

# WORKING OR VOLUNTEERING AND BENEFITS

## A GUIDE FOR DISABLED PEOPLE

Many disabled people have to claim social security benefits because they are unable to work, or find it very difficult. This guide gives information on how your benefits may be affected if you want to volunteer, or feel ready to start working.

If you are disabled, there are four main types of benefit which you might be claiming. Before going further, it is important to identify exactly which benefit(s) you are on, as the rules for different benefits vary. The four types of benefit are:-

**Disability Living Allowance** paid because you are disabled

**Employment & Support Allowance (contributory) or Incapacity Benefit or Severe Disablement Allowance** paid because you cannot work

**Income Support (or income-related Employment & Support Allowance)** paid to top-up a low income, and

**Housing Benefit and Council Tax Benefit** to help you meet your housing costs.

You might be on a combination of these benefits. For instance, you could be getting DLA and Incapacity Benefit, topped up by Income Support, whilst having your rent and Council Tax paid by Housing and Council Tax Benefit. If you have dependent children, you may also be getting Child Benefit and Child Tax Credit to support them.

\* **Remember, the effect of working on each benefit is different!** \*

Most benefits are administered by the Department for Work and Pensions (DWP) apart from Housing and Council Tax Benefit which are paid by Local Housing Authorities (i.e. your local Council). Working and Child Tax Credits are administered by HM Revenue and Customs, as is Child Benefit.

## **DISABILITY LIVING ALLOWANCE (DLA)**

Payable to disabled people who:

- have problems with walking, **and/or**
- need help with personal care, **and/or**
- are unable to cook for themselves.

The benefit is designed to compensate for the extra costs incurred in coping with a disability. It has nothing to do with whether or not you are capable of work; indeed many disabled people work full-time whilst continuing to claim DLA.

Awards of DLA (*including* life awards) can be reconsidered at any time, either:  
at the request of the claimant: e.g. if your condition has got worse and you think you should be paid at a higher rate;

or

at the instigation of the DWP:

Your claim can be periodically checked, or the DWP may have received information which suggests that your current award may be wrong.

Starting work does not in itself trigger a reconsideration of your DLA, but may in some circumstances be evidence to suggest that your condition has improved.

### **EXAMPLE: Marcia**

*Marcia has problems with her shoulder and wrists. She gets the low rate care component of DLA on the grounds that she is unable to cook a meal for herself. She starts work as a cook in a pub. Clearly there would be grounds for her claim to be reconsidered, as the nature of her job suggests she is now able to cook.*

### **EXAMPLE: Sanjay**

*Sanjay is registered blind, getting low rate mobility and care. He starts work as a telephone advice worker. Working will not affect his entitlement; he still needs guidance when walking, and cannot cook for himself.*

For most people, work is unlikely to affect entitlement to DLA, provided the work you do is consistent with your disability.

Claimants have a duty to inform the DWP of any relevant change of circumstances. A change will only be “relevant” if it might affect your entitlement to DLA. In many cases there will be no legal requirement to inform them that you are working, but it is probably safer to inform anyway, making clear that you still need your DLA.

## **INCAPACITY FOR WORK BENEFITS**

Employment & Support Allowance (ESA), Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) are only paid if you are incapable of work. You usually have to prove this by passing the "Work Capability Assessment (WCA)" for ESA or the "Personal Capability Assessment (PCA)" for IB or SDA. Some people who do not qualify for these benefits may be getting Income Support on the ground that they are incapable of work if they claimed before 27 October 2008.

The general rule is that your entitlement stops once you are working – whether full or part time, employed or self-employed, paid or unpaid. Logically, you can't get a benefit which depends on your being incapable of work if you are actually working.

BUT

There are exceptions to this general rule. For example, caring for a relative, and domestic tasks done in your own home will not result in your benefit being stopped. There are also important exceptions for volunteers and people who do 'Permitted Work'.

### **Voluntary Work**

For benefits purposes, a "volunteer" is someone who does voluntary work, other than for a close relative. The only payments allowed are expenses reasonably incurred by the volunteer in connection with that work.

#### **EXAMPLE: Errol**

*Errol is on ESA, and is a volunteer driver for a community transport organisation. He uses his own car and gets regular petrol expenses based on his weekly mileage. He should have no difficulty persuading the DWP that the petrol money is a genuine expense reasonably incurred in the course of his work.*

#### **EXAMPLE: Helga**

*Helga gets SDA, and volunteers in a charity shop. She gets paid £30 a week which the shop manager vaguely describes as "expenses". She has no obvious out-of-pocket expenses in doing her work, and the DWP decides that the £30 is not reasonably incurred in connection with her work, that the work is not in fact voluntary and that she is thus no longer entitled to SDA.*

You can now do as much voluntary work as you like without losing ESA, IB or SDA. However, if the type of work appears to contradict the findings of the "WCA" or "PCA" (i.e. if it appears to show that you might be capable of holding down a job), the DWP may decide to review your entitlement.

#### **EXAMPLE: Nathan**

*Nathan claims IB for a back problem (he has difficulty walking, bending, etc). He volunteers at a wildlife sanctuary. His duties include lifting, carrying, digging and other heavy work. The DWP uses this fact to review his IB claim.*

People often ask how many hours of voluntary work they can do before it affects their benefit. There is no limit, but a common sense approach is to restrict the hours and type of work you do to what is consistent with your disability.

## **PERMITTED WORK**

There are four categories of permitted work:

- permitted work lower limit
- supported permitted work
- permitted work higher limit
- ESA Support Group/exempt from PCA

### **PERMITTED WORK: LOWER LIMIT**

A person can work for a maximum of £20.00 a week. There is no time limit and no hours limit (although in practice, because of the minimum wage, the DWP will expect you to be working less than 4 hours a week unless you are under 22 years old). It's not necessary to get a doctor's approval or the permission of the DWP.

### **SUPPORTED PERMITTED WORK**

This category is aimed at people who are less likely to be able to work full-time. Work counts as supported if:

- earnings are less than £92.00 a week (rises annually, in October);
- work is supervised by a person employed by a public or Local Authority or voluntary organisation, which provides or funds work for disabled people;

or

- work is under medical supervision as part of an in-patient or outpatient hospital treatment programme.

### **PERMITTED WORK: HIGHER LIMIT**

This category is intended to be a bridge between benefit and full-time work.

- the work is less than 16 hours a week
- earnings are less than £92.00 a week (rises annually, in October)
- work can be undertaken for 52 weeks
- **FURTHER PERIODS:**  
if you have had a break in your benefit of more than 8 weeks, the 52 week cycle can be repeated. If not, permitted work higher limit can only continue after a break of 52 weeks since the last period of permitted work ceased.

## **EXEMPT FROM THE PCA or IN THE SUPPORTGROUP**

If you are in the *support group* for ESA (or are treated as exempt from the PCA for IB/SDA), you can retain your benefit if the work you do is for less than 16 hours per week, and you earn no more than £92.00 each week for an unlimited period.

If a person undertakes any of the above work options, they should inform the DWP when they start. Although you are not required to tell the DWP if you start Permitted Work, our advice is that you should, to avoid possible complications later. If the person is receiving Housing Benefit and/or Council Tax Benefit the local Council should be informed.

- NOTE:**
1. If a person who undertakes any of the above four work options is in receipt of Income Support, they should read the section on Income Support, earnings disregards.
  2. The £92.00 earnings limit is linked to the national minimum wage. If that is increased, the permitted work limit will increase. The minimum wage is usually updated in October.

## **INCOME SUPPORT (IS)**

Income Support is a means-tested benefit, intended to bring your income up to an agreed level. Almost any income which a claimant or a member of his/her family brings in will be taken into account but some earnings will be disregarded when IS is being worked out. You can usually only get IS if the claimant works less than 16 hours a week, and the claimant's partner (whether opposite or same sex) works less than 24 hours.

### **Earnings Disregards**

A disregard of £20.00 applies if you are entitled to the disability premium. The disability premium is part of the Income Support calculation – it is not a separate benefit. You qualify for the premium if you are on DLA, long-term IB or SDA, (or, for claims made before 27 October 2008, if you have been incapable of work for 52 weeks). The £20 disregard also applies if you are a lone parent or if you are a carer and entitled to the carer premium. For other groups, the disregard is £10 for a couple (whether opposite or same sex) and £5 for a single claimant.

So for most disabled people the first £20 of any earnings will be disregarded. Thereafter, your IS will be reduced pound for pound by the amount of your earnings.

Genuine expenses paid to volunteers are disregarded entirely. As in the examples given earlier, you must be able to show that the expenses were reasonably incurred in connection with the voluntary work.

Apart from volunteers' expenses, *any* earnings will be taken into account subject to the disregard. Note how this affects permitted earnings:

- If your only benefit income is ESA, IB or SDA, you can keep all your benefit whilst earning up to £92.00 a week.
- If you are on IS (whether as a top up to IB or SDA, or as your only benefit), the only financial advantage of doing part time work is the value of the disregard.

**EXAMPLE: Megan**

*Megan gets SDA of £73.10 a week. She does not get Income Support, because she has a partner who works full-time. She starts to earn £80.00 a week as permitted work. Her total income increases to £153.10.*

**EXAMPLE: Gurinder**

*Gurinder (35) is incapable of work. She did not qualify for IB or SDA, and gets Income Support of £91.80 a week. She starts to earn £85.00 a week as permitted work. The earnings are subject to a £20 disregard. A sum of £65.00 (£85.00 - £20) is deducted from her benefit to give her IS of £26.80. Her total income is £111.80. In other words, Gurinder is only £20 a week better off by doing permitted work.*

**EXAMPLE: Alan**

*Alan gets Employment and Support Allowance of £89.80. Because this is his only income, he also gets all his rent and Council Tax paid by the Council. He starts permitted work, earning £50 a week.*

*His income is affected as follows:*

*His ESA stays the same at £89.80 because earnings under the permitted work level are completely ignored for both contributory and income-based ESA.*

*However, only £20 is ignored or 'disregarded' for HB or CTB and his total income will now be above his "applicable amount" for those benefits. He will, therefore, now have to pay £19.50 a week towards his rent, and £6.00 towards his Council Tax.*

*So, although his income has increased from £89.80 to £139.80, he has extra outgoings and so the gain IS £24.50 a week*

## **Notional Earnings**

Your IS or ESA (IR) can be reduced if the DWP thinks it is reasonable for you to be paid for the work you do for free. This rule will not usually apply to charities and other voluntary agencies.

**EXAMPLE: Julie**

*Julie helps out a friend who owns a newsagents by serving behind the counter for a few hours each week. The DWP reduce her Income Support by the amount which they think she should have been paid.*

## **HOUSING AND COUNCIL TAX BENEFIT (HB/CTB)**

These are means-tested benefits paid by the local Council. They are worked out in a similar way to ESA(IR) / IS. People on ESA(IR) / IS will usually have all their rent and Council Tax paid by HB and CTB. People whose income is too high to be entitled to IS include many single people in receipt of Incapacity Benefit, or those with other income such as an occupational pension. Although such people are not entitled to IS, if their income is low they may be entitled to some HB and CTB.

Your HB or CTB will not be affected by any work you do as a volunteer. The notional earnings rules apply in the same way as for IS. Any paid work, including permitted work, will affect your HB/CTB subject to the same disregards as for Income Support.

### **EXAMPLE: Ahmed**

*Ahmed is single, aged 32, and lives alone. He gets long-term IB of £105.45. His income is too high to get IS, but he only has to pay £8.87 a week towards his rent and £2.73 week towards his Council Tax. The rest of his rent and Council Tax is paid by HB and CTB.*

*Ahmed starts to earn £80 a week in permitted work. His IB is not affected by permitted work, so his weekly income goes up to £185.45. Because his income has increased, the Council reassesses his HB and CTB. He now has to pay £48.13 towards his rent, and has to pay Council Tax of £14.81.*

*Despite having higher outgoings towards his housing costs, Ahmed is still better off by some £28.66 a week doing permitted work.*

## **MOVING INTO FULL-TIME WORK: WORKING TAX CREDIT (WTC)**

If you feel ready to try full-time work – i.e. paid work of 16 hours and over a week – you will lose your entitlement to ESA / IB / SDA and Income Support. Many disabled people who have been out of the labour market for some time find that they can only get poorly paid jobs. You may be able to top up a low wage by claiming a Working Tax Credit. If you have dependent children you may also get Child Tax Credit. Tax Credits are run by HM Revenue & Customs, means-tested and the amount you get depends on your income.

To claim WTC as a disabled worker you must:

- be working at least 16 hours a week, *and*
- either be getting DLA or Attendance Allowance (AA)
  - or have been getting ESA (or a combination of SSP and ESA) for 28 weeks, or higher rate short-term or long-term IB, SDA or IS including a disability premium in the 26 weeks before you claim WTC
  - or have had at least 20 weeks of Statutory Sick Pay (SSP), occupational sick pay, ESA or lower rate short-term IB with the last day not more than 8 weeks before the WTC claim and have a disability likely to last for at least the next six months and your earnings are at least 20% (or £15 a week, whichever is greater) less than they were before your disability began, (this is known as the fast-track rule)

or have been on Government training for work in the last 8 weeks and getting ESA(C) for more than 28 weeks or higher rate short-term IB, long-term IB, or SDA in the 8 weeks before the training, *and*

- Have a disability which puts you at a disadvantage in getting work.

A person who qualifies as a disabled worker gets more WTC than a non-disabled worker. In addition you get a higher amount if you work 30 or more hours a week. There are also allowances for childcare costs.

There are a number of schemes designed to help you move back into work. These include retaining the level of your ESA(IR) or Income Support mortgage interest or Housing/Council Tax Benefit for 2 or 4 weeks on starting a job, and the Job Grant.

**The way in which your income might be affected by starting work will vary between each individual. If you are thinking of going into full-time work, we strongly advise that you see a Benefits Adviser who can calculate exactly what you stand to gain and lose.**

## **WHAT IF THE JOB DOESN'T WORK OUT?**

Many disabled people find it quite a battle to claim benefit in the first place. They usually have to be incapable of work for several months before they see an increase in their money. They are therefore often apprehensive about the risks involved in returning to work. What if the job proves unsuitable? Will they face another long struggle trying to get back on benefit? Will they be able to get back on to the higher rates, or will they have to slip back to the bottom rung of the ladder?

There are three different sets of "linking rules" which offer some reassurances to disabled people who fear that they might not be able to cope with the demands of full-time work.

### **The General Twelve Week/ Eight Week Rule**

If you try a job which proves to be unsuitable, you can go back onto the same rate of ESA provided there is a gap of *less than twelve* weeks or back onto IB/SDA or IS as long as there is a gap of *less than eight* weeks between the two periods of incapacity.

#### **EXAMPLE: Duane**

*Duane is on Income Support. His IS includes the disability premium, because he has been incapable of work for over 52 weeks. He terminates his claim when he starts agency work as a forklift truck driver. He finds the work more demanding than he anticipated, and leaves after six weeks, because of persistent back and neck problems. Provided he reclaims IS within eight weeks of coming off benefit, he will qualify for the disability premium immediately, without having to wait a further year.*

## **Extending The Twelve Week/Eight Week Rule**

The twelve/eight week rule can be extended to up to 104 weeks if you are a “**welfare to work beneficiary**” (“**work or training beneficiary**” for ESA). This rule applies if: you have been incapable of work for at least 28 weeks (13 for ESA); you stop claiming benefit in order to start work and you start work/start a training course within a month of stopping claiming. You should notify the DWP as soon as possible.

### **EXAMPLE: Donna**

*Donna is on long-term Incapacity Benefit, topped up with IS. Her multiple sclerosis has been in remission, and she decides to go back to work. She terminates her claims and immediately informs the DWP that she is working. After 10 months of work her MS gets worse. Donna leaves work after 11 months, and reclaims benefit. Because she is a Welfare To Work beneficiary, she can get straight back onto long-term IB and IS.*

Note the following points, which apply to this linking rule:-

- you will not be able to link two claims under this rule when the reason you came off benefit is that you were found capable of work (e.g. you didn't score enough points in the WCA/PCA, or you failed to turn up for a medical)
- you must leave the job for health reasons. You will have to hand in a sick note when you reclaim benefit. You will not be able to link two claims under this rule if you gave up work because, say, you didn't get on with the boss, or you thought the pay was too low.

## **CONCLUSION**

As you can see from the above, working and volunteering affects different benefits in different ways. How your money might be affected depends on what benefit(s) you are getting, how many hours you work, whether the work is permitted, whether you have children and so on.

If you are in any doubt as to how your entitlement might be affected by working, get advice! For information or help with claims, contact your local Citizens Advice Bureau or other Advice Centres.

## WHERE TO GO FOR HELP

For advice/assistance see below:

<b>Citizens Advice Bureaux</b>		<b>Tel No:</b>
Old Market Tavern, 25 Congreve Walk, (Covers Nuneaton and Bedworth)	BEDWORTH, CV12 8LX	0844 855 2322 (to book appt in Nuneaton call 024 7635 1049)
The Parish Rooms, Welcome Street	ATHERSTONE, CV9 1DU	0844 499 4192
1 <sup>st</sup> Floor, Chestnut House 32 North St,	RUGBY, CV21 2AQ	0844 855 2327
10 Hamilton Terrace,	LEAMINGTON SPA, CV32 4LY	01926 421515
25 Meer Street,	STRATFORD, CV37 6QB	01789 293299 (for advice) or 01789 261966 (to book appt)

<b>Other Useful Agencies</b>		<b>Tel No:</b>
Disablement Information & Advice Line, New Ramsden Centre, School Walk, Attleborough (Nuneaton & Bedworth only)	NUNEATON, CV11 4PJ	024 7634 9954
The Rowan Organisation, Eliot Park Innovation Centre, Barling Way	NUNEATON, CV10 7RH	0800 783 1755

<b>Jobcentre Plus</b>		<b>Tel No:</b>
Mill House, Mill Walk	NUNEATON, CV11 4DL	024 7623 2200 (switchboard)
Brandon House, Holly Walk	LEAMINGTON SPA,	
Kingsforth House, 44 Albert Street	RUGBY, CV21 2JD	
Martin Raff House, Alcester Road	STRATFORD, CV37 9DA	
St Stephen's House, Prospect Hill	REDDITCH	01527 590000

For new **claims** for Employment & Support Allowance and existing Incapacity Benefit, Severe Disablement Allowance and Income Support claims, ring the Jobcentre call centre on **0845 602 0265**

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