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PERMITTED WORK

This updated leaflet applies to claims first made -or deemed to have been made - before to 27 October 2008.

WHAT IS IT?

Permitted Work is work that can be done while claiming any "incapacity for work benefit" such as Incapacity Benefit, Severe Disablement Allowance or Income Support (when claimed if unfit for work). You also have to meet these rules if you are 'on the sick' and only receiving National Insurance Credits.

HOW DOES IT WORK?

The following work is allowed:

1. You can earn up to £20.00 per week for an unlimited period.
2. You can earn up to £92.00 * a week for an unlimited period if working in
 - ◆ a sheltered workshop, or
 - ◆ as part of a hospital treatment/programme, or
 - ◆ or open employment with the supervision of a professional care worker.
3. You can earn up to £92.00* a week for up to 52 weeks as long as you work less than 16 hours a week. (You can do a further 52 weeks after a break of 52 weeks or a break of 8 weeks if you stop claiming the following benefits completely for those 8 weeks – Incapacity Benefit/Income Support/National Insurance Credits/Housing Benefit/Council Tax Benefit).
4. You can earn up to £92.00* a week for an unlimited period if you are exempt from being assessed under the Personal Capability Assessment, but you must work less than 16 hours a week.

NOTE: These figures are absolute cut-off points. If you exceed them, your entitlement to the 'incapacity for work' benefit stops.

5. You can do unlimited voluntary work as long as it is: - for an agency which uses volunteers; it isn't work done for a close relative; and only for expenses.

* This limit, based on the National Minimum Wage, changes annually (October).

POINTS TO REMEMBER

- ◆ You do not have to obtain a doctor's agreement.
- ◆ You must tell your local Jobcentre Plus if you intend to start Permitted Work.
- ◆ Although you are allowed to do Permitted Work and still retain your benefits, remember that particular activities you carry out in your work could suggest to the DWP that you might be capable of work.

- ◆ Hours of work can be averaged out, but earnings cannot
- ◆ Any earnings over the earnings limit, or hours limit where applicable, will result in a complete loss of entitlement.
- ◆ Seek advice if the work you are doing is NOT treated as 'Permitted Work'

Income Support / Housing Benefit and Council Tax Benefit

- ◆ The earnings rules for Income Support are different. If you are on Incapacity Benefit with an Income Support top-up, or on just Income Support instead of Incapacity Benefit, **two** figures count. You have to be mindful of the absolute cut-off points outlined above, PLUS there are also the following *disregards*:
 - Any earnings over the Income Support earnings disregard will reduce your Income Support £ for £, and if you earn too much you will lose all your Income Support.
 - The maximum disregard for Income Support is £20 pw, but this only applies to some people, i.e. lone parents, those entitled to a disability or carers premium, or in specialist jobs (e.g. part-time fire-fighters)
 - If you aren't in one of those groups, your Income Support earnings disregard is only £5 pw (or £10 for a couple). This means that you can earn up to £92.00* and still be treated as 'sick', but everything above £5, £10 or £20 will be deducted from your weekly Income Support.
 - If you work for 16 hours or more a week on average, you could be deemed to be in full-time work and therefore not entitled to Income Support at all, however low your earnings – seek advice if this is likely.
- ◆ Housing Benefit/Council Tax Benefit(HB/CTB):
Whilst you remain on Income Support you will stay on full HB/CTB, and your earnings will not affect your HB/CTB.

For all other Housing Benefit/Council Tax Benefit claimants, the earnings disregards are as above (plus a higher lone parents earnings disregard of £25 pw) - any earnings above £5, £10, £20 or £25 will reduce the amount of Housing Benefit and/or Council Tax Benefit you get.

FURTHER HELP

Contact: ■ Your local Jobcentre Plus ■ Your local Advice Centre

The information in this factsheet is correct as of April 2009

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