

Welfare Reform and older people in Scotland

About this factsheet

This factsheet is for older people who live in Scotland. It provides basic information about the main changes to benefits which will have come into effect both recently, and over the next few years.

At the time of writing we do not have full details of all the changes. We will update this factsheet monthly and if you need information about your individual situation please call the Age Scotland Helpline on 0845 125 9732

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1 Welfare Reform Major Changes

Changes to Welfare Benefits and Tax Credits are nothing new, but recent changes and those due under the Welfare Reform Act 2012 will make significant changes to many peoples' benefit entitlement and incomes.

Older people in Scotland are already being affected by changes to state pension age for a woman (which affects the age when someone could claim Pension Credit).

This factsheet gives general information about the changes which are most likely to affect older people. Some details about Welfare Reform changes have not yet been announced, you can contact the Age Scotland Helpline on 0845 125 9732 for up-to-date information.

Issues likely to affect older people in Scotland are changes to

- “State Pension Age” and “Working Age”
- Housing benefit rules for some people in social housing from April 2013
- Council Tax benefit from April 2013
- The Social Fund and the Scottish Welfare Fund
- Disability Living Allowance and Personal Independence Payment
- Universal Credit and Pension Credit
- Other changes

2 “State Pension Age” and “Working Age”

“State Pension Age” for a woman is gradually increasing. State Pension Age for a woman used to be 60, but by April 2013 it will be 61 ½, and it will continue to increase until State Pension Age for men and women is 66 in October 2020 and is then likely to increase further. You can find details of the relevant date for you at <https://www.gov.uk/calculate-state-pension> or call the Age Scotland Helpline and we will look up the relevant date for you.

This date is important for men and women, as it is the date when you can claim Pension Credit and will change you from being classed as “Working Age” to being classed as “Pension Age”. It also affects when you will qualify for a winter fuel payment: you will only qualify in 2013 if you were born on or before 5th January 1952.

3 Changes to Housing benefit April 2013

People who rent a house or flat from a social landlord such as a Council or Housing Association can claim housing benefit to help pay their rent if they are on a low income.

From April 2013 the amount of help some people can receive will be reduced if they are considered to have more rooms than they need in their home. Housing benefit will be reduced for people who are “working age” (below the qualifying age for claiming Pension Credit, see section 2). Once the tenant or their partner has reached Pension Credit age, the restriction will no longer be applied. The reductions in Housing Benefit are 14% if they have one room too many or 25% for more than one room.

In future, people who are of pension age but have a younger partner may also be affected by this rule.

If your housing benefit is reduced because of this change, you should get advice about your options from your landlord or an independent advice agency such as a Citizens Advice Bureau.

We will include more information about housing benefit and “mixed age couples” when this is available.

4 Council Tax benefit from April 2013

The way Council Tax benefit is funded changes from April 2013, but it will still be administered by your local Council and in 2013 you may see no difference in the amount of council tax you pay. There will be an increase in the amount of water charge you pay; council tax benefit cannot pay the water part of your Council Tax bill.

We will include more information about Council Tax Benefit when this is available

5 The Social Fund and the Scottish Welfare Fund

Until April 2013 Community Care Grants and Crisis Loans are available from the Department for Work and Pension’s Social Fund to help some people with lump-sum payments in special circumstances.

From April 2013 some parts of the Social Fund are being abolished. In Scotland, Crisis Grants or Community Care Grants will be available from the Scottish Welfare Fund instead. This will be administered by local Councils on behalf of the Scottish Government.

We will include more information when this is available

6 Disability Living Allowance and Personal Independence Payment

For people between 16 and 64, Disability Living Allowance (DLA) is going to be replaced by Personal Independence Payment (PIP).

The budget for PIP is expected to be 20% less than the budget for DLA; Age Scotland advises that anyone who thinks they may qualify for DLA should claim now.

PIP is being piloted from April 2013 (but not in Scotland) and from June 2013 no-one will be able to make a new claim for DLA, they will have to claim PIP instead. PIP will be assessed based on a points system which is quite different from the way DLA is assessed. Some people who receive DLA will not qualify for PIP or may qualify for a lower amount.

If you already receive DLA and are 65 when PIP is introduced, under current plans your DLA will not be affected.

If you are under 65 and already claiming Disability Living Allowance you are likely to be assessed for PIP when your circumstances change, or at some point over the next few years from October 2013. This means that if you apply for an increase in your DLA after June 2013 you will be assessed for PIP instead. You should get advice about the PIP criteria before asking for your DLA to be reviewed as you may not qualify for PIP or you may qualify for less money.

PIP will be assessed based on a points system, and will be quite different from DLA. Some people who currently qualify for DLA will not qualify for PIP.

We will include more information about Personal Independence Payment when this is available.

Our sister charity Age UK produces a *Personal Independence Payment* factsheet. http://www.ageuk.org.uk/Documents/EN-GB/Factsheets/FS87_Personal_independence_payment_fcs.pdf?dtrk=true

If you call the Age Scotland helpline on 0845 1259732 we can send you a copy

7 Universal Credit and Pension Credit

From October 2013 the Government plans to introduce a new benefit called Universal Credit which is designed to gradually replace many means tested benefits and tax credits for working age people (child and working tax credit, income based Job Seekers Allowance, Income Support, Income related Employment and Support Allowance, and Housing Benefit.)

As this will lead to Housing Benefit and Child Tax Credit being abolished, Pension Credit will need to be changed to provide help with rent, and to provide support for people who claim Pension Credit who have dependent children.

When Universal Credit is introduced, mixed-age couples will no longer be able to make a new claim for Pension Credit when one is still under Pension Credit age; they will need to make a claim for Universal Credit instead.

The government is considering introducing a capital limit for Pension Credit

We will include more information about Pension Credit when this is available

8 Other changes

8.1 State Pension

The government plans to reform state retirement pension and introduce a basic rate pension for people retiring from 2017. This will not affect people who have reached State Pension Age by the date this comes into force. The proposals would mean an increase to the basic level of state pension so fewer older people would need to go through the means-test for Pension Credit. However, means-tested help will still need to be available for help with rent, council tax, mortgage interest costs and for some pensioners who are carers or severely disabled.

8.2 Changes to the process for benefit appeals

The process for appealing about benefit decisions will change in April 2013. If you need to appeal against a benefit decision you should get advice from an independent advice agency such as a Citizens Advice Bureau quickly as there are strict time limits for challenging decisions.

8.3 Contribution based Employment and Support Allowance

Since 1st May 2012 Contribution Based Employment and Support Allowance (ESA) can only be paid for one year to if the claimant is in the “work related activity group”. This change affects people with new claims for ESA and also people who are transferred from Incapacity Benefit, Invalidity Benefit or Severe Disablement Allowance.

8.4 Benefit cap

From June 2013 there will be a cap on the weekly total benefit income of most working-age households. The DWP has set this at £500 per week for a couple (with or without dependent children) , £500 per week for a lone parent with dependent children and £350 per week for a single person with no children

8.5 1% annual up-rating of many working age benefits

This will not affect most people over state pension age but will affect people who are responsible for dependant children.

9 Useful organisations

You can find more information about Welfare Reform changes from

The Scottish Government

General Information

<http://www.scotland.gov.uk/Topics/People/welfarereform>

Plans for the Scottish Welfare Fund

<http://www.scotland.gov.uk/Topics/People/welfarereform>

You can get up-to-date information about welfare reform changes from your local Citizens Advice Bureau. You can find contact details in your phone book or at www.adviceguide.org.uk/scotland

Specialist Charities which have produced information about Welfare Reform include

Disability Rights UK <http://www.disabilityrightsuk.org/forthcomingchanges.htm>

Child Poverty Action Group <http://www.cpag.org.uk/welfare-reform>

10 Age Scotland Helpline 0845 125 9732

Age Scotland Helpline gives information to older people and those who care for or work with older people across Scotland. We are open between 10am and 4pm, Monday to Friday and 10am – 7pm Tuesday or by textphone on 0845 226 585.

If you need access to an interpreter you can call the Age Scotland helpline on **0845 125 9732** and say which language you e.g. Hindi then stay on the line for a few minutes; Helpline staff will do the rest.

11 Support our work

Age Scotland provides factsheets free to older people, their families and people who work with them. Call the Age Scotland Helpline on 0845 125 9732 for a copy of our publications list or see our website www.agescotland.org.uk.

If you are not seeking Information or Advice but would like to speak to one of our policy team about Welfare Reform call the Age Scotland switchboard on 0845 833 0200 or email general enquiries through <http://www.ageuk.org.uk/scotland/contact-us/>

If you would like to make a donation towards the work of Age Scotland, you can send a cheque or postal order (made payable to Age Scotland) to Age Scotland, Causewayside House, 160 Causewayside, Edinburgh, EH9 1PR.

Disclaimer

While we aim to ensure that the information in this document is factually correct at the time of production, Age Scotland cannot be held liable for any errors or omissions. Please ensure that you have an up to date factsheet and that it clearly applies to your situation.

No factsheet can ever be a complete guide to the law, which also changes from time to time. Legal advice should always be taken if you are in doubt.

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