Newscast Transcript February 2023

David : [00:00:05] Hello. Welcome to our February Benefits Newscast. This month, it's myself and Will Hadwen, joined by Lindsay Fletcher, who's a Welfare Rights worker for a local authority Welfare Rights Unit. You'll probably know by now that each of us would have brought with them three things: news stories, changes in the law, case law, etc. Things that we think are important and we'd like to share with you. None of us know what the other have brought, so it could be that we've brought the same things, it could be that we've brought completely different things. We'll find out. We'll be mentioning some other websites and some sources and references. Of course, we'll include those in a document that you can access below, as well as the transcript, if you want to review that. Okay. So, Lindsay, I wonder if you can tell us what your number one item is this month?

Lindsay: [00:01:05] Course. Thanks, David. And I thought this month I'd throw a bit of a curveball in, so not necessarily an update. I thought I'd focus more on some tips on maximizing client's income.

David : [00:01:18] Okay, good.

Lindsay: [00:01:19] Some things that we've been talking about in the office lately and have come up, which have been really helpful for clients. So and obviously it's always important to maximize income, but at the minute, every penny helps more than ever.

David : [00:01:34] Of course.

Lindsay: [00:01:35] And it's always good to have a reminder on things that advisors can look out for and can check. So the first one which came up recently is a reminder that on Universal Credit, people can be referred for a Work Capability Assessment medical, even if they're working. So a lot of advisors forget about this, and it can make a huge financial difference. So even if someone's working, if they have health issues that restrict or limit what they can do; whether it be hours, roles, time of day, they can work, it restricts what they can do, then they can still be referred for a medical. So there are some rules, in that you have to earn, to be referred for a medical, you have to earn less than 16 hours at national minimum wage. So it's about £658 a month at the minute. However, there is an exception if you get a disability benefit. So if you get a disability benefit, like PIP, then you can be referred for a medical regardless of how much you earn. So someone could potentially even work full time, get PIP, declare it, provide a fit note. And sometimes they think, well, how can I get a sick note, I'm not off work? But if you look at the new fit notes, they have the limitations on what you are able to do, and what the workplace may need to implement to enable you to work. So submit a fit note - the GP should be fine with that. A couple of my clients, it's more for probably long-term conditions that limit working options. So you're not saying you can't work at all or just you've got limitations.

Lindsay: [00:03:35] So perhaps hearing difficulties, might be deaf, might be sight impaired, might be having renal dialysis. So you can work a bit, maybe even a lot, but you've got restrictions. And if you're referred for a medical, there's the usual three outcomes. You could fail - you've lost nothing by trying - you can appeal if you want to. You can pass and go in that lower group and have Limited Capability for Work, which doesn't get you any extra money these days, but you do get a work allowance. So you get to keep several hundreds of pounds of your earnings before it even affects your Universal Credit. And then there's the third, final best outcome. You have the catchy, Limited Capability for Work Related Activity. So you get the work allowance and the extra elements - the extra LCWRA element, which is an extra £354 on your UC award. And many of the people I've spoken to recently have done their own online benefit checks, like people are advised to do, and it said they're not entitled to any UC because they're working and they may well not be, but it doesn't tell them (this is where advisers can use their knowledge). You can still be referred for a medical. And if you pass that medical, that may then mean you're entitled to some UC because of the work allowance and or the LCWRA element. So, it's reminding to not just look at the now, look at that knock on entitlement that could become available if you pass that medical. So it's a really good reminder of that.

David : [00:05:24] Really good reminder.

David : [00:05:24] And I'm glad you mentioned that because on our introduction course, we talk about the three outcomes in the way that you've described them and the importance of them, particularly Limited Capability for Work Related Activity, obviously because of the extra amount that is included. And we talk a little bit about the issue of returning to work or moving into work, but I think we don't really talk, on that course, we don't really talk about it in terms of if you're already in work, you can get it done. We do look at those limitations that you mentioned. The 16 hours, the disability benefit, I think is covered in our pack in the introduction course. But yeah, it's easy to forget that, isn't it? And the fact that you can start that process with a medical certificate in the same way as you otherwise would.

Lindsay: [00:06:11] A lot of people have got this black and white, working or not working, fit for work or not fit for work. And if people look at the Work Capability Assessment points, it doesn't really actually reflect working. It's about how your health affects you; how far can you walk and things. And so plenty of people would pass the medical but could well, you know, find employment, suitable employment, and work. So this is a way of recognising it and increasing their income. And sometimes, you know, they can earn quite a bit.

David : [00:06:46] And how do you find, have you had much experience of this with the DWP in terms of when someone presents in this way, how does the DWP tend to respond for people that are already in work?

Lindsay: [00:06:58] Mixed. But for long-term conditions like that where it's a clear, you know, long-term issue, like I said; deaf, sight issues, renal dialysis is a really, really good one and things like that. You know, I've had quite good outcomes lately and taken quite a few people onto UC who wouldn't have got it without passing that medical.

David : [00:07:20] And I was wondering, if sometimes the DWP doesn't complete the Work Capability Assessment, you don't tend to find that's a problem in terms of the UC50 not going out?

Lindsay: [00:07:32] If people are not on a disability benefit, then remember what I said at the start, they have to earn under the £658 a month. So there's sometimes issues and it gets a little bit messy if people have fluctuating earnings.

David : [00:07:47] Right.

Lindsay: [00:07:47] So they're referred, but then one month they earn more. It's a bit messy in the guidance as to whether it stops. Bit messy. Always get in touch with us for advice.

David : [00:07:57] Exactly. So if you're new to this, if you have any trouble implementing any of this or you want to help someone do this and you find you have difficulties, of course you can contact us using our advice email. Good. Thanks, Lindsay. I'm glad you mentioned that also, because it kind of links to one of my things that I'm going to mention in a minute. Will, what's on top of your list?

Will: [00:08:20] Well, actually, Lindsay sort of nicked one of mine, but not entirely, because I was also going to talk about take up. But specifically in relation to the cost of living payments, take up of UC has become even more important than before, and there isn't any specific government take up of UC other than, I suppose, encouraging people on legacy benefits to move to some extent. But not so much take up in the way that we saw for Pension Credit. And this comes out of various things, partly my own work where I've seen lots of people who thought they didn't qualify, but then actually they do, because, for example, they have children, or their rent is high. So quite a number of people who were on relatively high incomes but were entitled to Universal Credit, once you took the housing element into account and their childcare costs. So it's just that message really to always check and to encourage people to apply, even if they're not entitled to very much, because of the cost of living payments. And then the other thing that came out of that was thinking about people who may miss their cost of living payments, because in the assessment periods where the qualifying dates are (we don't know what those are going to be yet for 2023), they happen to earn too much. And unfortunately, the Secretary of State has said there have to be this bright line, rules they're not going to change. And he has confirmed that if you earn too much in the relevant assessment period, you won't get the cost of living payment. That's really unfortunate, but it shouldn't stop us trying to do take up work we come.

David : [00:10:00] So being really careful to check Universal Credit calculations. As you were saying, I think checking for missing elements and making sure they've been included correctly, including, as Lindsay was talking about, including the Limited Capability for Work Related Activity element, of course.

Will: [00:10:16] Yeah. Yeah. And just go back to what Lindsay was saying, I had an example recently where somebody had stopped work, but she got a final payment of earnings. So on a lot of our courses, we talk about the timing of your claim and claim after a final payment of earnings if that's going to stop you getting UC. And that's very relevant here because even if you could get UC, that final payment of earnings may be such that it stops you being referred to the Work Capability Assessment.

David : [00:10:43] All right.

Will: [00:10:44] So you get all these complexities. And as you said, we can always help with those if you're not sure, for sure.

David : [00:10:50] Good. Thanks. So the thing that I've got on top of my list this month is to do with the State Pension. Some evidence was given to the Work and Pensions Select Committee, which revealed a further 300,000 people have been underpaid under the, what was effectively the old Retirement Pension, which had really complex rules for spouses, widows, people reaching the age of 80. So it's no huge surprise, I guess, to understand, to learn that there's been a group that have been underpaid and it's going to set the whole process of correcting that, set it back by a further year. But that wasn't the main thing that jumped out to me. I then started to think, well, most people don't realise, I think, or many people won't realise that the state pension changed fundamentally in 2016. So in April 2016, basically the new State Pension was introduced, which was simplified and much more based on the individual rather than your spouse. And it also reminded me, in fact, I think this was something you sent around a while back, Lindsay, a couple of months ago, which was a video explaining the new State Pension and what it's all about. And I watched it a couple of months ago and I found it quite helpful. So I've watched it again recently. And it's done by Pension Awareness. I think it was part of a pension awareness week.

David : [00:12:25] And the video about the new State Pension included Steve Webb, who was the Pensions Minister back in the time when the State Pension, the new State Pension was being introduced. And it's a really good summary of what the new David: State Pension is all about and how it differs to the old Retirement Pension, and some of the related issues, not least for people who are claiming now, but have worked previously under the old Retirement

Pension. So we'll include the link, and you can have a look at it for yourself. But I'll very briefly run through some of the things that he mentions. He talks about the rising State Pension age. Of course, that's on lots of people's mind. And at the moment we know it's 66 and then it'll start to rise to 67 from 2026 April 2026, I think. And it'll go up, perhaps significantly further in later years. He talks about deferring your State Pension, particularly if you carry on working, because you'd be paying tax on your State Pension and on your earnings and you can defer and get a higher payment at a later date. He emphasises that the State Pension is about you and not so much your partner, so you can't inherit, and all those things that were possible under the old State Pension, Retirement Pension. Talks about the 35 years and payment of National Insurance contributions and credits, which we've talked about recently I think, Will. With others on on our newscast.

David : [00:13:57] So if you're a carer, someone with a disability, if you're a child carer, child benefit for a child under 12, if you're not working because of a health condition, getting ESA, for example, Universal Credit with Limited Capability for Work, if you're looking for a job and you're unemployed. So these are all ways of getting credits and protecting your future State Pension. He also talks about contracting out, which I can pretty much vaguely remember from the old days and explains why so many times people look at their record and they see that they've got enough years for the new State Pension 36, 37, 38 years, but they still need more. And he was explaining in the video that that's often because during the Retirement Pension days, if you contracted out, that contributed less to your State Pension. So there's all sorts of complexities which are really confusing. And it also made me think that for those people, of course it may be that they qualify for Pension Credit when lots of other people might not qualify for Pension Credit. So, we'll post the video. It's worth it's worth a look and I'm grateful to you, Lindsay, for sharing that a month or two ago. Because I found it really helpful.

Lindsay: [00:15:08] Yeah. That's why I shared it. Because I thought it was so useful and I learned a lot. So yeah, definitely give it a watch.

David : [00:15:14] Good. Okay, so we'll return to your list, Lindsay, what was your second item?

Lindsay: [00:15:21] Yes, so the next, sticking with the maximizing income theme was a reminder of Local Housing Allowance. So we talk about this quite a bit on our Universal Credit courses and we're speaking about it on one of our courses with someone who worked at a housing association a few weeks ago. And often they encourage people to find private rented because there's simply not enough housing association properties out there, and they weren't aware of the Local Housing Allowance restrictions. And basically Local Housing Allowance is a cap. So it's a maximum if you're on Universal Credit or Housing Benefit, that they will pay towards the rent in private rented. And there's a website (we'll share the link in the materials) that you can go on the Valuation Office Agency website, and you can put in (very brilliant website, I go on it most weeks), how many bedrooms you need. So it's not about want or have in private rented, it's need. And they remind you of the criteria and you put in your postcode, and it tells you what the maximum is that they will help towards your rent for that area. It's often very, very low. And it shocks me every time I look and, you know, ever had a pound for every conversation I've had with a client as to, there's no way you can find a property for that amount. So if people are looking for private rented beforehand, you can prepare them a little bit and they can budget. Maybe they'll choose a cheaper one if they have an option. But very often we have people already in private rented who simply didn't check before they moved in. They assumed, you know, it was a reasonable rent, that it would all be covered.

Lindsay: [00:17:22] So there's ways in which, if there is a shortfall, that you can increase sometimes the amount of Local Housing Allowance, Universal Credit or Housing Benefit will pay. So if you check someone's UC statement, for example, it will say on there if there's a shortfall in the rent, and you can look at can you move them into the next bedroom criteria. Things like, as you get older. So if someone reaches 35, it can go up, as your children grow up and they stop having to be classed as sharing a bedroom, it can go up. And then there's other things which are less commonly known and can hugely make the difference between someone possibly being evicted and not evicted. If they're disabled and they get a disability benefit and they need an occasional overnight carer. So we're not saying they're not going to be entitled to the Severe Disability Premium and things anymore. It's not a live-in carer or non-dependant. It's occasional. There's a couple of criteria and things, but it's worth looking at that. If you've got a couple or couples and children, certain ages of children and sexes, are classed as having to share a bedroom. But again, if people have got a health reason why they can't share either the couple or the children, you can increase into the next Local Housing Allowance criteria that way. So it's really good things to check. And so many clients don't know that. And why would they? Why would they know to report that their mum might stay every so often to help them because they get up in the night and they might fall over, or they might have a seizure?

David : [00:19:13] Good. So yeah, so like you said before, these are all things that we can check to maximise income and they may not be the obvious things and we may have already looked at all of the other obvious things. So yes, we can help people prepare so it's transparent, and like you say, we can check, we can put the link on our website, and you can easily check what's available and where. You mention the rates, and on one of our previous Newscasts, I think we were talking about the freezing, or I was talking about the freezing of benefit rates.

Lindsay: [00:19:45] Yeah, it's not gone up for a long time.

David : [00:19:46] And it's the same with Local Housing Allowance, isn't it? I didn't even mention that then. But the same thing has happened with Local Housing Allowance. Excuse me. So and shortfalls. So there are some things to check, like you say. And some of these rules are quite complex. And I think we cover them on our Universal Credit course, like you say. But once again, people can check with us if they're not sure. Good.

Lindsay: [00:20:11] I've had lots of clients coming to me at the minute because the landlord has increased the rent and they've reported that to the Universal Credit, for example, assuming that their Universal Credit will go up. And quite often, if that now takes them over the LHA rate, it won't. And they don't realise until a month or so later that they're going to have to find this shortfall themselves. And there's always Discretionary Housing Payments. It's a good reminder. Time to remind people of this. A pot of money your local council has, but that's discretionary. It's temporary and it's usually not a good time to apply, just before April. Yeah, could always re-apply after April.

David : [00:20:53] And lots of pressures on that budget. Like you say, it's discretionary. The other things you mentioned are not discretionary. So if you can make those, you'll likely definitely get them. Good. Lovely. Thanks, Lindsay. So Will, I think we have time for one more. Which one would you like to talk about?

Will: [00:21:08] So mine is a brief update on Managed Migration and where we are. A couple of things that have come out recently. One is a report on the Discovery Phase of Managed Migration. It's actually just the beginning of the Discovery Phase, but it does make for interesting reading. And what we know from that is that in 2023, they're going to be concentrating on people getting Tax Credits only. So we can rest assured that other people will not be moved for the time being, but people on Tax Credits only may get a migration notice. We don't know where, areas have not been announced. Another useful thing that's come out of that is the support that is provided to claimants during the Discovery Phase or in Discovery Cohorts, as the DWP put it, which is that they effectively get an extra month if they don't apply by the deadline that they are given, as well as then potentially being able to claim by what we call the final deadline, getting Universal Credit backdated. And that's been explained in a written answer. And what's encouraging about that is that during the extra month that they're given, they will be phoned and texted and every effort will be made to try and persuade them to claim. I still think they probably need some more support that is missing because we can see from the report that there are lots of people who are not claiming and interestingly, they are mostly Tax Credit claimants and present.

Lindsay: [00:22:43] Wasn't it 10% of the people who've had in that report didn't claim Universal Credit, who got a Managed Migration notice.

Will: [00:22:51] Worryingly high.

David : [00:22:52] Yeah, that is. Yeah 49 out of 400 or 400. Exactly 10%.

Speaker2: [00:22:58] And it's interesting that 50% who did swap over got a transitional protection amount, a top up. So they would have been worse off. So it's a really important highlight.

David : [00:23:12] Yes, I noticed that.

Lindsay: [00:23:13] Not jumping too soon because 50% of them people, if they'd have claimed UC naturally, before they'd got a Managed Migration, then 50% wouldn't have got that transitional protection.

David : [00:23:27] That's really high, isn't it?

Will: [00:23:28] But at the same time, it's illustrative, that there are a lot of people out there who won't lose out. Some of them may be better off, but we don't know exactly. So always do a better off calculation.

David : [00:23:40] We've talked about that a lot haven't we. Yes, true. Okay, good. The final thing that I'll mentioned very, very briefly, and it's only been reported in, I think, some newspapers, so it's not something that is necessarily happening. But it's been reported that there'll be, the government is expected to publish a Health and Disability White Paper before the spring budget. And the news reports (stressing that they're news reports only) suggest that it could involve scrapping or reforming the Work Capability Assessment, identifying certain types of work that claimants can do, creating a new severe disability category for those with the most limiting conditions. And a government source was quoted as saying it will be more about being supported into work and supported to do the things you can do rather than incentivise to prove how incapable you are. So that's been reported in some newspapers, and we'll keep an eye out for any developments on that. But it sounds like more of the same that we've seen over the last sort of 15, 20 years, I guess. And it also reminded me that the statistics on Limited Capability for Work Related Activity have gone up massively recently. So probably due to the sort of work that Lindsay's doing and helping people check those things. So yeah, that was interesting too. Okay, I think we're done. A quick reminder. Thank you both. As ever, it's a quick reminder that our advice email is available to people who have attended training. If you've attended training with us in the last 12 months, you can contact us about your cases. One of us will reply on the day or by the end of the following working day. A reminder that we have other courses on our website. So if you haven't attended with us recently and you'd like to be able to access our support, please simply book on. Thank you, Will. Thank you, Lindsay. As ever, I wish you well and everybody else listening. Goodbye.

Lindsay: [00:25:40] Bye.

Will: [00:25:41] Goodbye.