

*'making benefits
understandable'*

we aim to promote social
justice through training and
consultancy

November 2010

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Now Booking

**INTRODUCTION TO
WELFARE BENEFITS**

*Birmingham 9/11/2010 &
15/2/2011*

Southampton 25/1/2011

Exeter 27/1/2011

Cardiff 8/2/2011

Derby 14/2/2010

London 17/2/2011

DLA/ AA

Cardiff 18/11/2010

Birmingham 3/12/2010

Cardiff 10/12/2010

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£7 Billion more cuts

Over the next two Parliaments the current system of means tested working age benefits and tax credits will gradually be replaced with the Universal Credit. At the end of 2013 at the earliest, new claimants and the long term unemployed are likely to be the first to claim the Universal Credit (others will not move until after 2015). To help pay for this the Government announced in the [October Spending Review](#) a further £7 billion more in cuts. [full report](#)

Benefit Cap-

- capping maximum total household benefit payments at around £500 per week for couple and lone parent households and around £350 per week for single adult households, excluding DLA claimants, War Widows and working families claiming the working tax credits from 2013.

Child Benefit-

- withdrawing Child Benefit from families with a higher rate taxpayer from January 2013.

Tax Credits-

- reducing childcare costs of Working Tax Credit from 80 per cent to 70 per cent level in April 2011.
- couples with children will have to work 24 hours a week between them, with one partner working at least 16 hours a week in order to qualify for Working Tax Credit by 2014-15.
- freezing the basic and 30 hour elements of the Working Tax Credit for three years from 2011.
- increasing the child element above indexation by a further £30 in 2011-12 and £50 in 2012-13.

Contributory Employment and Support Allowance-

- Time limited for one year for those in the work related activity group by 2014-15.

Housing Benefit-

- increasing the age threshold for the Shared Room Rate in Housing Benefit from 25 to 35 by 2014-15.

Council Tax Benefit-

- reducing spending on Council Tax Benefits by 10 per cent and localising it by 2014-15.

Disability Living Allowance-

- removing the mobility component of Disability Living Allowance for people in residential care by 2014-15.

Pension Credit-

- freezing the maximum Savings Credit award in Pension Credit for four years by 2014-15.

Cuts Continued

Mortgage interest-

- extending for a further year the temporary change to the Support for Mortgage Interest scheme, to reduce the waiting period for new working age claimants to 13 weeks and increase the limit on eligible mortgage capital to £200,000 until January 2012.

Cold Weather Payments-

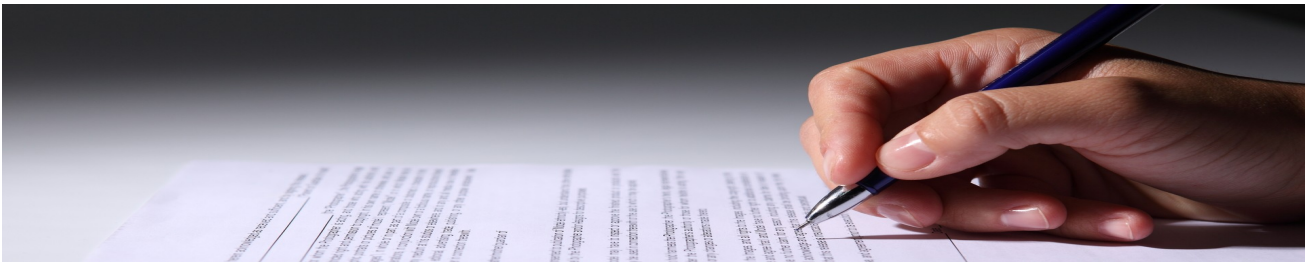
- making permanent the increases in Cold Weather Payments to £25 per week.

Basic State Retirement Pension-

- uprate the Basic State Pension by a triple guarantee of earnings, prices, or 2.5 per cent, whichever is highest.
- speed up the pace of State Pension Age equalisation for women from April 2016 so that Women's State Pension Age reaches 65 in November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to April 2020.

Our [guide to benefit changes 2010](#) will be updated as the year progresses.

ESA– transfer pilots start



[Burnley and Aberdeen](#) are the DWP areas where from October 2010, claimants under the old sickness benefit system (incapacity benefit/ income support) will start to be reassessed and transferred over to the Employment and Allowance System (ESA). The system is expected to find around 40% as 'fit for work'. It is due to be rolled out nationally from the end of February 2011. Figures show that of 2.136m working age people claiming incapacity benefit, 1.2m who have been claiming for five years or more, and 900,000 who have been claiming for a decade.

ESA appeals up over 400%

Meanwhile the number of ESA appeals dealt with by the Appeals Service has jumped by over 400% in the first quarter of 2010 compared to the same quarter in the previous year. The number are likely to rise further. Disability Living Allowance and Attendance Allowance appeals remain the second largest and significant category of appeal.

[Click here](#) for the Tribunal Service's quarterly report.

Most benefits cut by 1.5%

The Government's now uses the CPI instead of the RPI to calculate annual increases in most benefits from April of each year. This means that most benefits will rise by 3.1% instead of 4.8% in April 2011.

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