



Tracey Atkinson, Welfare benefits and Personal Injury Trusts Manager for Frenkel Topping provides the following invaluable update.

Welfare Benefit update 2017

Changes to the benefits system since 2010, has mainly meant cuts with more to come. Between 2010-2015 there was a large scale change meaning £23 billion in cuts.

2015-2020, £13 billion of more cuts are planned with major changes in and around April 2017.

These will have a significant impact on people. Even at this stage there are attempts to

persuade the government to reduce the impact of some of the changes.

Changes to Tax Credits and the Universal Credit Child elements

For children born after April 2017 only, the amounts paid per child, worth £53 per week, will be limited to two children as a maximum. An equivalent change will be made in Housing Benefit to ensure consistency between both benefits. This will also apply in Universal Credit to families who make a new claim from April 2017. There are exceptions and some existing claimants are protected including multiple births and adoption in some cases.

The Family Element of Child Tax Credits will not be available after April 2017, worth £545 per year. The equivalent in Universal Credit, known as the first child premium will also not be available.

Universal Credit

When you claim Universal Credit a work allowance is included. If you earn over this threshold in any given month, you will lose a percentage of your Universal Credit. From April 2017 the earnings taper rate will reduce from 65% to 63%. So instead of losing 65p for every pound you earn over the threshold you will lose 63p instead.

From April 2017, Universal Credit housing costs will no longer be available for 18 – 21 year olds who are single and available for work. It applies to new claimants. The 'youth obligation' will also be introduced for under 21 year olds, who participate in an intensive support programme from day one of their claim. After 6 months they will be expected to apply for an apprenticeship, gain work-based skills or go on a mandatory work placement which should help the claimant secure work.

Parents including lone parents will be expected to prepare for

work from when their youngest child turns two and when they turn three they will be expected to look for work.

Free childcare and education will be available for 2 – 4 year olds. From September 2017 parents may qualify for 30 hours free childcare if they earn or expect to earn the equivalent to 16 hours at National Minimum or Living Wage over the coming three months. If either parent has an income of more than £100,000 they will not qualify. Some two year olds may qualify.

Employment & Support Allowance

April 2017 will see the removal of the work-related activity component for new claimants who are placed in the work-related activity group, worth £29.05 per week. Claimants will receive the same rate of benefit as someone in receipt of Jobseekers Allowance. The equivalent in Universal Credit and Working Tax credits will also be removed. Those placed in the support group will not be affected. Existing claimants can

continue to receive it but could lose it if reassessed. Transitional protection rules apply.

The permitted work rule allows you to do some work whilst in receipt of Employment & Support Allowance. In some cases there is a 52 week limit on doing permitted work, but this will be removed from 03rd April 2017.

Bereavement Payments

This is a new benefit for those clients where wife/husband/civil partner died after 06th April 2017. It replaces Widowed Parents Allowance, Bereavement Allowance and Bereavement Payment with the following two rates:

- A standard rate for those who do not qualify for the higher rate, with monthly payments of £100 for a period of 18 months following the date of death, plus an extra payment of £2,500 for the first month, and
- A higher rate for pregnant women or those entitled to Child Benefit, with

monthly payments of £350 for a period of 18 months following the date of death, plus an extra payment of £3,500 for the first month.

The New Bereavement Support payment will not be taxed, and will be disregarded for means-tested benefits and the benefit cap.

Bedroom Tax change

When the 'Bedroom Tax' was introduced in 2013 there were various rules about how bedrooms were counted. From 01st April 2017 new rules allow for:

- An extra bedroom for a disabled child or non-dependant needing overnight care by a non-resident person or persons
- An extra bedroom for a severely disabled couple who can't share a bedroom.

Carer's Allowance earnings rule increase

Carer's Allowance is the main benefit for carer's if you are looking after someone for 35



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hours or more a week. Not every carer can get Carer's Allowance as you have to meet certain conditions. One of the conditions was that you could earn £110 a week or less however this amount has now increased to £116 per week.

***Some of these changes may be subject to change.**

For Further information on any of the above benefits then please feel free to contact Tracey Atkinson or a member of her highly qualified team on:

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