

Benefits for Young People...

Information Guide 11: For Residents and Advisers

July 2018

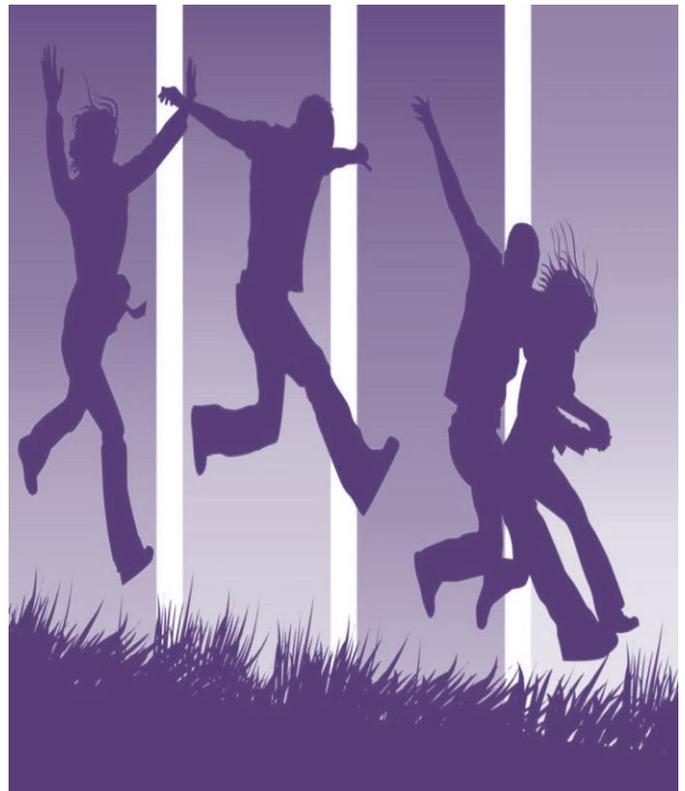
www.wolverhampton.gov.uk

1. Introduction

This Information Guide is designed to provide information on the benefits that may be available to young people (including young people in education) who are living in Wolverhampton.

Normally parents will claim Child Benefit and Child Tax Credit (and/or receive additional amounts within benefits like Universal Credit) as a means of financial support for children (aged under 16) and young people (aged 16 plus) whilst they are at school or college undertaking 'relevant education' (studying GCSEs and A-levels or on a course up to and including A-level standard). However, there are circumstances in which young people may be able to claim benefits in their own right in place of the benefits payable to their parents.

This Information Guide is designed to provide information on the circumstances in which benefit may be claimed by young people. The aim is to enable young people and those working with young people to identify the circumstances in which benefits may be claimed. Thereby reducing the situations in which young people go without any financial support for day-to-day living (and necessities) and rent should they be living in rented accommodation.



Note: Please bear in mind that entitlement to benefit (including all the benefits mentioned in this Information Guide) is often dependent upon a person's immigration status and rules surrounding issues of being present and habitual resident in the UK. Therefore, when advising young people from abroad (including EEA nationals) please seek expert advice on an entitlement before proceeding with any claims. In some cases, a person's right to live in the UK is dependent upon them having 'no recourse to public funds'. A claim for benefit could therefore jeopardise a person's immigration status and right to remain living in the UK.

2. The Starting Point

The starting point is to recognise that there are a number of different benefits that may be available to a young person dependent upon their age and circumstances. These include:

A. Child Benefit:

Where the young person (irrespective of their age) may be considered to be 'responsible' for a child. For example, where they have a child of their own. A young person could get £20.70 per week for their eldest child plus an extra £13.70 per week for each subsequent child.

B. Disability Living Allowance (DLA):

Where the young person is aged under 16 and by reason of ill-health or disability needs help with their personal care and/or mobility. DLA can be worth from £22.65 to £145.35 per week depending on the level of care and/or mobility needs.

C. Personal Independence Payment (PIP):

Where the young person is aged 16 or over and by reason of ill-health or disability needs help with their daily living and/or mobility. PIP can be worth from £22.65 to £145.35 per week depending on the level of care and/or mobility needs.

D. Carer's Allowance:

Where the young person is aged 16 or over (not treated as being in full-time education or studying for 21 or more hours per week) and looks after/cares for someone who is getting a relevant award of Disability Living Allowance, Personal Independence Payment or Attendance Allowance. Carer's Allowance is worth £64.60 per week. Do seek expert advice before claiming Carer's Allowance. This is because in some cases a claim for Carer's Allowance can adversely affect the amount of benefit being received by the disabled person.

E. Statutory Sick Pay (SSP):

Where the young person is employed but off work due to sickness or ill-health. To qualify the young person's normal wages must have been £116.00 per week or more.

SSP is worth £92.05 per week. It may be paid for a maximum period of 28 weeks. SSP is paid by the employer.

F. New Style JSA:

Where the young person is aged 16 or over and unemployed. To qualify the young person must have a 'claimant commitment' which shows that they are looking for work and available for work. The young person must have worked in past and paid sufficient National Insurance contributions. New Style JSA is paid at a flat rate 57.90 per week (aged under 25) or £73.10 per week (aged 25 or over). New Style JSA may only be paid for 28 weeks.

G. New Style ESA:

Where the young person is aged 16 or over and may by reason of ill-health or disability be considered to be too sick to work (i.e. they have 'limited capability for work'). To qualify the young person must not be getting Statutory Sick Pay (see E. above), have worked and paid sufficient National Insurance contributions. New Style ESA is worth from £57.90 per week to 110.75 per week depending on the age of the young person and the level of their disability. New Style ESA is normally only paid for the first 365 days of sickness.

H. Industrial Disablement Benefit:

Where a young person has an injury or disability following an accident at work or because they have contracted a prescribed disease in the course of their work.



Young Mums: In the case of a young woman who is aged 16 or over and working and they are in the latter stages of pregnancy (or they have recently given birth) then **Maternity Allowance** or **Statutory Maternity Pay** may be available to them.



Also, whether a young woman has been working or not (providing they are receiving a 'qualifying benefit' at the time of claim) then they may have entitlement to the **Sure Start Maternity Grant** (SSMG) which is worth £500. In the case of a young woman who is aged under 16 then the SSMG may be available to her parents.



Rent and Council Tax: If the young person is living in rented accommodation, they may have entitlement to Universal Credit and/or Council Tax Reduction. These benefits can provide assistance with both rent and council tax payments. See 3. Universal Credit opposite for more details.

When looking to establish the benefit rights of a young person, the above benefits must be considered. The young person's rights to Universal Credit should also be explored. See 3. Universal Credit below for more details.

3. Universal Credit

Universal Credit is a relatively new benefit which seeks to provide people with a minimum income for day-to-day living and to help people with their rent payments. It is designed to replace a number of existing benefits (see 8. The Legacy Benefits for more details) and in doing so 'simplify the benefit system' (make it less complicated) and 'make work pay' (make sure people are 'better off' in work).

Universal Credit has been rolled out gradually across the country since 2013. First there was 'Universal Credit LIVE' under which only single unemployed people could claim. Now there is Universal Credit FULL SERVICE under which a much broader group of people can apply.

See 4. Universal Credit and Young People to see which young people may be able to apply for Universal Credit now.

Note: Please be aware that Universal Credit is a 'means-tested benefit' that is to say the entitlement is subject to a person's income and capital. Anyone with capital/savings of £16,000 or more would not be entitled to Universal Credit. Further, entitlement will normally be dependent upon a young person having a 'claimant commitment' outlining what they will be doing to find work. See 6. The Amount of Universal Credit and 7. The Claimant Commitment for more information.



4. Universal Credit and Young People

Universal Credit is a relatively new benefit that is designed to provide people with a minimum amount of money to live off.

Aged 18 or over (NOT in Education):

Under Universal Credit FULL SERVICE, a young person can apply for Universal Credit if they are **Aged 18 or Over** and **NOT in EDUCATION** in a number of different circumstances including where the young person is:

- A. unemployed
- B. too sick to work
- C. a carer
- D. pregnant
- E. lone parent
- F. in part-time work
- G. in low paid employment

How much Universal Credit is actually payable is dependent upon the young person's personal and financial circumstance. See 6 The amount of Universal Credit on page 7 for more information.

If the young person is aged 18 or over and they are in education then see 5. Universal Credit in Education on page 5.

Aged 16/17 (NOT in Education):



If the young person is **Aged 16 or 17** and **NOT in EDUCATION** then they may apply for Universal Credit if:

- A. They are too sick to work (i.e. they may be assessed as having 'limited capability for work')
- B. They receive Carer's Allowance for looking after someone or they have 'regular and substantial' caring responsibilities for a disabled child or adult
- C. They are pregnant and within 11 weeks of giving birth
- D. They gave birth within the last 15 weeks
- E. They are responsible for a child under 16
- F. They are a member of a couple and their partner meets the basic qualifying conditions of entitlement and is responsible for a child
- G. They cannot live with their parents (including anyone who acts in place of parents) because:
 - they are estranged from them; or
 - there is a serious risk to their physical or mental health; or
 - they would suffer significant harm if they lived with them
- H. They are an orphan and do not have anyone acting in place of their parents
- I. They live away from their parents (including anyone acting in place of parents) and their parents are unable to support them financially because they have a physical or mental impairment or they are in custody or they are prohibited from entering the Great Britain due to immigration rules



How much Universal Credit is actually payable is dependent upon the young person's personal and financial circumstance. See 6 The amount of Universal Credit for more information.

If the young person is aged 16 or 17 and they are in education then see 5. Universal Credit in Education below.

5. Universal Credit in Education

A young person aged 16 or over is able to apply for Universal Credit whilst they are in education (see below) if:

A. They have a child of their own

B. They are aged under 22 and are 'without parental support' (see page 5) and are on a 'non-advanced' (see page 5) course which they started before their 21st birthday

C. They get either Disability Living Allowance or Personal Independence Payment and they are too sick to work (i.e. they may be assessed as having 'limited capability for work')

D. They are about to return to a course having taken time out from a course (with the consent of their school/college/university) due to illness or a caring responsibility and they have now recovered from their illness or ceased their caring undertakings but not yet resumed their course and they are not eligible for a student loan.



A young person will be deemed to be '**without parental support**' if they:

1. Cannot live with their parents (including anyone who acts in place of parents) because:
 - they are estranged from them; or
 - there is a serious risk to their health; or
 - they would suffer significant harm if they were to live with them
2. Are an orphan and they do not have anyone acting in place of their parents
3. Live away from their parents (including anyone acting in place of parents) and their parents are unable to support them financially because they have a physical or mental impairment or they are in custody or they are able to enter Great Britain due to immigration rules

Note: A young person will be treated as having 'parental support' if they are in care being 'looked after' by a local authority.

A young person will be deemed to be in education if they are:

- aged 16 to the 1st September after their 19th birthday and they are at school or college on a full-time (12 hours or more per week) '**non-advanced**' (GCSE, A level or a course below degree standard) course or they are on training approved by the DWP ('approved training'); or
- on a full-time course of '**advanced**' education (Degree course or a course equal to or above degree standard); or
- on a full-time course and they get student finance - a student loan or grant for their maintenance

Even if none of the above apply a person will nonetheless be deemed to be in education if they are on a course which is not compatible with the hours that they would be expected to be available for work under the 'work-related requirements' (e.g. the requirement to look for work or be available for work) for Universal Credit.



Estrangement: a young person may be 'estranged' from their parents when they have:

- no intention or wish to live with them; or
- no wish for any prolonged physical or emotional contact with them.

A young person may also be estranged in circumstances when their parents feel this way about them.

A young person may be estranged even though their parents are providing some financial support. Note also that estrangement alone is not sufficient. It must also be that the young person, of necessity, has to live away from their parents or person acting in place of their parents. See below.

In respect of '**serious risk to physical or mental health**' examples of serious risk might include where the young person:

- suffers from chronic bronchitis which is made worse by the damp conditions at the parent's home; or
- has a history of mental illness which is made worse by the parent's attitude; and there is a serious risk that their health will be adversely affected by staying in the parent's home.

Acting in Place of Parents: A parent means natural parent or adoptive parent. A 'person acting in place of parents' could include an informal relationship where a young person has been brought up by another family member.

When considering whether a person is 'acting in place of parents' factors to consider are whether the person provides supervision and financial, moral, social or other care and guidance and shelter, food and clothing and is responsible for any disciplinary action. Where someone other than the young person's parents is claiming Child Benefit then that should be treated as a 'strong indication' that that person is acting in place of the young person's parents.

Where a young person is in care/foster care the local authority/foster carers will be assumed to be acting in place of parents. However, in cases when a Care Order expires (usually at 18th birthday) and the young person continues to live with their former foster carers then the former foster carers should not at this point be treated as a person acting in place of parents. This position was confirmed in case law decisions CSB/325/1985 and CIS/11766/1996.



Case Law - Estrangement:

- R(SB)2/87 and R(IS)5/05 held that 'estrangement' has 'connotations of emotional disharmony'
- CIS/4096/2005 held that there was no requirement of mutuality of feelings for estrangement to exist
- CIS/4096/2005 held that estrangement has to be judged from the point of view of the claimant not the point of view of the parent (or person deemed to be acting in place of parents).

Living with Boyfriend's/Girlfriend's Family:
 NP v SSWP - [2009] UKUT 243 (AAC)
 concerned a case of a young girl who had left her mother and went to live with her boyfriend and his father. The father was said to provide 'social and moral guidance' to the girl and she had agreed to 'follow house rules'. The father provided the girl with shelter and some food but provided no financial support to her and had not claimed Child Benefit or Child Tax Credits for her.



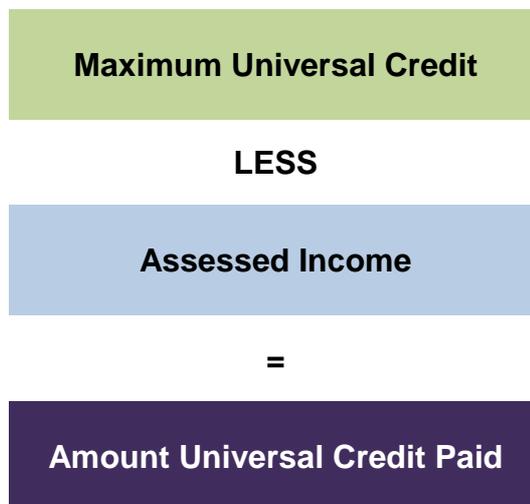
The decision held that whilst an informal arrangement could amount to someone 'acting in the place of parents' there was a need for a greater degree of commitment and permanence than was found in this case. The decision held that to be held to be 'acting in place of parents' an adult must in practice be acting broadly in a way that a parent would. So, even if they do not formally hold parental responsibility, they must be acting as what is sometimes described as a social parent.

In this case the father was held to have simply done what any person who lacks parental responsibility might do, namely that which was reasonable in all the circumstances for the purpose of safeguarding the child's welfare. It was held that this did not give him parental responsibility over the young girl - he was not 'acting in the place of [her] parents' because his conduct lacked the greater degree of permanence and commitment required to meet that test. It was held that the young girl was only a 'temporary guest in his household' and crucially he was not providing her with financial support - Miss P had to rely upon assistance from her friends - in short, the father was helping her out to a limited extent as any responsible adult would do.

6. The Amount of Universal Credit

Universal Credit is paid monthly in arrears. How much is actually paid depends upon a person's age and personal circumstance.

In each case a 'Maximum Universal Credit' amount is calculated. Deducted from this will be the young person's income. The balance, if any, will be the amount of Universal Credit paid.



The basic amount awarded to people aged under 25 is less than the amount awarded to people aged 25 or over. Further, as you would expect, the amount paid to couples is greater than the amount paid to single claimants.

If someone lives in rented accommodation then then an amount is allowed to help them with their rent.

Example One: Lisa (aged 18) is single. She is unemployed and lives at home with her parents. Lisa will get £251.77 per month (£58.10 per week) Universal Credit.

Example Two: Ardy (aged 24) is single. He is unemployed and lives in a small flat which he rents from a private landlord. Ardy will get a basic amount of £251.77 per month (£58.10 per week) Universal Credit. His payments will also include an amount to help him with his rent payments. When Ardy is 25, his basic Universal Credit will rise to £317.82 per month ("73.35 per week).

Example Three: Ashley (aged 21) and Salma (aged 19) are a young couple living together. They are both unemployed and live in rented accommodation. They will get £395.20 per month (£91.20 per week) Universal Credit. In addition to this they will get an amount to help them with their rent payments.



In addition to the basic amount of Universal Credit (and help towards housing costs for those living in rented accommodation) the following amounts can also be paid:

- £231.67 per month (£53.46 per week) for a child (in addition to any Child Benefit)
- £156.45 per month where the young person is a carer of a disabled child or adult
- £328.32 per month (£76.75 per week) where the young person has a significant disability and is held to have 'limited capability for work and work-related activity'

If a young person has a child that is disabled and an award for Disability Living Allowance (DLA) is made for that child then the young person's Universal Credit payments can include an extra 'disabled child' addition. This can be worth £126.11 per month (£29.10 per week) or £383.86 per month (£88.55 per week) depending on the amount of DLA awarded.

When it comes to 'income' whilst Child Benefit, Disability Living Allowance and Personal Independence Payment are fully disregarded any Carer's Allowance or Statutory Sick Pay would fully be taken into account.



If a young person is working then 63% of any net earnings (take home pay) would be deducted from/off-set against the maximum Universal Credit amount. If the young person has a child (or is deemed to have 'limited capability for work') then they are allowed an earnings disregard of:

- £198.00 per month (£45.70 per week) if they live in rented accommodation
- £409.00 per month (£94.40 per week) if they live at home with their parents or live with another close relative

before the 63% taper is applied.

Example Four: Alex (ages 21) lives in rented accommodation. His rent is £65.00 per week. His Universal Credit entitlement is £533.44 per month (£123.10 per week). This is money for his day-to-day living and rent. Alex starts work part-time. He earns £325.00 per month (75.00 per week). His Universal Credit payments are adjusted. He now gets £208.44 per month (£48.10 per week) Universal Credit. This is because £204.75 (i.e. 63%) of his wage is counted as his income.

Example Five: Jodie (aged 19) is a lone parent. She has a young daughter aged six months. Jodie lives with her grandmother. Jodie gets £483.44 per month Universal Credit for her day-to-day living. She also gets £20.70 per week Child Benefit. Jodie works part-time. Her net pay is £320.00 per month. This does not impact on her Universal Credit entitlement because the amount she earns is less than her earnings disregard.

Student Finance: If a young person is at University and eligible to apply for Universal Credit then any student loan available to them would be treated as their income for Universal Credit purposes. This would be the case even if they did not apply for any student finance or not chosen to take the full amount of student finance available to them. Any grants for tuition or examination fees or disability-related expenses would be fully disregarded. Also, any grant for expenses for books and equipment or travel expenses for attending the course or childcare costs would be disregarded.



Housing Costs and Universal Credit:

Under Universal Credit rules it was originally set out that only certain young single claimants aged 18 to 21 would be able to get help with their rent. This included those with children, care leavers and some disabled young people. However, the government announced on 29th March 2018 that they were going to scrap this rule. This means that all young people eligible to Universal Credit will be able to get help towards their housing costs in the normal way.



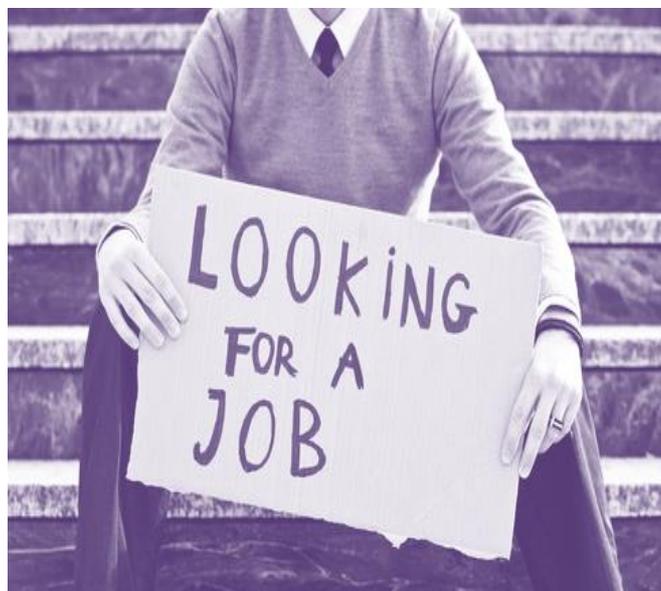
7. The Claimant Commitment

One of the requirements of Universal Credit is that a young person will 'accept' a 'claimant commitment' setting out the 'work-related requirements' they must meet in return for an award of Universal Credit.

The 'claimant commitment' will be drawn up by a Work Coach based at the young person's local Job Centre. It may be reviewed periodically.

There are FOUR distinct 'work-related requirements':

- 1. Work-focused interview:** A young person will be expected to meet or talk to their Work Coach periodically and examine barriers to work, training and work preparation opportunities.
- 2. Work Preparation:** A young person may be expected to participate in training or work experience programmes designed to improve their prospects of obtaining work.
- 3. Work Search:** A young person will be expected to actively seek paid employment.
- 4. Work Availability:** A young person will be expected to be available for work - meaning able to attend a job interview immediately and willing to take paid employment immediately.



If a claimant does not accept a 'claimant commitment', then they risk being refused Universal Credit. In the case of young couples then they will each be expected to have a 'claimant commitment' subject to their own individual circumstances.

Precisely what 'work-related requirements' are expected will depend very much on the individual circumstances of the young person. Concessions and exemptions are available to those who undertake volunteer work, are disabled, have a caring responsibility and those in education.

If someone fails to meet their 'work-related requirements' then they risk being sanctioned and having their Universal Credit payments stopped or reduced. In any sanction situation a person may have to rely on Universal Credit 'hardship payments' (repayable loans) to make ends meet.

Young people ages 18 to 21 will have a '**Youth Obligation**' under Universal Credit involving an 'intensive package' of support to get them into employment.

This will involve regular meetings with their Job Centre based Work Coach and attending workshops and training designed to improve their job prospects and get them into work.

8. The Legacy Benefits

Universal Credit has replaced the following so called 'legacy benefits':

- Income-based JSA
- Income-related ESA
- Income Support
- Housing Benefit
- Child Tax Credit
- Working Tax Credit

Universal Credit has not replaced Council Tax Reduction. Therefore, if a young person is aged 18 or over and liable for the council tax then it is important that they make a separate claim for CTR in order to reduce the amount of council tax they must pay.

Universal Credit is also not replacing Contributory Jobseeker's Allowance (now called 'New Style JSA') or Contributory Employment and Support Allowance (now called 'New Style ESA'). Therefore, should a young person have been working and paying NI contributions and they become unemployed or too sick to work they should seek to claim one of these benefits. Further, Universal Credit has not and will not be replacing Personal Independence Payment, Disability Living Allowance, Carer's Allowance, Child Benefit, Statutory Sick Pay and Industrial Injuries Benefit.



There will be lots of young people who are getting 'legacy benefits'. Certain relevant changes of circumstance can trigger the requirement to apply for Universal Credit under a system known as '**natural migration**'.

Those people who are still getting 'legacy benefits' come 2019 (summer) will be invited (sometime between 2019 and 2022) to apply for Universal Credit under arrangements known as '**managed migration**'. Do seek further information and advice as necessary.

9. Young People in Care...

If a young person (or child) is in care then their parents will not normally be able to claim (continue to claim) benefits for them and neither would they be able to claim benefits in their own right. This is because Social Services will take the place of parents and will be responsible for financially supporting the young person.

However, if the young person in care is:

- too sick to work (i.e. they may be assessed as having 'limited capability for work'); or
- they are a lone parent

then they will be able to claim Universal Credit in their own right.



A Care Order would normally finish at the age of 18. At this point a young person would be able to apply for benefits in their own right. This would even be the case where a former foster child decided to remain living with their former foster parents.

In such a case, for the purposes of Universal Credit, the former foster carers would not be held to be acting in place of parents. Indeed, in some situations the former foster carer rents out a room to the former foster child and Universal Credit meets the rent payments.

Child Benefit would cease to be payable in the case of a young person (or child) that has been in care for eight consecutive weeks (seven days - Monday to Sunday) unless during that period the young person (or child) had spent at least one whole day (midnight to midnight) each week staying with them. However, even in such circumstances Child Benefit could be paid for each week the young person (or child) spends with parents.

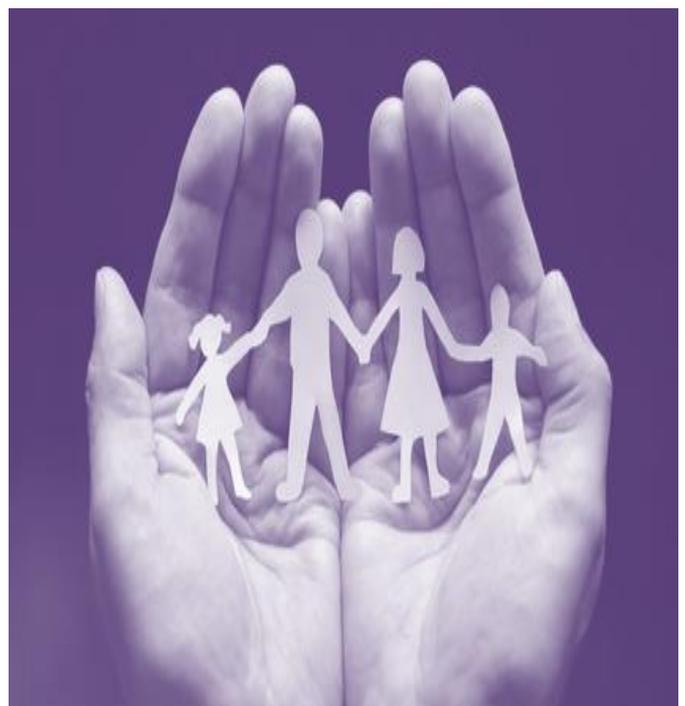
Foster Carer, Kinship Carer and Adoption:

A foster parent or kinship carer may not claim **Child Benefit** for any young person (or child) placed with them where Social Services are paying an allowance towards the cost of their care and accommodation. The same applies in cases where a young person (or child) is placed prior to any adoption arrangement. However, Child Benefit may be claimed in cases of private fostering arrangements.

In the case of **Child Tax Credit**, a person will not normally be eligible to claim Child Tax Credit for any young person (or child) that has been placed in care. This includes situations where the young person (or child) has been placed into foster care or with a family prior to adoption and Social Services are paying for the young person's (or child's) maintenance and/or accommodation.

Similar rules apply in relation to **Universal Credit** whereby no child addition may be paid where a young person (or child) is in care being looked after by Social Services, unless it is for a planned short period of respite care.

Whilst **Disability Living Allowance** and **Personal Independence Payment** may not be paid for a young person (or child) in care and living in a children's home these benefits can be paid where the young person (or child) are in foster care or the subject of a kinship or pre-adoption arrangement.



10. Information Guides

The City of Wolverhampton Council's Welfare Rights Service produces the following guides on benefits and welfare reform:

1. Universal Credit
2. Universal Credit - Claims and Payment
3. Universal Credit - The Claimant Commitment
4. Universal Credit - Sanctions and Hardship Payments
5. Universal Credit - Work Capability Assessment - Toolkit
6. Employment and Support Allowance
7. ESA - Work Capability Assessment - Toolkit
8. Personal Independence Payment
9. Personal Independence Payment - Toolkit
10. Form Filling - PIP2 and ESA50/UC50
11. Benefits for Young People
12. The Benefit Cap
13. The Spare Room Subsidy
14. DWP Social Fund
15. Local Welfare Assistance
16. Benefits and People from Abroad
17. JSA Sanctions
18. ESA Sanctions
19. Disputes and Appeals
20. Going to Appeal: First-tier Tribunals
21. Useful Contacts and Websites

If you would like a copy of any of the above Information Guides or you are in need of information and/or advice on a benefits or welfare reform matter, then please contact our Specialist Support Team:

☎ Telephone: (01902) 555351

✉ Email: A&C.WRS@wolverhampton.gov.uk

The details provided in this Information Guide are meant to provide a guide to the benefits that are available to young people. The details should not be treated as an authoritative statement of the law. The details may be subject to change by new regulation and/or case law. Do seek further information and advice as necessary.