

BENEFIT CHANGES FROM APRIL 2016

Housing Benefit

The government plans to limit backdating of Housing Benefit to one month for new claimants from April 2016. Currently it is possible to backdate a working age Housing Benefit claim for up to six months if the claimant can show continuous good cause for the late claim. The Government says that this change is intended to equalise Housing Benefit with Universal Credit, which has a one month backdating rule in specific circumstances.

The current rates on backdating for claimants who have a passported claim to Housing Benefit through another means-tested benefit such as IB-JSA, IR-ESA or IS remain unchanged eg; an IR-ESA claim backdated for the maximum three months can have a linked three month backdated Housing Benefit Claim.

Family Premium

Currently you are entitled to a family premium of £17.45 included in your Housing Benefit if at least one child is included in your claim. The government plans to abolish this for new claims from 1 May 2016. This includes new claims that are made due to a change in local authority area.

Savings Credit

The savings part of Pension Credit will close for people reaching state pension age on or after 6 April 2016. If you reach state pension age before 6 April 2016 you can still get Savings Credit depending on your circumstances, regardless of when you apply. If you are a couple where one person reaches state pension age before 6 April 2016 and the other on or after 6 April 2016 you can only get Savings Credit if one of you:

- Was already getting it immediately before 6 April 2016

and

- Has been entitled to it at all times since 6 April 2016.

Assessed Income Periods

An AIP is a period when clients do not have to tell DWP of any changes to their pensions, savings or investments. The Pension Credit award letter states if an AIP applies. From 6 April 2016 no new AIPs will be set.

If there is already an AIP that is due to end between 6 April 2016 and 31 March 2019 it will end either on the original date on the PC award or earlier if household circumstances change. Any AIP may end if the client moves into a care home or the client becomes a member of a couple.

If there is an AIP with an end date after 1 April 2019 it will end earlier and will not be renewed. The client will be sent a letter with a new end date 6 months in advance of this happening. See the link below for the new end dates. If the client is over 75 and they have an AIP with no end dated it will remain in place until the household circumstances change.

When an AIP ends clients will need to inform DWP of any change in circumstances including pension incomes.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457814/pension-credit-extra-info-dwpf201pc-0915.pdf

INTRODUCTION OF THE NEW STATE PENSION

The State Pension will change on **6 April 2016** for people who reach State Pension age on or after that date. This applies to men born on or after 6 April 1951 and women born on or after 6 April 1953. The new State Pension replaces the current complex State Pension with a single-tier pension.

How will it work?

The new State Pension will be based on people's National Insurance records and a new minimum qualifying period will be introduced.

People with no National Insurance record before 6 April 2016 will need 35 qualifying years to get the full amount of new State Pension.

Most people will have made, or been credited with, NI contributions before 6 April 2016. How much these are worth depends on the type of NI contributions they are. These NI contributions will be taken into account when their new State Pension is calculated. The new rules make sure that the amount of State Pension they get for these contributions is no less under the new State Pension than they would have got under the current State Pension provided they meet the minimum qualifying period.

For the new State Pension a person will normally need at least 10 "qualifying years" on their NI record to get any State Pension. These can be from before or after 6 April 2016, and they don't have to be 10 years in a row.

Under the new State Pension, how much a claimant will get will usually be based on their own NI record only. However, there will still be a few circumstances in which people get some State Pension through their spouse or civil partner.

A State Pension "top up" was introduced from 12 October 2015 to 5 April 2017. It is available to those reaching State Pension age before April 2016 and offers an opportunity for those people to boost their retirement income by up to £25 per week.
