



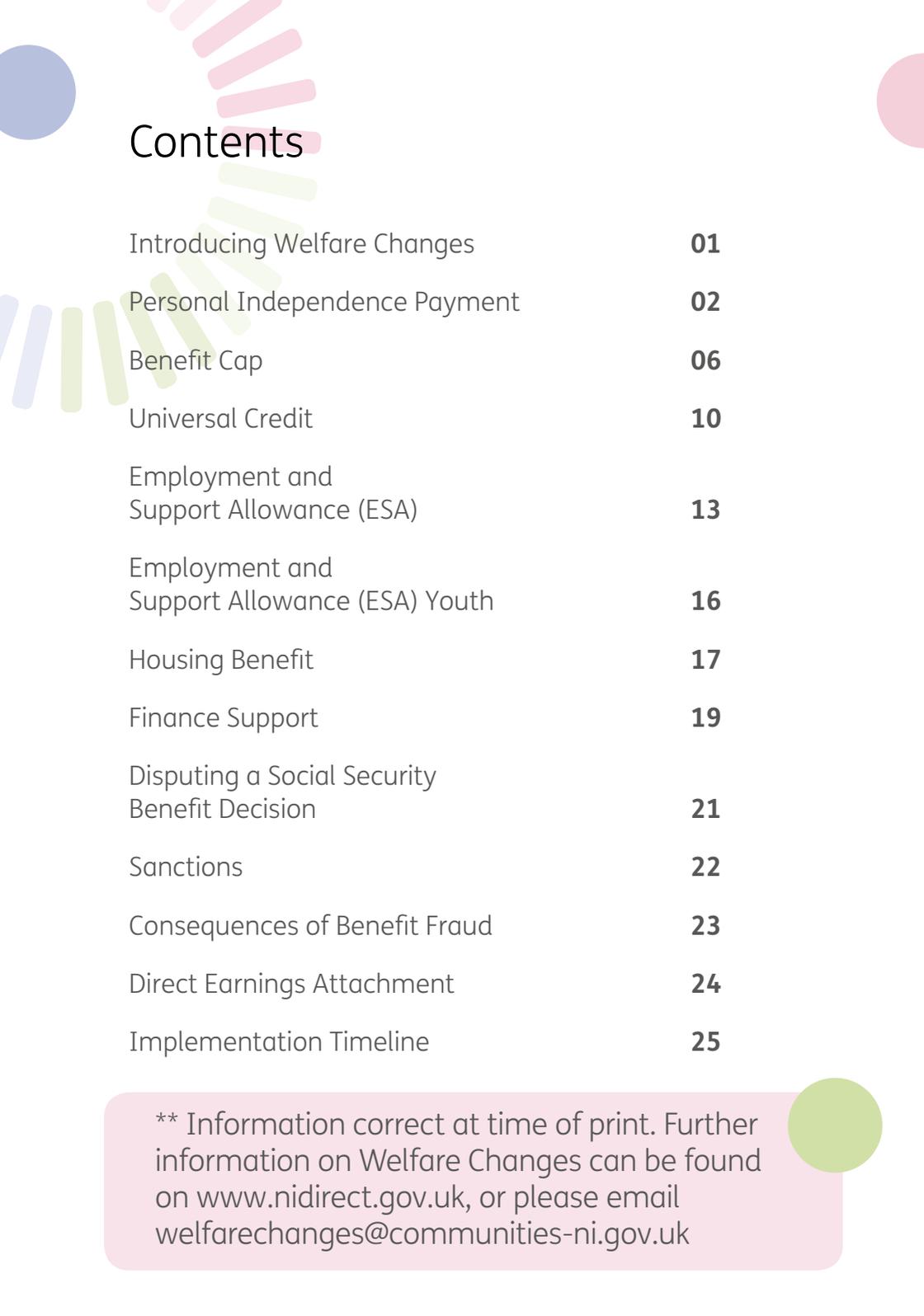
# Elected Representatives Guide to Welfare Changes



Northern Ireland  
Executive

[www.northernireland.gov.uk](http://www.northernireland.gov.uk)





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\*\* Information correct at time of print. Further information on Welfare Changes can be found on [www.nidirect.gov.uk](http://www.nidirect.gov.uk), or please email [welfarechanges@communities-ni.gov.uk](mailto:welfarechanges@communities-ni.gov.uk)



# Introducing Welfare Changes

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Over the past few years, a number of changes have been made to the welfare system in Great Britain and these changes will now be introduced to the welfare system in Northern Ireland.

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This information booklet provides an overview of what is changing in the welfare system, when the changes are going to happen and what happens next.

These are the biggest changes to our benefit and tax credit system in over 70 years. Many of the current benefits paid to people of working-age will cease to exist and new benefits and payment systems will be introduced.

As part of a programme to restructure how government works in Northern Ireland, the Social Security Agency will become part of the new Department for Communities. It will be the Department for Communities which will apply the changes to the welfare system.

The Northern Ireland Executive has agreed to provide £501 million over the next four years to reduce the impact of these changes. Support measures have been developed to help protect and support the most vulnerable people in Northern Ireland. The support available is explained in this information booklet.

Claimants will be contacted if they are to be affected by any of the changes, which are due to begin in **May 2016** and run over the coming years.

Further information on each of the changes to the welfare system is available at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges) and this information is frequently updated.

# Personal Independence Payment

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Personal Independence Payment (PIP) will replace Disability Living Allowance (DLA) for people aged 16 to 64 years. PIP is a new benefit to help those with a disability or long term health condition to live full, active and independent lives.

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Personal Independence Payment (PIP) is not a means tested benefit. This means that a person's income or savings will not determine if they qualify for PIP. It will be available to people with a disability whether they are working or not.

DLA will remain for children up to the age of 16 and anyone aged 65 or over on 20 June 2016, providing they continue to meet the eligibility criteria.

## WHAT'S THE CHANGE?

The key change is that PIP introduces a new assessment process. It considers the impact that a condition has on a person's everyday life, rather than the condition itself.

The assessment looks at key activities within two components, daily living and mobility. Each component is given a numerical score. To qualify for PIP a person must score at least eight points.



PIP benefit awards will also be reviewed more frequently to ensure that people continue to receive the correct amount of benefit.

### WHEN WILL THIS HAPPEN?

New claims for PIP will be taken from **20 June 2016**. From that date, people aged 16 to 64 years, will no longer be able to claim DLA.

If someone on DLA reports a change to their mobility or care needs on or after 20 June 2016 they will be assessed for PIP, rather than DLA.

There are two types of DLA awards:

- **Time bound awards**
- **Lifetime / indefinite awards**

We will initially contact people aged 16 – 64 years with time bound awards whose DLA award ends on or after 7 November 2016 about their assessment for PIP.

We will then contact people who have a lifetime (indefinite) DLA award from December 2016 at the earliest. They will all be invited to claim PIP by December 2018.



## WHAT SUPPORT IS AVAILABLE?

The Northern Ireland Executive committed to put in place some measures to support people who are currently receiving DLA and who are financially worse off after they have been assessed for PIP.

If, after assessment, someone doesn't qualify for PIP and lodges an appeal, a supplementary payment, equal to their DLA payment, will be made until their appeal is heard and a decision made.

A supplementary payment will also be paid for one year if someone qualifies for PIP but at a reduced rate, and their weekly loss is more than £10. This supplementary payment will be equal to 75% of the difference in benefit. For example, if the difference is £20 they will receive £15.

To qualify for PIP someone must score at least eight points in the assessment process. If they score between four and seven points and therefore don't qualify for PIP but can show that their disability or illness is as a result of a Northern Ireland conflict related injury, they may be awarded four extra points. A supplementary payment would then be paid for one year.

### **SUPPORT FOR CARERS**

A person will no longer be entitled to Carer's Allowance or Carer's Premium if the person in receipt of DLA, who they currently provide care for, doesn't qualify for PIP after their assessment. However, in these circumstances a supplementary payment will be paid for up to one year.

### **SUPPORT FOR PEOPLE RECEIVING ADDITIONS TO BENEFITS BECAUSE OF DISABILITY**

If after their assessment someone does not qualify for PIP or does not qualify at the same rate as they were receiving under DLA it could affect certain additions known as Disability Premiums which are included in some other benefits paid to them. People who are impacted in this way will receive a supplementary payment to cover this loss for up to one year.

### **WHAT HAPPENS NEXT?**

New claims for PIP can be made from 20 June 2016 and we will contact people when their DLA award is coming to an end. We will also contact young people claiming DLA, before their 16th birthday about making a claim for PIP. (We will publicise the phone number for claims on the nidirect website in advance.)

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)

# Benefit Cap

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The aim of the Benefit Cap is to make sure that no household receives more in benefits than if their income from work was the same as an average wage or salary.

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## WHAT'S THE CHANGE?

The Benefit Cap limits the total amount of benefits a household can receive and will depend on the household's circumstances. A single person without responsibility for children will have a limit of £350 per week. A single parent or a couple (with or without children) will have a limit of £500 per week.

The Benefit Cap will only apply if someone in the household is in receipt of Housing Benefit. The cap will initially be applied by reducing Housing Benefit, to make sure that the total amount of benefit does not exceed the limit.

The Benefit Cap will not apply if any member of the household qualifies for one of the following benefits:

- Working Tax Credit
- Carer's Allowance
- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance

- Industrial Injuries Benefit
- Employment and Support Allowance (Support Group)
- War Widow's / War Widower's Pension or War Disablement Pension
- Armed Forces Independence Payment

## WHEN WILL THIS HAPPEN?

The Benefit Cap will come into effect from **31 May 2016**.

## WHAT SUPPORT IS AVAILABLE?

There is no requirement for anyone to make an application or to provide further evidence to receive a supplementary payment for The Benefit Cap. The Department for Communities will identify those affected and make payments as quickly as possible to those who are eligible.

A supplementary payment will be made every four weeks in arrears and will be made to the person receiving Housing Benefit.

Where Housing Benefit is paid directly to a landlord then the Benefit Cap supplementary payment will also be made to the landlord. However, it is important to note that if a landlord is not on the Landlord Register a supplementary payment will not be made to them. In these cases payment will be made to the claimant.



After the 31 May 2016 if a household has the Benefit Cap applied they may also receive a supplementary payment, provided that they have children and were continuously receiving a relevant benefit from the introduction of the Benefit Cap. A relevant benefit is any of those benefits included when calculating the Benefit Cap.

There may be a short gap between the date when a claimant's Housing Benefit is first capped and their first supplementary payment.

With the introduction of the Welfare Reform and Work Act (2016) in Great Britain, a further limit on benefits will be implemented with more households being affected. It is intended to introduce corresponding legislation in Northern Ireland. Those impacted households with children will also be eligible for a supplementary payment. The Department for Communities will be contacting these households when the Benefit Cap is applied to their Housing Benefit.

Anyone who is affected by the Benefit Cap and is not eligible for a supplementary payment will be able to apply for a Discretionary Housing Payment to make up for a reduction in the Housing Benefit.



## WHAT HAPPENS NEXT?

We will contact those households that may be affected by the Benefit Cap before it is applied.

There is no need to take any action, however, finding work and qualifying for Working Tax Credit will mean that the Benefit Cap will not apply to claimants.

Claimants can receive help and assistance in finding work from their local Jobs & Benefits office or JobCentre. They should contact their nearest Jobs & Benefits office or JobCentre where an Adviser will help them in their search for work.

Find out more at  
[www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)



# Universal Credit

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Universal Credit is intended to make it easier to take up a job or to increase the number of hours worked by allowing people to earn money before their benefit payment starts to reduce. Universal Credit will also help people to pay their housing cost and, when they are in employment, it will also assist with childcare costs.

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Universal Credit is intended to provide support for people:

- **who are working but living on a low income**
- **who are out of work**
- **who have disabilities or are too ill to work**

## WHAT'S THE CHANGE?

Universal Credit will replace six current benefits and credits and will be claimed online at [www.nidirect.gov.uk](http://www.nidirect.gov.uk). We will support those claiming Universal Credit to get online, and initially, there will be a telephone support line that people can call if they are having difficulties making a claim.

The benefits and credits that are being replaced are:

- **Jobseeker's Allowance (income-based)**
- **Employment and Support Allowance (income-related)**
- **Income Support**
- **Working Tax Credit**
- **Child Tax Credit**
- **Housing Benefit**

In Northern Ireland, Universal Credit will be paid twice a month to a household. A household could be a single person, couple or a family. A monthly payment can be requested in preparation for going into work.

If a person is renting a property, the housing element of the Universal Credit payment will be paid to the landlord. A request can be made for payment to be made directly to the person claiming Universal Credit.

A new Department of Finance Rate Rebate Scheme will provide rates support for tenants or home owners who are eligible for Universal Credit. Find out more about the Rate Rebate Scheme at [www.nidirect.gov.uk](http://www.nidirect.gov.uk).



## WHEN WILL THIS HAPPEN?

Universal Credit is expected to be introduced for new claims **during 2017**.

When someone currently on one of the benefits to be replaced has a change in circumstances this may prompt their benefit claim to be moved to Universal Credit.

## WHAT SUPPORT IS AVAILABLE?

The Northern Ireland Executive has committed that support will be available for working families claiming Universal Credit. These families can apply for a supplementary payment to help with the expenses because of employment. This supplementary payment will become available when Universal Credit is first introduced in 2017.

## WHAT HAPPENS NEXT?

New claims will be taken for Universal Credit during 2017. More detailed information on how Universal Credit will be introduced will be made available in the coming months.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)



# Employment and Support Allowance (ESA)

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Employment and Support Allowance (ESA) provides financial help to people whose illness or disability affects their ability to work. There are two types, either ESA contributory benefit or ESA income-related benefit.

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People claiming ESA are placed into one of two groups:

- the Work Related Activity Group, which includes regular interviews with an Adviser to assist someone to return to work
- the Support Group, which is for the most severely disabled and is paid at a higher rate.

Find out more about the types of ESA benefit groups at [www.nidirect.gov.uk](http://www.nidirect.gov.uk).

## WHAT'S THE CHANGE?

There will be changes for those receiving contribution-based ESA and who are in the Work Related Activity Group or are in the process of being assessed.



Contribution-based ESA will now be limited to 365 days. If someone is currently receiving contribution-based ESA, the number of days that they have already been on the benefit will be counted towards the 365 day limit. If this is more than 365 days the benefit will stop. Some people may however still be eligible for income-related ESA, which can be paid if their income is below a certain level.

The changes do not affect those people in the Support Group.

### WHEN WILL THIS HAPPEN?

The changes to ESA will come into effect from **31 October 2016**.

### WHAT SUPPORT IS AVAILABLE?

Anyone impacted will receive a letter giving them advance notice of the changes to ESA. This is to give them enough time to get any information and advice they need to decide what to do next. It will also allow people to check if they could be entitled to income-related ESA before their contributory ESA payment ends.





The Northern Ireland Executive has committed that when the changes to ESA are introduced:

- if a person has no entitlement to income-related ESA, or
- is entitled to income-related ESA but at a lower payment rate than they received under contribution-based ESA,

they will be entitled to a supplementary payment.

This would cover any financial loss resulting from the changes. We can provide the supplementary payment for one year, as long as medical evidence relating to fitness for work continues to be provided.



### WHAT HAPPENS NEXT?

We may have already made contact with those people impacted either by letter or by phone, to help us determine how best to progress their claim.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges).

# Employment and Support Allowance (ESA) Youth



## WHAT'S THE CHANGE?

The special condition that had previously allowed young people (aged 16 to 24 years) to be entitled to contribution-based ESA without having paid any National Insurance contributions has been removed. Young people will now be treated in the same way as all other age groups when they apply for ESA.

## WHEN WILL THIS HAPPEN?

The changes to ESA Youth came into effect on **17 February 2016**.

## WHAT HAPPENS NEXT?

This change only affects young people (aged 16 to 24 years) who wish to make a new claim to ESA. They will now be treated in the same way as all other age groups.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)

# Housing Benefit

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Housing Benefit payments for people living in social housing is currently based on the rent charged by a Housing Association or the Northern Ireland Housing Executive.

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## WHAT'S THE CHANGE?

New criteria is being introduced to calculate housing benefit payments, called the Social Sector Size Criteria. This has been commonly referred to as the 'bedroom tax'. The amount of Housing Benefit paid will in the future be based on the size of the rental property and the number of people living there. These criteria are already in place for those in privately rented properties.

The new size criteria allows for one bedroom for each person over 16, or a couple living as part of the household. Bedrooms will also be allowed for children living in the household:

- **children aged 9 or under will be expected to share with one other child under 9 regardless of gender**
- **children aged 15 or under would be expected to share with one other child of the same gender**

The criteria for Housing Benefit will not be changed for people over State Pension age.

## WHEN WILL THIS HAPPEN?

Whilst the legal powers will be put in place in 2016, it is currently planned that the new size criteria will be introduced alongside its mitigation measures in **early 2017**.

## WHAT SUPPORT IS AVAILABLE?

The Northern Ireland Executive has committed to ensuring that no one will be impacted financially when Social Sector Size Criteria is introduced. The details of how this will work is still being developed and further updates will be available on the nidirect website.

## WHAT HAPPENS NEXT?

Existing tenants in social housing will be contacted in the coming months if they will be impacted by the change. They will be given the information and advice that they need.

New tenants will be made aware of the changes when applying for Housing Benefit or when they are offered a new tenancy.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)

# Finance Support

Community Care Grants and Crisis Loans that are currently available through the Social Fund will stop in October 2016.



From October 2016 there will be new types of support made available for people in times of financial crisis, for example, Discretionary Support or Short Term Benefit Advances.

## WHAT'S THE CHANGE?

A freephone service will be available for those experiencing a financial emergency. A Finance Support Adviser will take an application over the phone and people will have their needs assessed and will know immediately if they are eligible for support.

If someone is on a low income, including receiving benefits, they may be eligible for a Discretionary Support grant or loan. The applicant must be able to show that they can afford to repay the loan.

Benefit advances may also be available. To be eligible for an advance on benefit, a person must first be entitled to receive the benefit. The applicant must also be able to afford to repay the advance. Advances are available for the following benefits:

- Jobseeker's Allowance
  - Employment and Support Allowance
  - Income Support
  - Incapacity Benefit
  - State Pension
  - Pension Credit
  - Carer's Allowance
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### WHEN WILL THIS HAPPEN?

The Finance Support phone service will begin in **October 2016**. We will publicise the freephone number on the nidirect website around this time.

Budgeting Loans, Maternity Grants, Funeral Payments, Winter Fuel and Cold Weather Payments will continue to be available.

Find out more at [www.nidirect.gov.uk](http://www.nidirect.gov.uk)

### WHAT HAPPENS NEXT?

Community Care Grants and Crisis Loans from the Social Fund will continue as normal until October 2016.



Find out more about at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)



# Disputing a Social Security Benefit Decision

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Currently with social security benefit or recovery of benefit decisions, an individual can either ask for the decision to be reviewed, or, can immediately lodge an appeal asking for an independent tribunal to review the decision.

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## WHAT'S THE CHANGE?

In the future if someone disagrees with a social security benefit or recovery of benefit decision, they must ask for it to be reviewed before they can appeal the decision.

## WHEN WILL THIS HAPPEN?

This change begins on **23 May 2016** and applies to all social security benefit decisions notified on, or after this date.

## WHAT HAPPENS NEXT?

The rules for disputing a social security benefit decision will be explained in the benefit decision notification letter.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)



# Sanctions

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When claiming a benefit there are certain rules that need to be followed. A sanction can be applied if someone fails to comply with these benefit rules which can be a loss or reduction in benefit.

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## WHAT'S THE CHANGE?

If a person does not follow the rules for the benefit, a sanction can be applied for a period of time, from 2 weeks up to a maximum of 18 months. Any reasons that are provided for not following the benefit rules will be taken into account before any sanction is applied.

## WHEN WILL THIS HAPPEN?

These changes will come into effect at the same time as Universal Credit is introduced **during 2017**.



## WHAT HAPPENS NEXT?

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)



# Consequences of Benefit Fraud

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If a benefit is claimed fraudulently, penalties can be applied.

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## WHAT'S THE CHANGE?

If someone commits benefit fraud, we will take stricter action. Depending on the severity of the fraud, and if there are any previous benefit fraud convictions, benefits could be stopped for 13 weeks, 26 weeks, or a maximum of 3 years.

For the most serious cases involving organised or identity fraud, there will be the introduction of an immediate loss of benefit for 3 years.

Administrative penalties can also be applied if a fraudulent claim to benefit has been made. The minimum penalty that can now be applied is £350 or 50% of the overall overpayment (whichever is the greater amount) - up to a maximum of £2,000. For example, if a person was overpaid by £900 they would have to pay a penalty of £450.

If we believe someone has attempted to commit benefit fraud we will be able to consider applying a fixed penalty of £350, as an alternative to prosecution.

## WHEN WILL THIS HAPPEN?

These administrative penalties can be applied from **4 April 2016**. The stricter loss of benefit changes will be introduced at the same time as Universal Credit.

## WHAT HAPPENS NEXT?

If someone receiving benefits thinks the information we hold about their circumstances is out of date they should let their local benefits office know as soon as possible. Failing to report a change in circumstances may be considered benefit fraud.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)

# Direct Earnings Attachment

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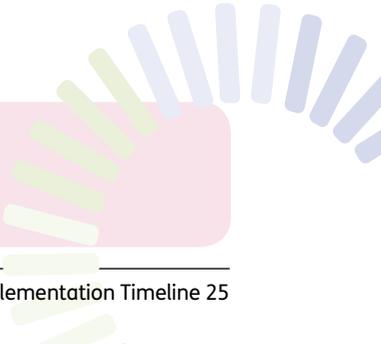
Direct Earnings Attachments will be introduced from November 2016. This will allow us to ask employers to deduct benefit overpayments direct from an employee's earnings.

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Employers will be contacted directly.

Find out more at [www.nidirect.gov.uk/welfarechanges](http://www.nidirect.gov.uk/welfarechanges)

# Implementation Timeline



17 February 2016	ESA (Youth)
4 April 2016	Increased Administration Penalty for Fraud
23 May 2016	Changes to disputing a social security decision
31 May 2016	Benefit Cap go-live
20 June 2016	PIP for new claims, changes to DLA mobility or care needs or where DLA award for working age people ends on or after 8 November 2016
October 2016	Introduction of Finance Support
31 October 2016	ESA Time Limiting
November 2016	Direct Earnings Attachment
December 2016	PIP for working age people with an indefinite (lifetime) DLA awards
2017	Introduction of Universal Credit
2017	Sanctions and stricter loss of benefit changes
2017	Social Sector Size Criteria

\* Please note these dates are for planning purposes only.



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