

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 (DLA) or Personal Independence Payment (PIP) paid because you are disabled

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

Employment & Support Allowance (income-related) paid because you cannot work

Income Support paid to top up a low income for various categories of claimant, one category being 'incapable of work'.

Housing Benefit and Local Council Tax Support 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 help with your rent and council tax paid by Housing Benefit and Local Council Tax Support. 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 Local Council Tax Support which are paid by Local Housing Authorities (i.e. your local Council). Working Tax Credit and Child Tax Credit are administered by HM Revenue and Customs, as is Child Benefit.

DISABILITY LIVING ALLOWANCE (DLA) and PERSONAL INDEPENDENCE PAYMENT (PIP)

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/PIP.

Awards of DLA/PIP 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 reviewed, or the DWP may have received information which suggests that your current award could be wrong.

Starting work does not in itself trigger a reconsideration of your DLA/PIP, 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/PIP, 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/PIP. In many cases there will be no legal requirement to inform them that you are working, but it is probably safer to inform them anyway, making clear that you still need your DLA/PIP.

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. Some people who claimed before 27 October 2008 may also be getting Income Support on the grounds that they are incapable of work. For all these benefits you usually have to prove your incapacity for work by passing a medical assessment.

The general rule is that your entitlement stops once you start doing any sort of work – 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. These include:

- **Voluntary Work** (see below)
- **Permitted Work** (see below)
- Work as a local Councillor*
- Being a member of a First-tier Tribunal if you have been appointed because of your experience of disability issues (maximum 1 day or 2 half-days a week)*
- Domestic work (e.g. cooking and cleaning) in your own home
- Care of certain relatives, or the relative's partner
- Work you undertake in an emergency if it is done to protect someone, or prevent damage to property or harm to livestock

This list is not exhaustive. If you are thinking of doing some work while you are unfit for work and receiving Incapacity Benefit/SDA/ESA/Income Support, seek advice.

* Payments received to cover your expenses are disregarded as income.

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. It must be reasonable for you to work for free.

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.

EXAMPLE: Chris

*Chris works in a friend's shop most days for free to stop himself getting bored. He helps with organising the stock and serving customers at the till. This is **not** voluntary work as it is a job that the owner of the shop would normally have to pay someone to do.*

You can do as much voluntary work as you like without losing ESA, IB, SDA or IS. However, if the type of work appears to contradict what you told the DWP about your illness or disability, the DWP may decide to review your entitlement.

EXAMPLE: Nathan

Nathan claims ESA 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 decides to review his ESA 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
- Permitted Work: Higher Limit
- Supported Permitted Work
- Work done as part of a treatment programme under medical supervision in hospital or as an outpatient

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 18 years old). It's not necessary to get a doctor's approval or the permission of the DWP.

PERMITTED WORK: HIGHER LIMIT

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

- the work must be less than 16 hours a week on average
- earnings must not be more than £104.00 a week (rises annually, in October). If your earnings go above this limit in a week, you won't be paid ESA that week.

- work can be undertaken during a continuous 52 week period and must then stop unless you are in the ESA Support Group in which case the work can be done for an indefinite period. Other people can do a further period of 'higher limit' permitted work if:
 - They have had a break in benefit of at least 12 weeks, or
 - At least 52 weeks have passed since their previous period of 'higher limit' permitted work ended.

SUPPORTED PERMITTED WORK

This category is aimed at people who are less likely to be able to start, or return to, full-time work. Work counts as 'Supported Permitted Work' if:

- earnings are not more than £104.00 a week (increases each October); and
- work is supervised by a person employed by a public or Local Authority or by a voluntary organisation or community interest company, whose job it is to find work for people with disabilities;

TREATMENT PROGRAMME

Work which is done under medical supervision as part of an in-patient or outpatient hospital treatment programme can be done for an indefinite period as long as earnings do not go above £104.00 a week (this limit increases annually in October).

Informing the DWP

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 Local Council Tax Support the local Council should be informed.

Notional Earnings

If you are doing permitted work and being paid less than the DWP thinks is reasonable for the work, they can treat you as earning what they consider to be a reasonable amount. This rule would not normally be applied to recognised 'voluntary' work.

EXAMPLE: Julie

Julie helps out a friend who owns a newsagent for a few hours each week, serving customers. The friend gives her £20 a week. This could count as permitted work. However, the DWP decides that the going rate for the job would be £85 a week. They treat Julie as earning £85 a week and reduce her Income Support accordingly.

NB. Treating her earnings as being higher than they are could also affect the question of whether Julie is doing 'permitted work', or simply 'work' (in which case her Income Support would stop completely) – see categories of permitted work above.

EARNINGS DISREGARDS

The above earnings limits simply define whether the work can be accepted as 'permitted work'. Whether the earnings can be disregarded as income will depend on which benefit you are receiving. For ESA, IB and SDA and for Housing Benefit, the earnings from permitted work can be disregarded in full. For Income Support see below. The effect of permitted work earnings on Local Council Tax Support will depend on your local authority's scheme.

EXAMPLE: Megan

Megan gets SDA of £79.90 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 from permitted work. Her total income increases to £159.90.

EXAMPLE: Alan

Alan gets Employment and Support Allowance of £101.15. Because this is his only income, he also gets all his rent and most of his council tax paid by the Council. He starts 'higher limit' permitted work, earning £50 a week.

His income is affected as follows:

His ESA stays the same at £101.15 because earnings under the permitted work level are completely ignored for both contributory and income-based ESA. They are also ignored for Housing Benefit. Whether they affect the help he gets with his council tax will depend on his local authority's Council Tax Support scheme.

NB after 52 weeks, Alan will have to stop his 'higher limit' permitted work, unless he is in the ESA Support Group. Or he could reduce his earnings to £20 or less so the work counts as 'lower limit' permitted work instead.

For all benefits, 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.

Income Support earnings disregards

The earnings disregards for Income Support are nowhere near as generous as those for ESA, IB, SDA and Housing Benefit where all of your permitted work earnings up to £101.00 a week can be ignored. For Income Support a maximum disregard of £20 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. This means the most you can gain from doing permitted work while on Income Support is £20 a week.

EXAMPLE: Gurinder

Gurinder (35) is incapable of work. She gets Income Support of £104.25 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 therefore deducted from her Income Support, leaving her with £39.25. Her total income from Income Support and earnings is now £124.25. In other words, Gurinder is only £20 a week better off by doing permitted work.

HOUSING BENEFIT (HB) and LOCAL COUNCIL TAX SUPPORT

These are means-tested benefits paid by the local Council. People on income-related ESA and Income Support will usually have most, if not all, of their rent and Council Tax paid by the local Council. People on Contributory ESA, IB and SDA may get some help towards paying their rent and Council Tax, depending on their income and capital.

Your HB or Council Tax Support will not be affected by any work you do as a volunteer.

How earnings are treated for Council Tax Support will depend on your local Council's scheme and may vary from Council to Council.

For Housing Benefit on the other hand, earnings are treated according to one national scheme and the same rules apply to everyone. These are as follows. The notional earnings rules apply in the same way as for other benefits. Earnings from Permitted Work are disregarded. Earnings from other types of work are subject to a maximum disregard of £20 if you qualify for a disability premium, severe disability premium or carer's premium. Otherwise the disregard is £5 for a single claimant and £10 for a couple. If more than one of these earnings disregard is applicable to you, only one disregard, the highest, will be applied.

EXAMPLE: Ahmed

Ahmed is single, aged 32, and lives alone. He gets Contributory ESA of £101.15 a week. He only has to pay £2.42 a week towards his rent. The rest of his rent is paid by housing benefit.

Ahmed starts to earn £80 a week in permitted work. His ESA is not affected by permitted work, so his weekly income goes up to £181.15.

However, as his earnings from permitted work are disregarded under the permitted work rules he does not have to pay any extra towards his rent.

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 or more 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 Working Tax Credit (WTC). If you have dependent children you may also get Child Tax Credit (CTC). Tax Credits are run by HM Revenue & Customs. They are 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 / PIP or Attendance Allowance (AA) or Mobility Supplement/Constant Attendance Allowance in a War Pension/Industrial Injuries Disablement Benefit
- or have been getting for at least 28 weeks ESA(or a combination of SSP and ESA) or NI credits for limited capability for work. Or in the 26 weeks before you claim WTC, have received for at least a day higher rate short-term or long-term IB, SDA, or IS/JSA/HB including a disability premium.
- 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 for at least one day 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 continuing to pay the same level of help with your mortgage or rent for up to 4 weeks after you start work, 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, or get help with their mortgage or home loan. 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? Will they get back the help they were getting with their mortgage or home loan?

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

The General Twelve Week Rule

i. A break in claim of less than 12 weeks

If you come off ESA, perhaps to try a job, and you need to reclaim ESA **within 12 weeks**, you can go back onto the same rate of ESA.

EXAMPLE: Duane

Duane is on ESA. It includes the Work-Related Activity Component. 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 6 weeks, because of persistent back and neck problems. Provided he reclaims ESA within 12 weeks of coming off benefit, he will qualify for the Work-Related Activity Component immediately, without having to wait for a medical assessment.

ii. A break in claim of more than 12 weeks

If you come off ESA for **more than 12 weeks** before you reclaim, your link to your previous award is broken. How this affects you will depend on whether you were claiming *income-based* ESA or *Contributory* ESA:

- If you were previously claiming **income-based ESA** the break in your claim will mean that:
 - you cannot have a component added to your ESA until you have passed a medical assessment
 - once you have passed the medical, the component will only be paid from the 14th week of the new claim
 - you won't necessarily be given the same component you had before
 - any premiums you are entitled to can be paid from the start of the new claim
 - you may have to wait before you can have help with your mortgage or home loan. There are several schemes which reduce the time you have to wait. Two of these are detailed below – ‘Work or Training Beneficiary’ and ‘Welfare to Work Beneficiary’, but there are others so seek advice if this affects you.

- If you were previously claiming **Contributory ESA** the break in your claim will mean that:
 - you may not be able to rely on the National Insurance contributions that entitled you to ESA before. If you cannot qualify for Contributory ESA you can still be accepted as being unfit for work and given National Insurance Credits, but you won't be paid Contributory ESA. However, if you meet the criteria for income-based ESA, you can be paid that instead – see above.
 - if you do qualify for Contributory ESA, you will start at the basic rate.
 - You cannot have a component added to your ESA until you have passed a medical assessment
 - once you have passed the medical, the component will only be paid from the 14th week of the new claim
 - you won't necessarily be given the same component you had before
 - you should check to see if you might be entitled to income-based ESA in addition to your Contributory ESA.

WORK OR TRAINING BENEFICIARY

Normally, when you claim ESA you have to wait up to 39 weeks before qualifying for help with your mortgage or home loan. If you come off ESA while serving your waiting period, you might have to start the waiting period again when you reclaim ESA. However, if you are a 'work or training beneficiary' you can count the period between two ESA claims towards the waiting period and therefore qualify for help with your mortgage or home loan more quickly when you make the second claim for ESA. You count as a 'work or training beneficiary' if:

- you were on ESA for at least 13 weeks (or less if you were moved onto ESA from another incapacity benefit); *and*
- you stopped claiming; *and*
- within 1 month you started paid work, or a training course for which you expect to receive a training allowance; *and*
- within 104 weeks you had to give up the job/course because of ill-health and reclaim ESA.

NB: You cannot use this rule if:

- your ESA stopped because you were found fit for work, unless you appealed and won your appeal; or
- the work you are doing was work you could have done while on ESA e.g. Permitted Work

WELFARE TO WORK BENEFICIARY

This is similar to the 'work or training beneficiary' above, but it is for people who are still receiving one of the 'old' incapacity benefits and have not yet been moved onto ESA. As with the 'work or training beneficiary' rule, it allows you to treat periods between two claims towards your waiting period for help with your mortgage or home loan. To benefit from this rule, the following must apply:

- You were on Statutory Sick Pay; Incapacity Benefit; Severe Disablement Allowance; Income Support; National Insurance Credits, or a combination of these for at least 28 weeks on the basis that you were incapable of work; and
- Within 1 month of coming off the benefit, you started paid work, or a training course for which you expected to be paid; and
- Within 104 weeks of your benefit ending you become ill again and need to reclaim benefit.

NB

- You do not go back onto your old benefit; you have to make a claim for ESA
- You cannot use the rule if your last claim ended because you were found fit for work, unless you appealed and won your appeal.
- You cannot use the rule if the work you started doing was work that you could have done while receiving your benefit eg Permitted Work

EXAMPLE: Donna

Donna is on long-term Incapacity Benefit, topped up with IS. She is getting help to pay her mortgage. 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 makes a claim for ESA. Because she is a Welfare To Work Beneficiary, she will get help with her mortgage on her new ESA claim.

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 work', 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

Citizens Advice Bureaux		Tel No:
NUNEATON & BEDWORTH	25 Congreve Walk, Bedworth, CV12 8LX	0844 855 2322 (switchboard) (to book appt in Nuneaton call 024 7635 1049)
NORTH WARWICKSHIRE	The Parish Rooms, Welcome Street, Atherstone, CV9 1DU	
RUGBY	1 st Floor, Chestnut House 32 North St, Rugby, CV21 2AQ	
WARWICK	10 Hamilton Terrace, Leamington Spa , CV32 4LY	
STRATFORD	25 Meer Street, Stratford CV37 6QB	

Other Useful Agencies		Tel No:
INDEPENDENT ADVOCACY	Avenue M, Stoneleigh Park Warwickshire, CV8 2LG	02476 349954
THE ROWAN ORGANISATION	Eliot Park Innovation Centre, Baring Way, Nuneaton, CV10 7RH	02476 322860
WARWICKSHIRE ASSOCIATION FOR THE BLIND (WAB)	5 Charles Court, Budbrooke Road, Warwick, CV34 5LZ	01926 411331
WARWICKSHIRE EMPLOYMENT RIGHTS	19 Dugdale Street, Nuneaton CV11 5QJ	02476 641988

Jobcentre Plus		Tel No:
NUNEATON	Mill House, Mill Walk, Nuneaton CV11 4DL	0845 604 3719 (switchboard)
BEDWORTH	12 High Street, Bedworth CV12 8NF	
WARWICK DISTRICT	Brandon House, Holly Walk Leamington Spa, CV32 4JE	
RUGBY	Kingsforth House, 44 Albert Street, Rugby, CV21 2TD	
STRATFORD	Martin Raff House, Alcester Road, Stratford, CV37 9DA	

For new **claims** for Employment & Support Allowance ring the Jobcentre call centre on **0800 055 66 88**. For existing ESA, Incapacity Benefit, Severe Disablement Allowance and Income Support awards, call the Benefit Centre which pays your benefit (the number will be on the letters they send you).

The information in this factsheet is correct as of Oct 2014

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Produced by: Warwickshire Welfare Rights Advice Service
Funded by: Warwickshire County Council
Charity Registration No. 1113524
Company No. 5730678

