

Universal Credit and disabled children

Universal Credit is a means-tested benefit for people of working age. It is replacing the following benefits and tax credits:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Housing Benefit
- Child Tax Credit and
- Working Tax Credit.

These are known as the 'legacy benefits'.

When will I be asked to claim Universal Credit?

In most areas you can't currently claim Universal Credit if you are caring for a disabled child. However, families with a disabled child and other carers can be asked to claim Universal Credit if they live in an area where the Universal Credit 'full service' has been introduced. The Government is gradually rolling out the full service and it will cover the whole of the UK by September 2018.

In **England, Scotland, and Wales**, details of the timetable for the roll out of the Universal Credit full service are available at:

📄 www.gov.uk/government/publications/universal-credit-transition-to-full-service.

In **Northern Ireland**, the roll out is planned to take place between September 2017 and September 2018, with more details available at:

📄 www.nidirect.gov.uk/articles/universal-credit.

If you live in an area where the full service is introduced, **and** you try to make a new claim for one of the legacy benefits above, you usually need to claim Universal Credit instead. However, this only applies to families with less than three dependent children. If you have three or more children you cannot currently claim Universal Credit and must continue to claim legacy benefits instead.

This means that if a parent in a full service area with two dependent children loses their job and tries to make a claim for Income Support, they will be asked to claim Universal Credit instead. That Universal Credit award also then replaces any Housing Benefit and tax credits that they already receive. However, if that parent had three

dependent children they would be able to claim Income Support and would continue to get tax credits and Housing Benefit.

Warning!

If you have less than three dependent children and live in a full service area, there is nothing stopping you from choosing to claim Universal Credit instead of your existing benefits. However, this may not be a good idea, as many families with disabled children will be worse off. In particular, many families whose caring responsibilities prevent them from working will lose more than £1,600 per year. This is because extra disability payments are being cut by more than 50% for most disabled children – see page 2.

Existing benefit claimants who have no change in circumstances

For the time being, existing claimants who do not try to make a new claim for one of the legacy benefits above will not be asked to claim Universal Credit. This remains the case even if they live in a full service area (unless they choose to claim – see warning). However, between July 2019 and March 2022 the Government plans to move all existing legacy benefit claimants onto Universal Credit – a process known as 'managed migration'.

Need advice?

Call our freephone helpline

 **0808 808 3555**

helpline@cafamily.org.uk

Open Monday to Friday, 9.30am–5pm



Description	2017/18 existing benefits	2017/18 Universal Credit	Weekly change	Annual change
Higher child disability addition If child is on DLA highest rate care component, PIP at enhanced rate daily living, or is registered blind	£85.68 pw	£85.68 pw	nil	nil
Lower child disability addition If child is not registered blind and is on any other rate of DLA/PIP	£60.90 pw	£29.05 pw	– £31.85	– £1,656

Will families be worse off?

The Government says that some claimants will be better off under Universal Credit, as a result of rules designed to make sure that work pays. While some working families may gain, Contact a Family is concerned that many families with a disabled child will be worse off, due to cuts in payments for the majority of disabled children. While out-of-work-families with a disabled child are at particular risk of being worse off, some working families will lose out too.

Cuts to the child disability addition

Under the current tax credits system, a parent receives an additional amount if their child is awarded Disability Living Allowance (DLA). This is paid at one of two rates, depending on whether or not that child gets the highest rate of DLA care component (or the Personal Independence Payment (PIP) equivalent if the child is aged 16 or above).

The principle of a child disability addition paid at one of two rates is replicated in Universal Credit, with the higher addition also being extended to those who are registered as severely visually impaired.

However, the amount of the lower disability addition is being cut by more than 50% under Universal Credit. Families who are unable to work and who qualify for the lower disability addition are likely to be worse off by £1,653 a year. As the addition is paid for each disabled child, losses would be double this where a family has two children who qualify for the lower disability addition. Please see the table above.

It's possible that some working families may find that other features of Universal Credit, designed to make work pay, may offset part of the cut to the disability addition. However, this is less likely as a result of reductions in Universal Credit work allowances.

Numbers affected

The Government hasn't carried out an assessment of how Universal Credit will impact on families with disabled children as a distinct group. Therefore details of the numbers of families likely to lose out are sketchy. In 2011 the Government estimated that 100,000 disabled children would qualify for lower payments under Universal Credit. However, the true figure for those affected is likely to be higher.

Entitlement to the higher disability addition is being restricted to those on the highest rate of DLA care component or those with a severe visual impairment. However, the highest care component is only paid where someone needs care at night time, as well as day time. This means that if a severely disabled child sleeps well during the night, Universal Credit payments will be cut, even if they have complex disabilities and require care the whole time that they are awake.

Other reasons families may lose out

While Contact a Family has particular concerns about cuts to disabled child additions, there are a number of other features of Universal Credit that are likely to have a negative impact on families with disabled children. These are:

- stopping payments for disabled children with 'looked after' status who are in residential care
- suspending all Universal Credit payments for children who are away from home for more than six months, such as children in hospital
- expecting a full-time carer to look for work where they share the care of a severely disabled child with a partner
- expecting a full-time carer to look for work while they are waiting for a decision to be made on their child's claim for DLA
- cuts to payments for disabled carers.





Ending payments for disabled children with 'looked after' status

Under the tax credits system a parent continues to receive payments for a child in a residential setting, so long as they are being accommodated because of their disability. This remains the case even if that child is treated as 'looked after' by the local authority.

New rules under Universal Credit

Under Universal Credit no payments will be made for any child who is treated as 'looked after' by the local authority under section 22 of the Children Act or section 17(6) of the Children Scotland Act. The only exception will be where a child is only 'looked after' during a planned short break. A child can have 'looked after' status even if they are being accommodated on a voluntary basis, and this may apply to some children in residential schools, as well as those in residential care.

Cost to parents

Most parents of a disabled child with 'looked after' status continue to incur significant costs, still paying for their child's clothing, personal belongings, as well as the costs of leisure or social activities. In many cases, 'looked after' children will also return home frequently, not only during school holidays but also during term times. However if, as seems likely, they retain 'looked after' status during temporary returns home, no Universal Credit payments will be made, even during those periods at home. This means a loss of up to £600 per month (or £7,200 per year) for each 'looked after' child.

Impact on other benefits

To make matters worse, once a child has had 'looked after' status for six months, they will no longer to be included as part of the household when calculating the number of bedrooms a family needs under the size criteria rules.

These size criteria rules, better known as 'the bedroom tax,' are a feature of calculating how much help a family will get with rent under Universal Credit, in the same way as they currently apply to Housing Benefit. As a result, some families will see the loss of Universal Credit payments for their 'looked after' child being followed six months later by a cut in the help they receive towards rent.

It also appears that families in this situation could lose protection from the household benefit cap, as they will no longer count as being responsible for a disabled child.

Children in long-term hospital and temporarily away from home

Even if a child doesn't have 'looked after' status, Universal Credit payments stop if a child is expected to be temporarily absent from home for more than six months. This will include where a child is in hospital for six months or more – children in respect of whom payments continue indefinitely under the existing tax credits system.

 Research carried out by Contact a Family showed that for 93% of families with a child in hospital, costs go up rather than down. This is a result of issues as increased travel costs, hospital parking fees, and higher mobile phone bills, as well as loss of earnings due to time off work.

Like the parents of 'looked after' children, parents of children who are temporarily away from home for six months will also be at risk of cuts in their payments towards rent, and the loss of protection from the household benefits cap.

If you both care for the same severely disabled child

Under Universal Credit, a carer who provides at least 35 hours a week care to a child getting certain disability benefits is normally exempt from 'conditionality'. This means they can claim Universal Credit without having to look for work, or meet any other work-related conditions.

However, where two parents both provide at least 35 hours or more care to the same severely disabled child, only one of them will be automatically exempt from conditionality. The other parent will be expected to look for some work, unless Jobcentre staff agree to use their discretionary power to exempt that carer from having to meet work-related conditions.



If you are waiting for a decision on a claim for a disability benefit

Under the current system you can claim Income Support as a carer while looking after someone who is awaiting a decision on a DLA/PIP claim.

By allowing carers to claim Income Support rather than Jobseeker's Allowance, carers are exempt from having to look for work. This provides an important safety net for carers who, through no fault of their own, often face lengthy delays waiting for a decision on a disability benefit.

Unfortunately, there is no similar rule within Universal Credit. This means that a full-time carer waiting for a DLA/PIP decision will not be exempt from having to look for some work. They will also not be able to benefit from the discretionary power mentioned in the section above, as this power can only be used where the cared for person is already on DLA (or PIP) at certain rates.

Cuts to payments to disabled parent carers

Under the existing means-tested benefits system, a parent who cares for a disabled child and who is severely disabled themselves, can receive an extra carer element payment because of their caring responsibilities.

This is as well as an extra payment because of their own limited capability for work.

Under Universal Credit, a claimant can **either** qualify for a carer element payment, **or** an extra payment because of their limited capability for work, but not both.

Impact on lone parents

This cut will have a particular impact on lone parents.

If a couple includes a carer who is disabled, there will be scope for the non-disabled partner to qualify for the carer element. This allows that household to retain both a carer and an incapacity payment.

In contrast a disabled lone parent who is also a carer will lose out by around £30 per week.

Won't families who are worse off be transitionally protected?

Transitional protection means that if you are entitled to less money under Universal Credit than you were paid before, you receive a top-up, to make sure you are no worse off.

However, it is important to realise that if you are someone who has to claim Universal Credit because your circumstances change, or if you are someone who chooses to claim, there is **no** transitional protection.

Warning

No-one who starts getting Universal Credit between now and July 2019 will be transitionally protected. Eventually, the Government will offer transitional protection to some claimants. But this will only apply to those existing benefits claimants who are moved onto Universal Credit by the Government under its 'managed migration' of existing claimants, between 2019 and 2022. These top up payments are not increased with inflation, so even those who eventually get transitional protection will be worse off over time.

Other issues

This factsheet focuses specifically on those features of Universal Credit that will have an impact on families with disabled children. Other problems that impact on all families, regardless of whether they have a disabled child, are not covered. This includes the policy of limiting payments of the child element to the first two children, and the fact that there is usually a six week wait before initial payments start. It does not cover cuts to Universal Credit payments for some disabled adults from April 2017.

Need advice?

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How Contact a Family can help

It's important that families caring for a disabled child seek advice about Universal Credit, because how it affects your family will depend on your individual circumstances. Call our freephone helpline and talk to one of our expert advisers.



0808 808 3555 ✉ helpline@cafamily.org.uk

Our freephone helpline can give advice about any aspect of raising a disabled child, including help with finances, education, emotional and practical support.

You can also visit our website to find out more about the help, support and information we offer about Universal Credit, and other benefits you could be entitled to:

🌐 www.cafamily.org.uk

Guides for parents

We have a range of free guides for parents, including:

- Money matters – when your child has additional needs
- Help with council tax bills
- Claiming Disability Living Allowance for children
- Helping your child sleep
- Understanding your child's behaviour.

A full list of our guides is at the link below. All our guides are free to parents who call our helpline, and are free to download at:

🌐 www.cafamily.org.uk/publicationslist



Join our campaign!

Under Universal Credit many families with disabled children will be worse off. In particular, many families whose caring responsibilities prevent them from working will lose more than £1,600 per year. This is because extra disability payments are being cut by more than 50% for most disabled children.

It seems certain that more than 100,000 families with disabled children will lose out as a result of this cut. Many of these families are already struggling to afford basic essentials such as food and heating. The impact for many is likely to be increased debt, stress and ill-health. Contact a Family is calling on the Government to reverse cuts to the disabled children's payments under Universal Credit.

You can support our campaign against the cuts by signing our petition at:

🌐 www.cafamily.org.uk/get-involved/universal-credit

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