

# Benefits Bulletin

## Autumn Budget Statement...

1<sup>st</sup> December 2022 (REVISED)

Issue **4** [2022]

This Benefits Bulletin brings news of the changes / reforms to Social Security benefits announced in the Autumn Budget published on 17<sup>th</sup> November 2022. Please see this [LINK](#) for full details of the Autumn Statement.

The key changes and reforms to Social Security benefits were as follows.

## Benefit Up-rating

From April 2023 Social Security benefits for both working age people and pension age people will rise by 10.1% which for working age people represents the level of inflation according to the Consumer Price Index in September 2022 and for pension age people it means that the 'triple lock' promise is maintained.



Autumn Budget 2022

The benefits due to increase by this amount includes:

- Universal Credit
- Pension Credit
- New Style ESA
- Personal Independence Payment
- Disability Living Allowance
- Attendance Allowance
- Carer's Allowance

People who are receiving a 'legacy benefit' (meaning: Income-based JSA, Income-related ESA, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit) will benefit from an increase of an equal amount.



**Local Housing Allowance:** There was no announcement concerning an increase to the levels of Local Housing Allowance. Therefore, as things stand, there will be no direct protection for those in privately rented accommodation against any rent increase.

The increase will mean that people of pension age who get the full basic Retirement Pension will see their payments increase from £141.85 per week to £156.20 per week whilst those who reached state pension age on or after 6th April 2016 and who receive the full basic new State Pension, will see a rise in their payments from £185.15 per week to £203.85.



## £900 Cost of Living Payment...

People receiving any of the following means-tested benefits will, during period 2023 - 2024, receive Cost of Living Payments totaling £900.

- Universal Credit
- Pension Credit
- Income-based JSA
- Income-related ESA
- Income Support
- Child Tax Credit
- Working Tax Credit

It is understood that the overall payment will be paid in installments at different stages throughout 2023-2024 and paid automatically to those who are considered to qualify. Moreover, it is understood that the payments will be made only to those who have been in receipt of one or more of the aforementioned benefits during a specific period. More details on this will be announced by the Department of Work and Pensions (DWP) and His Majesty's Revenue and Customs (HMRC).



The payments made will be tax-free and will not impact adversely on the benefit entitlements already being received by people.

## £150 Disability Benefits Cost of Living Payment...

People receiving any of the following disability benefits will, during period 2023 – 2024, receive Cost of Living Payments totaling £150.

- Personal Independence Payment
- Disability Living Allowance
- Attendance Allowance

Those receiving the [Armed Forces Independence Payment](#), [Constant Attendance Allowance](#) or [War Pension Mobility Supplement](#) will also receive this payment.

Whilst it is not yet known when exactly this payment will be made, the payments should be made automatically to those eligible. There should be no need for people to apply for the payment.



The payment will be paid in addition to the £900 Cost of Living Payment (see opposite) and the £300 Pensioner Cost of Living payment (see page 3).

The payments made will be tax-free and will not impact adversely on the benefit entitlements already being received by people.

## £300 Pensioners Cost of Living Payment...

It is planned to make a £300 Cost of Living Payment to pensioners during 2023-2024 to help with household bills. This is in addition to the £900 Cost of Living Payment and the £150 Disability Cost of Living Payment.

This payment is being made in recognition of the fact that pensioners are often disproportionately impacted by higher energy costs and the fact that many pensioners are unable to increase their income through work and that many low-income pensioner households do not claim all the Social Security benefits to which they are entitled to.

The payment will be paid in addition to the £900 Cost of Living Payment (see page 2) and the £150 Disability Cost of Living payment (see page 2). The payment also comes on top of any [Winter Fuel Payment](#) that a person may qualify for because they are a pensioner which in itself can be worth up to £600.

The payment will be tax-free and will not impact adversely on the benefit entitlements already being received by people.



The DWP are going to provide further details on when the payments will be made and more about which pensioners will qualify.

## Benefit Cap...

The Benefit Cap will be increased from April 2023 as follows:

- Single claimant with a child(ren) or a couple with or without a child(ren) from £20,000 per year (£384.62 per week) to £22,000 per year (£423.00 per week)
- Single claimant without a child(ren) from £13,400 (£257.00 per week) to £14,753 (£283.00 per week).

The amounts for people living in living in Greater London are higher. Here the amount for a single claimant with a child(ren) / couples with or without a child(ren) is set to rise from £23,000 (£442.00 per week) to £25,323 (£486.00). For a single claimant without a child(ren) it is set to rise from £15,410 (£296.00 per week) to £16,967 (£326.00).



Please see this [LINK](#) for more information on the Benefit Cap including, most importantly, which groups of people may be affected and in what circumstances the Benefit Cap should not be applied.

## National Living Wage...

From April 2023 the National Living Wage will be increased by 9.7% from £9.50 per hour to £10.42 per hour for workers aged 23 or over.

Whilst this represents an annual increase of around £1,600 per year in wages for those working full-time (i.e. 35 hours per week) it is important to recognize that if someone is working and getting a 'means-tested benefit' (e.g. Universal Credit, Working Tax Credit, Child Tax Credit, Housing Benefit and/or Council Tax Support) to help them with the cost of day-to-day living or with their rent / council tax, then whilst they will see a rise in their earnings they may also see a reduction in the amount of means-tested benefits they get.



This is because of the way the 'means-test' works / the operation of the earning taper - the more you earn the less in means-tested benefits you get.

The National Minimum Wage (NMW) amounts for younger workers will also increase from April 2023 by the same percentage increase. This means that workers aged 21 to 22 the NMW will increase from £9.18 per hour to £10.18 per hour, for those aged 18 to 20 from £6.83 per hour to £7.49 per hour, for those aged 16 to 17 from £4.81 per hour to £5.28 per hour. At the same time the hourly rate for those undertaking an apprenticeship will increase from £4.81 per hour to £5.28 per hour.

## Pension Credit Checker...

It is widely acknowledged that many people of State Pension Age (presently 66), including couples where both members are over State Pension Age, are not claiming the Pension Credit which they are entitled to.

Pension Credit is designed to provide a minimum income for pensioners.



It is often paid as a top-up to the State Retirement Pension / new State Pension (including private and occupational pensions) that many pensioners get.

The main reasons people do not claim is because they are either unaware that Pension Credit exists or that they do not think they are able to qualify because they already have some pension provision.

To help increase the take-up of Pension Credit, the Pension Service have devised an online calculator that can be used by people to see if (and how much) they qualify. See below.

### [PENSION CREDIT CALCULATOR](#)

People can actually claim Pension Credit or seek advice on Pension Credit by ringing the relevant numbers provided below.

**Claim Line**  
**0800 99 1234**

**Pension Service Helpline**  
**0800 731 0469**



# Delay to Managed Migration...

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It was announced in the Autumn Budget that Managed Migration for some of those people who presently get Income-related ESA will be further delayed. It will now be put back to 2028.

However, the delay will not apply to those who are getting Income-related ESA and Child Tax Credit. This group will be expected to make the move on to Universal Credit when the process begins under the current arrangements, the details of which are yet to be released.



This does not stop those who are getting Income-related ESA and Child Tax Credit from making the move on to Universal Credit under Natural Migration because, for example, they experience a relevant change of circumstance or because they choose to make the move on the understanding that they will be 'better off' under Universal Credit.

The 'better off' scenario would normally be where the person getting Income-related ESA has been assessed as having both 'limited capability for work' and 'limited capability for work-related activity' without having an entitlement to the 'severe disability premium'.

People in this situation can be 'better off' because the value of the Universal Credit 'limited capability work work-related activity' (worth up to £81.75 per week) is worth more than the combined value of the Income-related ESA 'support component' and the 'enhanced disability premium' (worth up to £58.35 per week to a single claimant and £65.95 per week in couple cases).

Whilst some people can be 'better off' under Universal Credit, we strongly advise that anyone who is presently in receipt of a 'legacy benefit' and thinking of applying for Universal Credit should seek specialist advice before acting so as they at least have clear sight of the overall implication of making such a move.



Please be aware that if a person makes a claim for Universal Credit they cannot return to their 'legacy benefit' even if it transpires that they are financially worse off because the overall value of the 'legacy benefit(s)' have been worth more than the overall value of their new Universal Credit.

# Delay to Launch of Pension Credit Housing Cost Element...

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It was announced that the move to, in effect, introduce a 'housing cost element' to Pension Credit as a replacement for Housing Benefit for claimants over state pension age (presently 66) is to be put back. Such a move will now not take place until at least 2028-2029.

At present, people aged over state pension age are able to apply for Housing Benefit to help them with their rent payments. This is the case whether their landlord is, for example, a local authority, housing association or private landlord.

However, the plan is to eventually scrap Housing Benefit and instead offer financial support to pensioners with their rent / service charge payments through Pension Credit.



It was announced that the government would be bringing forward the nationwide rollout of the 'In-Work Progression Offer' (originally announced at Spending Review 2021), resulting in over 600,000 working claimants on Universal Credit whose household income is typically between the equivalent of 15 and 35 hours a week at the National Living Wage (presently £9.50 per hour), will be required to meet with a dedicated Work Coach to increase their working hours or the amount they are actually earning.

The removal of Housing Benefit is the same as has happened to people of 'working age' (aged 16 to 66). Instead of being able to apply for Housing Benefit new claimants are expected to apply for Universal Credit which can include an amount (known as the 'housing cost element') to help them with their rent payments.

Note: Please be aware that people of 'working age' (and pension age) can still receive / apply for Housing Benefit (instead of Universal Credit for help with their rent / service charges) if they living in certain types of supported accommodation. Do seek further information and advice as necessary.



Indeed, new rules have meant that since 26<sup>th</sup> September 2022 the amount people who are actually working and getting Universal Credit are generally expected to earn without being expected to look for work / more work was increased. The figure now stands at £494.00 per month (formerly £345.00 per month) for single claimants and £782.00 per month (formerly £552.00 per month) for couples.

## Increased In-work Universal Credit Conditionality...

The Autumn Budget reaffirmed that further support from Job Centre Work Coaches and tougher, so called, 'in-work conditionality' would prevail to assist those in work and getting Universal Credit to increase their earnings and thereby take them off Universal Credit / benefits entirely and in doing so increase people's financial resilience.



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