

## 1. Income Support/JSA(IB)/HB/CTB/Pension Credit

Some of your earnings do not affect your benefit - the amount disregarded depends on your circumstances. The main disregards are

£20 per week is disregarded if:

- you (or partner) qualify for the disability premium
- (for Pension Credit) you or your partner are in receipt of a disability benefit or long-term Incapacity Benefit
- you qualify for the lone parent premium (£25 per week for HB/CTB purposes)
- you (or partner) qualify for a carers premium.

If you do not qualify for the £20 disregard, the disregard is £5 for single people or £10 for couples (whether or not both of you are working).

### 1.1 Payments not counted as earnings

- Payments in kind, e.g. petrol
- Payments towards expenses that are wholly, necessarily and exclusively incurred during the course of your work
- Payment to cover expenses if you are working as a volunteer

### 1.2 Work

You cannot not work for 16 hours or more (24 hours for partner) and claim Income Support/JSA(IB). There are some exceptions for disabled people - seek advice. Hours of work are irrelevant for HB/CTB and for Pension Credit.

## 2. Work that you are allowed to do if you are 'Incapable of Work'

'Incapacity for Work' benefits are:

- Incapacity Benefit
- Severe Disablement Allowance
- Income Support

### 2.1 Examples of work ignored for the above benefits

- Voluntary work (no hours limit)
- Permitted work (less than 16 hours)
- Caring for a 'close relative'
- Councillors

### 2.2 Amount

There are specific rules for *Permitted Work* and an earnings limit (after allowable deductions) that changes every October - see the Benefit Rates chart.

If earnings are below the limit, Incapacity Benefit (ICB) and Severe Disablement Allowance (SDA) will not be affected.

BUT any earnings over the disregards (given above) count as income and may reduce Income Support, Pension Credit, Housing Benefit and Council Tax Benefit.

See Pb14 "Working Volunteering and Benefits" and Pb64 "Permitted Work" for further information.

### **3. 52 Week Linking Rule**

If you have been incapable of work for the previous 28 weeks and come off benefit to take up work or training, you may be able to return to your previous level of benefit if you fall sick within the following 52 weeks. You are classed as a "Welfare to Work Beneficiary", and must have notified the Social Security Office of your return to work or training within 1 month of your benefit ceasing.

### **4. Working Tax Credit (WTC)**

This is a means-tested benefit for working people that tops up low to middle incomes. You or your partner must work (including self-employment) for an average of 16 hours per week or more. It is paid through your employer if you are employed, or otherwise by the HMR&C, into a bank account.

If your Working Tax Credit includes the disability element, a 2 year linking rule allows you to re-claim the same rate of Incapacity Benefit or Severe Disablement Allowance if you give up or lose your job or become sick again with 2 years.

### **5. Disability Living Allowance**

You can still claim this benefit if you work. However, the amount and type of work you do could be considered in assessing whether you still have the same needs. Seek advice if your benefit is threatened and you still have care, supervision or mobility needs.

**The information in this factsheet is correct as of April 2008**

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