

# Benefit Bulletin: Big benefit changes and news

Produced by the Active Inclusion Service, Newcastle City Council

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## Where to get benefit and debt advice in Newcastle

The latest version of **Where to get benefit and debt advice in Newcastle**, can be found on the Newcastle City Council website page: [Benefit advice services in Newcastle and benefit offices](#) includes details on the Welfare Rights Service's Public advice line.

Professionals and volunteers working with Newcastle's residents can get phone advice from [the Council's Welfare Rights' consultancy line](#).

## Introduction to benefits training – live via Teams

This session gives a basic overview of the benefits system and rules, who can claim what, avoiding benefit problems, practical information about where **you** and residents can get further information, advice and support.

This 'live' session via Teams allows for questions and should last no longer than two and a half hours.

Thu 9 June 2022. 2-4.30pm

Tue 13 September 2022. 2-4.30pm

Tue 6 December 2022. 2-4.30pm

To sign up for the training go to 'training' on the page: [Information for professionals and volunteers - financial inclusion](#)

**More details** from [clive.davis@newcastle.gov.uk](mailto:clive.davis@newcastle.gov.uk) your friendly trainer!

## Benefit rates from April

The new benefit and tax credit rates are on our [Benefit information](#) webpage.

Also on that page are factsheets such as benefits tips, the incapacity for work test (the points!) for Employment and Support Allowance and Universal Credit, Personal Independence Payment plus an Introduction to Benefits and Tax Credits guide.

## Ukraine crisis

People fleeing Ukraine and arriving in the UK can claim benefits and job support immediately and housing and homelessness assistance.

Translation services are available to help new arrivals with phone applications, with Work Coaches in DWP Jobcentres on hand to support people making claims online.

The 3-month Habitual Residence and past presence tests to means tested benefits and Child Benefit are waived. Legislation: [Child Benefit and Tax Credits](#), [Habitual Residence and Past Presence](#). Details on the [housing and homelessness assistance](#)

This follows the [Homes for Ukraine' scheme](#) launched last week, which included a £350 monthly payment for 'sponsors'. In a [statement to Parliament](#) on 16 March a Government minister said: "They will have full and unrestricted access to benefits, healthcare, employment and other support."

More information from [Newcastle City Council](#)

## Help for the sponsor

In a [statement to Parliament](#) on 22 March the Work and Pensions Secretary said “We are also ensuring that those who have stepped up to sponsor a Ukrainian individual or family do not see their household benefit entitlements affected as a result.”

The [Homes for Ukraine' scheme: FAQ](#) includes advice for sponsors including ‘Council tax discounts will not be affected (by the £350 monthly payment) if you sponsor and host a Ukrainian household in your home.’

## Cost of living crisis

Here are some Government announcements on the cost-of-living crisis.

In the [Support for energy bills - the council tax rebate 2022-23: billing authority guidance](#), the Government announced a “package of support known as the **Energy Bills Rebate** to help households with rising energy bills...in 2022-23. This includes:

- A £200 discount on their energy bill this autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years. *Note: this is a loan*
- A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
- £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.

A govt [press release](#) said: ‘Households across England are being urged to set up direct debits with their local council to receive a council tax rebate that will help millions of families manage costs of living.’

[More details](#) on the Council tax energy rebate for households in council tax bands A-D

This [guidance](#) to billing authorities in administering the Council Tax Rebate and associated Discretionary Fund for households, covers the operation and delivery of the Council Tax Rebate and Discretionary Fund. Legislation has been passed that means the energy rebate scheme payments will be [ignored as capital](#) for 12 months by UC and [ignored as income by Council Tax Reduction schemes](#).

See these two relevant briefings from the House of Commons Library:

### [Rising cost of living in the UK](#)

“an overview of rising prices, particularly food, energy and fuel prices, including the potential impact of the conflict in Ukraine. In addition, other pressures on household budgets like changes to taxes and benefits are discussed, along with the effect of the rising costs of living on low-income households, which are likely to be disproportionately affected.”

### [Fuel Poverty](#)

This Library briefing note summarises the levels of fuel poverty across the UK, policies to address fuel poverty, and stakeholder comment on the issue.

See also research and reports below

## Discretion not to recover overpayments

The gov have updated their [guidance](#) on the **recovery** of benefit overpayments and other payments:

“Write-off and Waiver

8.1 The Secretary of State has a discretion over whether to recover overpayments and associated penalties and how to do so. This discretion can also be applied to recoverable hardship payments. The discretion to vary the rates of recovery or to suspend recovery are detailed in Chapter 5. The discretion can also be exercised by cancelling part of, or the entire overpayment, through the process of waiver and write-off.”

## The Spring Statement 23 March 2022

There were no direct benefit changes announced but the Chancellor said “I want to do more to help our most vulnerable households with rising costs. They need targeted support.” Here are some related announcements.

The present [Household Support Fund](#) ends this month, but Council’s will be given another £500m to continue it from April. This is a [link](#) to Newcastle City Council’s webpage on the first round of funding. Look out for more information as Newcastle and other council’s explain how they will use this new funding.

There were also changes to income tax, National Insurance thresholds and so on.

For further information here are links to the Spring Statement [speech](#) and [documents](#) from gov.uk, and responses from [Joseph Rowntree Fund](#), [Institute for Fiscal Studies](#) and [Child Poverty Action Group](#).

## Do you work with someone who gets their benefits paid via a Post Office card account?

For a number of years, people have been able to receive benefits through a Post Office card account. The Government are stopping this and instead want to make people receive their benefits via a bank account or similar account like a Credit Union rather than a Post Office card account. More details about Newcastle’s Credit Union Moneywise below.

There are two separate processes. One for HMRC benefits and one for DWP benefits, as follows:

### HMRC benefits:

From April 2022, it will not be possible to receive **HMRC benefits** like Tax Credits and Child Benefit via a Post Office card account. If you are working with someone getting these benefits, please check they have set up an alternative account to receive them. This Government [press release](#) and information from [Money Helper](#) explains what to do, including tips such as waiting till you get your first payment into your new account before closing you Post Office card account.

[Money Helper](#) confirms that you can still take out cash and manage your account from Post Office branches.

There seems to be no alternative for HMRC customers by the looks of it:

According to [moneyhelper](#), unlike DWP benefits, “HMRC won’t make tax credit, Child Benefit or Guardian’s Allowance payments through payment cards and vouchers.” And “If you don’t have a current account and can’t open one, you will need to contact HMRC to discuss your options.”

However, in December 2021 Parliament was told that HMRC [will use ‘Payout vouchers’ for those who don’t open a bank account](#). The vouchers which ‘are sent by mail or SMS to customers for them to cash at the Post Office, akin to the way that Post Office card account customers withdraw their money from the Post Office’.

### **DWP benefits:**

It’s a different story for most other benefits which are administered by the Department for Work and Pensions (DWP). The Government have extended Post Office card accounts for DWP benefits until November 2022 when they will close. After that, the [Government](#) said that those who do not change payment to a bank or similar account will be ‘...migrated on a month-by-month basis to the [payment exception service](#)’. in the form of vouchers.

For more information, visit the [GOV.UK](#) website and the [Money Helper Advice Service](#).

### **Moneywise Credit Union**

It is possible to have your benefits paid via a Credit Union account. Newcastle’s Credit Union is [Moneywise](#). People do not need an existing bank account and can include those without an address for example, those sofa surfing.

Please see the information at the end of this bulletin on ‘Opening a Moneywise Credit Union Account to get Benefits paid in’ and how you as a professional can help.

## **Terminal illness rule changes**

### **New exemption from the Claimant Commitment for terminally ill people**

When someone claims benefits like Universal Credit or Employment and Support Allowance, they normally have to attend a Claimant Commitment interview which involves agreeing to some level of work-related activity. People are exempt from the Claimant Commitment, if they lack capacity to accept a Claimant Commitment and where there are exceptional circumstances in which it would be unreasonable to expect a person to accept a Claimant Commitment.

From 5 February 2022 terminally ill people were added to the exemptions. Terminally ill here means: ‘suffering from a progressive disease where death in consequence of that disease can reasonably be expected within 6 months.’

Here is the [regulation](#) that brought in the rule and the [DWP guidance](#) on it. See more information about the Claimant Commitment below.

### **The definition of terminal illness for benefits is to be improved**

For benefit purposes, you are regarded as ‘terminally ill’ if you have a progressive disease from which your death can ‘reasonably be expected within six months’. This is extended to 12 months from 4 April 2022 for UC and ESA. At some stage, similar improvement will apply to disability benefits.

If you satisfy these 'special rules', you get some benefits quicker, may get a higher rate automatically and don't have any work-related activity to do.

For details of the rule change see the [regulation](#) and government [press release](#). See also [details of the present rules](#) from gov.uk and [Accessing benefits with terminal illness](#) from the House of Commons Library which 'explores the history of rules that help terminally ill people access benefits, how they work in practice, the debate that surrounds them, and recent policy developments across the UK.'

## Coronavirus and benefits

As you will be aware, many of the benefit and other support for people during coronavirus have either ended or ending. We have updated the [Coronavirus and benefits - what the changes mean for you](#) to describe the remaining measures and list what has ended.

For example, being paid from day one rather than waiting four days for SSP or seven days for ESA for those affected by coronavirus ended on 24 March 2022.

See also the Government's [Living with COVID-19](#) announcement on 22 February 2022.

See also [Expiry of the Coronavirus Act's temporary provisions](#) from the House of Commons Library, which said the "Temporary provisions in the Coronavirus Act 2020 will expire by 25 March 2022. How is the Government planning for this deadline?"

## Universal Credit

### How people are moving onto Universal Credit. 'Natural' and 'managed' migration

Are you aware of these terms? And no, we are not talking about a herd of Wildebeest!

We are talking about people who are receiving the six benefits that Universal Credit is replacing. For example, Income Support, Housing Benefit, Tax Credits. These are called 'legacy benefits'.

The Government have the following two ways of getting people on 'legacy benefits' to move to Universal Credit.

#### 'Natural migration'

The method being used at the moment is 'natural migration'. If a person on a 'legacy benefit' has a change in circumstances which means they have to claim another 'legacy benefit', they will not be able to claim that 'legacy benefit' and in addition, the act of claiming another legacy benefit will actually end their other 'legacy benefits'. It means they will have to claim Universal Credit. However, it's not as simple as that and there are many circumstances where they do not have to claim Universal Credit. We have produced a table listing when you do and when you do not have to claim Universal Credit. Direct link to the [table](#) which is on our [Universal Credit webpage](#).

This is important because if your 'legacy benefit' is higher than your Universal Credit, you will drop down to the lower amount. You do not get any protection to keep you on the higher amount. So, if you do have a choice, you need to know about it.

On the other hand, some people on legacy benefits may actually be better-off on Universal Credit.

The best way to find out either way, is to get a comparison and 'better off calculation' from an advice service. It may be sensible for example, to wait for 'managed migration' (see below) because you get transitional protection.

Newcastle residents can get advice from a number of advice services listed in 'Where to Get Benefit and Debt Advice in Newcastle' on this webpage: [Benefit advice services in Newcastle and benefit offices](#)

Latest figures show that in Newcastle, 13,053 (30%) households are on those 'legacy benefits' and 30,039 (70%) are on Universal Credit.

### **'Managed migration'**

The Government say that between November 2022 and 2026 the DWP will tell people their 'legacy benefits' will stop and they have to claim Universal Credit instead. A 'transitional amount' will be paid on top if their Universal Credit is lower than their 'legacy benefits'.

### **Helping people to make the right decisions with Universal Credit**

The Council and its partners are providing more information and support about natural and managed migration, including a special webpage and guide. We will keep you informed.

### **Help to claim Universal Credit in Newcastle**

The Government had contracted Citizens Advice to provide online, telephone and importantly, face to face support for people needing help with their claims. From April, the contract has changed (reduced) to telephone and online support only. The [National Association of Welfare Rights Advisers](#) says: "Absence of face-to-face support means the new Help to Claim service will not be fit for purpose".

We have a document on our website outlining this and the other support that is available in Newcastle. See [Extra help and support with Universal Credit – including Newcastle](#) on our webpage [Universal Credit more detailed guide](#)

### **Improved computer accessibility features in Jobcentres**

In a statement to Parliament, a [minister said](#): "DWP recently completed an upgrade of all Customer Computers across the Jobcentre network" and "all devices provided for use by customers have the standard accessibility features available such as being able to change the screen size & colour, replacing sounds with screen alerts and using the screen reader to read text"... "Further support is available to customers where reasonable adjustments are identified and recorded.

Each Jobcentre District Office has:

- A keyboard with larger keys
- A large trackball mouse
- Headphones. However, many people will want to use their own"

### **Universal Credit and childcare costs**

This [Government guide](#) explains about Universal Credit and childcare.

## How does Universal Credit deal with fluctuating earnings?

One way is called the ‘surplus earnings’ rule.

Universal Credit usually assesses income each month. Instead of using the system of most other benefits where fluctuating earnings are averaged, it has the ‘surplus earnings’ rule. When your earnings in one month goes too high and stops your UC, the surplus amount is not forgotten about but carried forward. So, when your earnings drop and you reclaim UC, those surplus earnings are taken into account as income.

At the moment, any surplus earnings above £2,500 is ignored. But from 1 April 2023 it will decrease to £300 – so many more will see longer periods off UC, waiting for their surplus earnings to ‘wear out’.

More details from [Revenuebenefits](#). And [confirmed](#) in Parliament.

## Jobseekers to widen their work search after 4 weeks rather than the previous 3 months

In January, the Government announced a [New jobs mission to get 500,000 into work](#) called ‘Way to Work’ including the requirement for jobseekers ‘to search more widely for available jobs from the fourth week of their claim, rather than from three months as is currently the case.’ Failure to do so will result in a sanction.

See the [guidance](#) and the [legislation](#) that brought this in from 8 February 2022.

## Avoid a benefit sanction – get the Claimant Commitment right

When benefits like Universal Credit are claimed, an interview with the Jobcentre takes place where the Claimant Commitment is agreed. This determines the work-related activity the claimant agrees is reasonable for them to do. However, we know that sometimes people think they have to say they don’t have any limitations in order to get their benefit. But this is wrong. Claimants must tell the Work Coach if they do have any limitations.

The [Public Law Project have produced these leaflets](#) to use when you meet your work coach. Here is further guidance about the Claimant Commitment and work conditionality from the [Government](#) and [turn2us](#).

## Research, reports and how much benefit is underclaimed

### Report on the ‘left behind’ neighbourhoods

This report by the [All Party Parliamentary Group](#) found that ‘people in England’s most deprived neighbourhoods work longer hours than those in the rest of the country but live shorter lives with more years in ill health costing an estimated £29.8bn a year to the economy in lost productivity. People living in these communities were also 46% more likely to die from COVID-19 than those in the rest of England.’

**‘400,000 people could be pulled into poverty by April’s real-term cuts to benefits’** say the [Joseph Rowntree Fund](#). Read more from [Disability Rights UK](#)

**‘Two in five Brits receiving Universal Credit forced into debt this winter as payments failed to cover soaring cost of living’** [says the Trussell Trust](#)



'One in three (33%) people receiving Universal Credit had more than one day in the last month where they didn't eat at all or had only one meal, while one in three people (33%) surveyed have not been able to heat their home for more than four days across the last month because they couldn't afford to.'

### **Covid highlights social security system is 'simply unfit for purpose'.**

New research warns that the soaring price of food and rent, along with energy bills, is forcing families to choose between basic essentials such as food and heat, while growing numbers are being forced into debt and relying on food banks. Read more from [Disability Rights UK](#).

### **Commission on Social Security report**

The Commission on Social Security Led by Experts By Experience has published its final report. The Commission was established in 2019 to make proposals to help improve the social security system and is led by people who have experience of living on benefit income. A copy of the report is available [here](#).

### **The depths of the cuts: The uneven geography of local government austerity**

University of Cambridge report on [The depths of the cuts: The uneven geography of local government austerity | Request PDF \(researchgate.net\)](#)

### **New report on illegal money lending**

The CSJ's new report, [Swimming with Sharks: Tackling illegal money lending in England](#), estimates that up to one million people in England are borrowing from an illegal money lender today

### **Underclaim of benefits**

£15 billion remains unclaimed in means tested benefits each year says [entitledto](#) using DWP figures.

### **Personal Independent Allowance – electronic claim**

When people claim PIP they will be given the opportunity to use an online form. [More details](#) from Disability Rights UK

### **Pension Credit – take up campaign**

According to DWP estimates, nationally, 770,000 pension credit age people are missing out on £1.4billion a year.

If you know or work with someone of [State Pension age](#) suggest they check if they are eligible via an [online calculator](#). You can apply for Pension Credit by telephone, a simple online form or paper claim form. Further details on [Pension Credit and advice services that can help](#)

### **Useful guidance**

[MoneyHelper](#) has replaced the Money Advice Service and is provided by The Money and Pensions Service which is 'an arm's-length' body sponsored by the DWP.

### **Internal guidance by the DWP**

When supporting someone with benefits, it's useful to know what guidance is being given to staff on that issue. Here are some examples:

[Advice for decision makers: staff guide](#) (memos and guides on Universal Credit, Personal Independence Payment etc)

[Decision Makers Guide](#) (memos and guides on legacy and other benefits)

[Housing Benefit and Council Tax Benefit Guidance Manual](#)

[Housing Benefit for local authorities: adjudication circulars](#)

[DWP factual medical reports: guidance for healthcare professionals](#)

Guidance for healthcare professionals who complete medical reports for DWP or one of its assessment providers.

## Opening a Moneywise Credit Union Account to get benefits paid in

This is guidance from [www.moneywise.org.uk](http://www.moneywise.org.uk)

People can complete the on-line Membership Application Form at [www.moneywise.org.uk](http://www.moneywise.org.uk)

- For their address, i.e. if sofa surfing, they can put C/O the address they are at, on the Application Form.
- For the Bank Account Details that are required on the on-line Application, if they do not have a Bank Account, they need to put the following:

**Sort Code: 000000**

**Bank Account no: 00000000**

- They will be asked for an email address on the Application Form. If you think it would be more appropriate/useful they could put their Support Worker's email. This is because we will contact the email address to ask for further verification of their identity – we will accept a letter from a Support Worker stating that they know the person and that also includes the person's National Insurance Number. Doing it this way will not only speed up the process but also ensure that the new member is not daunted by receiving ID requests.
- The new member will be sent a standard letter Welcome letter which will confirm the account is open. This will be posted out to them.
- **Once the welcome letter is received** if the client is wanting to use their account to get benefits paid into it, they can make their UC claim and use **Moneywise Bank Account details** on their UC claim application.
- If they are already in receipt of UC, but are using a family member's account, they can log onto their journal and change their bank details to **Moneywise Bank Account** so their next payment should credit their account with us.
- If clients are unable to attend one of our branches to make cash withdrawals, we would recommend they apply for a Visa card, known as an Engage card. The completed Engage card application can be emailed to [admin@moneywise.org.uk](mailto:admin@moneywise.org.uk) once their welcome letter is received; the card can take up to 10 working days to come, it will be posted direct to the client.

**If you think that this is something that will be used by your client group please email [annie.murphy@moneywise.org.uk](mailto:annie.murphy@moneywise.org.uk) and I will forward the following:**

1. **Moneywise Bank Account details** that can be used by Benefit Claimants on their Benefit Claim Application to get their Benefits paid into their Credit Union Account – this is particularly useful for those people without their own Bank Account.

Please note: These Bank Account details should only be used **after** they have joined the Credit Union and we have a CU Account set up in their name

2. **Engage Account Application Form** that you can support clients to complete
3. **Breakdown of costs for Engage Card**

## Further support, information and training

Find our **earlier Benefit Bulletins** on our [website page for professionals and volunteers](#) and for **more information on benefit changes**, see our website page [Changes to the benefits system](#) which includes a **timeline of the main benefit changes** and of course the [Coronavirus and benefits](#) pages.

**More details about benefits**, including those mentioned above, can be found on [our welfare rights and money advice website pages](#), including benefit self-help factsheets.

Find **Where to get advice in Newcastle** on the [benefit advice services website page](#).

For details of our 'live' **Teams training** and **e-learning modules** for professionals such as 'Introduction to Benefits' and 'Universal Credit', see our [website page for professionals and volunteers](#).

**Professionals can get phone advice** from [the Council's Welfare Rights' consultancy line](#).

You can subscribe to the DWP information for professionals in [Touchbase](#).

This Benefit Bulletin was written by the Active Inclusion Service at Newcastle City Council. It is provided bi-monthly and at times of important benefit changes and news. It is as accurate as possible at the time of writing.

We also produce a weekly **Active Inclusion Newcastle e-bulletin** which provides a brief update on financial inclusion and homelessness prevention issues. If you want to receive this, or for more details, email [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk).