission for Social Care Inspection (CSCI), Social Care Institute for Excellence (SCIE), General Social Care Council (GSCC), or Skills for Care (SfC), and to organisations that are supporting their work.

Advice is given to service users or carers according to individual circumstances on:

- how much can be paid for involvement, without benefits being affected;
- making sure that Jobcentre Plus understand that involvement is different to work;
- how to avoid reimbursed expenses being treated as earnings;
- how to keep to benefit conditions.

If CSCI or SCIE or GSCC or SfC or an organisation that is supporting their work, asks a service user or carer to become involved with them, the member of staff can offer access to this free confidential telephone service provided by CAB advisors who are trained in involvement.

Health and social care organisations can subscribe to the Involvement Helpline so that service users and carers they involve can also get free specialist advice on involvement and benefits. See http://www.mkweb.co.uk/Citizens_Advice for further details on the Involvement Helpline.

Citizens Advice Bureaux (CAB)

provide free legal advice and free benefits advice to the public.

If your organisation wishes to discuss arranging an involvement benefits advice service locally, the national CAB office on 020 7833 2181 can provide the number of your local CAB office manager. A local CAB will usually need some additional training in order to provide specialist advice on benefits and involvement.

Alternatively the web site provides general information on <http://www.citizensadvice.org.uk>

Community Legal Services

provide free legal advice and free general benefits advice to people on benefits or other low income.

If you want advice on your benefits phone 0845 345 4 345 and you will be put through to an advisor. This is not a specialist benefits and involvement advice service, but a general advice service. Alternatively the website provides general information on <http://www.clsdirect.org.uk/index.jsp>