

students & benefits 2010-2011



a guide for practitioners advising students about social security benefits

students and benefits

2010-2011

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1. INTRODUCTION

This booklet is a summary of how social security benefits are affected by taking up learning opportunities. It is aimed at advisers dealing with student financial issues.

Details of other information resources which can be used to supplement the information contained in this booklet are listed in section 6, *Useful information sources*.

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2. JOBSEEKER'S ALLOWANCE

Jobseeker's Allowance (JSA) is the main social security benefit claimed by people who are unemployed and able to look for work.

There are two types of JSA. Contributions-based JSA is paid for up to six months and based on satisfying national insurance contributions. Income-based JSA is not based on contributions but is means-tested.

These notes cover Income-based JSA.

The routes to entitlement to benefit depend on whether the person claiming is under nineteen or aged nineteen or older at the start of the course.

2.1 General rules

In order to qualify for this benefit, a person must:

- be habitually resident and have a right to reside in the United Kingdom;
- be aged sixteen or older and under pension age (currently 65 for a man and between 60 and 61 years of age for a woman as the arrangements to move to equalise the pension age for men and women takes place over the next few years);
- not be working sixteen hours or more a week (or, if claiming for a partner, the partner must not be working 24 hours or more a week);
- not have savings above £16,000.

2.2 Changes to benefit due to savings

A person is excluded from benefit if her/his savings are above the upper limit of £16,000.

Savings at the lower limit of £6,000 or below do not affect benefit entitlement.

If savings are between the lower and upper limit, an adjustment will be made for the purposes of Income Support, Income-based JSA, Income-related Employment and Support Allowance (ESA) and Housing Benefit. An adjustment of £1 per week for every £250 (or part of £250) above the lower £6,000 limit is applied and operates on a sliding scale up to the upper limit of £16,000.

2.3 Aged nineteen or over at start of course

To receive Income-based JSA while studying, a person aged nineteen or over must normally be studying part-time, remain available for and actively seeking work and have a Jobseeker's Agreement.

2.3.1 What is part-time study?

A person studying on a recognised course of part-time study may be entitled to JSA providing s/he continues to satisfy the availability for and actively seeking work test.

In Northern Ireland, there is no agreed number of hours of study which constitutes a part time course, but if there is any difficulty around this issue, a letter from the college stating the course is part-time is usually sufficient.

2.3.2 Availability for work

When claiming JSA, in addition to completing the JSA claim form, Jobseeker's Agreement and the Helping You Back to Work form, a person may be asked to fill in a student questionnaire. The answers are considered when deciding whether the available for and actively seeking work test is satisfied. A person must show s/he is genuinely available for and actively seeking work and demonstrate that s/he continues to apply for jobs.

When claiming JSA, the person will have agreed the hours that s/he is available for work in the Jobseeker's Agreement. The pattern of availability must give her/him reasonable prospects of securing employment. If a person's hours of study or training do not clash with the times s/he has said s/he is willing and able to work, then availability should not be affected by the part-time course.

If the hours of the course do clash with the times that a person is available for work (as set out in a Jobseeker's agreement) then availability for work will only be accepted if:

- s/he can rearrange the hours of the course of study to fit around a job; or
- s/he is willing and able to immediately give up the course at once should a job become available.

2.3.3 Restricted availability for work and part time study

There are special rules which allow attending a course to be ignored when deciding availability for employment.

These rules apply to a part-time student who has a valid JSA agreement and is willing and able to rearrange the hours of the course to take up a job and whose:

- restrictions still leave an availability for work of 40 hours or more a week (the pattern of availability must give reasonable prospects of securing employment); or
- availability is restricted because of a physical or mental condition; or
- hours of availability are restricted because of caring responsibilities, ie responsibility for looking after a member of the household or a close relative who is a child under sixteen; or someone over pensionable age; or someone who needs care due to her/his mental or physical condition; or
- availability is restricted because s/he is working short-time (the number of hours s/he is available for casual work must be at least 40 hours in a benefit week).

In all of these cases, the person must satisfy one of the following additional conditions:

- for the three months immediately before the date of starting the course, s/he was:
 - unemployed and getting JSA; or
 - sick and getting Income Support (IS) or Incapacity Benefit (IB) or ESA; or
 - on a course of training (see below); or
- in the six months before starting the course, s/he was:
 - unemployed and getting JSA; or
 - sick and getting IS or IB or ESA for a total of three months altogether; or
 - on a course of training for a total of three months; and
 - sandwiched between these spells, was working full-time or earning too much to qualify for benefit.

A course of training is defined as training available to people aged eighteen to 24 provided directly or indirectly by a training organisation under arrangements made with the Department for Employment and Learning (DEL).

The three and six month periods must start after the date a person has ceased to be treated as being in full-time education for Child Benefit purposes.

In addition, a lone parent with a child aged under thirteen is only required to be available for work during the child's normal school hours.

2.3.4 Steps to Work (previously New Deal) and part time study

Students studying part time and claiming JSA may become eligible for the Steps to Work programme after six months for those aged eighteen to 24, and after eighteen months for those aged 25 or older.

Steps to Work Personal Advisers will look at the employment focus of the part-time course and how the programme can complement it. Students will *'only be asked to abandon their existing study if it clearly does not enhance their chances of long-term employability'* (DEL guidance to Steps to Work Advisers).

2.3.5 Full-time students

Full-time students will not normally be entitled to JSA except in narrow circumstances. These are:

- if in a couple (including same sex couples), both partners are full-time students and have a dependent child under sixteen, or aged under 20 and still in full-time non-advanced education. JSA can be claimed during summer vacation only and the person claiming must be available for work and meet the other basic rules;
- where a person is a lone parent and has a dependent child under sixteen, or aged under 20 and still in full-time non-advanced education. JSA can be claimed during the summer vacation only and the person claiming must be available for work and meet the other basic rules;

- where a person is on an employment related course and participation was approved before the course started by an employment officer (Jobs and Benefits Client Adviser). Payment is only made for a maximum of two weeks and only for one such course in any period of twelve months;
- where a person is waiting to go back to a course, having taken time out because of an illness or caring responsibility that has now come to an end and s/he is not eligible for a grant or loan for the period specified. The time out must have been approved by the relevant establishment;
- where a person is attending a compulsory residential course as part of an Open University programme (for up to one week for each course);
- where a person is participating in a Venture Trust programme. Payment is made for a maximum of four weeks and only for one programme in any period of twelve months. Venture Trust is a programme for ex-offenders aged sixteen to 25, the courses are based in Scotland and young people from Northern Ireland are eligible to apply.

Note: If a student has a partner who is not studying and is available for work then the partner may be able to claim JSA on behalf of the couple.

2.3.6 Postgraduate students

Postgraduate students writing up their thesis or dissertation should be entitled to JSA as long as they meet the criteria for the benefit and are available for and actively seeking work.

2.4 Aged under nineteen at the start of the course

To receive JSA, a person must be studying for twelve hours or less a week and also be available for work. Time spent on instruction, tuition, supervised study, exams, practical work or projects provided in the curriculum is taken into account when calculating hours of study. Time spent on meal breaks or unsupervised study is ignored.

A person who starts a course when aged under nineteen and is entitled to JSA can continue to receive benefit up to the age of 20.

A person studying more than twelve hours is considered to be in relevant education and is excluded from JSA, unless s/he is eligible to claim Income Support, (see section 3, *Income Support*).

If a person who is not entitled to benefit because s/he is in relevant education leaves during the term, JSA will not be paid until the first Monday following the end of the holiday after the term in which s/he leaves the course. If the person is aged sixteen or seventeen, benefit will only be paid in specific circumstances.

If under nineteen at the start of the course and in advanced level education then the rules for people aged nineteen or over at the start of the course are applied. Advanced level education means a degree level course, Higher National Diploma or other course above A level standard.

2.5 Grants and loans

Income from an Education and Library Board is taken into account (subject to some disregards) when assessing level of entitlement to Income-based JSA (refer to 3.5 for treatment of student income).

3. INCOME SUPPORT

A full-time student does not usually qualify for Income Support, subject to the exceptions set out in this section. A student is defined in Income Support as someone who is:

- aged under nineteen who is attending a full time course of advanced education; or
- aged nineteen or over and under pension age and attending a full time course of study at an educational establishment.

The rules are different for people under nineteen and those aged nineteen or over. A person who starts a course when aged under nineteen and who qualifies for Income Support can continue to receive benefit under these rules until s/he turns 20 or completes the course, whichever occurs first.

3.1 General rules

In order to qualify for this benefit, a person must:

- be habitually resident and have a right to reside in the United Kingdom;
- be aged sixteen or over and under the qualifying age for Pension Credit;
- not be working sixteen hours a week or more (or, if claiming for a partner, s/he must not be working 24 hours or more a week);
- not have savings above £16,000.

3.2 Changes to benefit due to savings

A person is excluded from benefit if her/his savings are above the upper limit of £16,000.

Savings at the lower limit of £6,000 or below do not affect benefit entitlement.

If savings are between the lower and upper limit, an adjustment will be made for the purposes of Income Support, Income-based JSA, Income-related ESA and Housing Benefit. An adjustment of £1 per week for every £250 (or part of £250) above the lower £6,000 limit is applied and operates on a sliding scale up to the upper limit of £16,000.

3.3 Aged nineteen or over at the start of the course

To qualify for Income Support, a student must satisfy the general rules in 3.1 and satisfy at least one of the additional conditions:

- studying on a recognised course of part time education and also not having to sign on as available for work. Child Poverty Action Group *Welfare Benefits Handbook*, pages 300-311, 2010/2011 edition, sets out when a person can be exempt from being available for work. In Northern Ireland, the education provider will usually determine what constitutes part time study. A letter from the college stating that the course is part time will usually be sufficient for benefit purposes if there is any difficulty around this issue; or

- studying on a recognised course of full time education and meeting at least one of the following conditions:
 - a lone foster parent with a foster child under arrangements made with a health and social care trust or voluntary group (this applies until the child reaches the age of sixteen); or
 - a lone parent with a dependent child under ten years of age (seven years of age from 25 October 2010). **Note:** the transitional arrangements for existing lone parent students below:
 - if a lone parent started a full-time course before 24 November 2008 s/he can continue to claim Income Support until the course ends or her/his youngest child reaches sixteen, whichever comes first;
 - if a lone parent started a full-time course between 26 October 2009 and 24 October 2010 s/he can continue to claim Income Support until the course ends or until her/his youngest child reaches ten, whichever comes first;
 - if s/he started a full time course between 24 November 2008 and 23 October 2009 s/he can continue to claim Income Support until the course ends, or the youngest child reaches twelve, whichever comes first;
 - if the course starts after 25 October 2010 the youngest child age limit is seven.
- a refugee and during first year in Northern Ireland has started a course of English language of more than fifteen hours per week in order to secure employment. This will apply for nine months only; or
- a student from abroad, temporarily without funds and entitled to emergency payment. This applies for a maximum period of six weeks only; or
- a couple, both of whom are full time students and have a dependent child or qualifying young person (payable during the long vacation only);

A lone parent with a child under sixteen not falling into the categories above can claim during the summer vacation only.

Income Support will not be paid (including for the long vacation), unless at least one of these conditions is met, until the course is completed. A student who satisfies one of the above conditions and receives a student loan or bursary or a combination of both can claim a top up of Income Support.

If someone has a partner who is not a student and the partner satisfies the conditions of entitlement then s/he can make a claim for Income Support for the couple.

3.4 Aged under nineteen at the start of a course

To qualify for Income Support, a student aged under nineteen at the start of a course of non advanced education must satisfy the general rules (see 3.1 for details). In addition, s/he must meet one of the following conditions:

- a lone parent with at least one dependent child living in the same household;
- a single person fostering a child under arrangements made with a health and social care trust or voluntary organisation ; or

- a student from abroad on limited leave to remain in the UK without recourse to public funds and who is temporarily without funds for a period of six weeks; or
- a student who is of necessity living apart from parent/s or guardian due to estrangement or being in moral or physical danger or at serious risk to physical or mental health; or
- living apart from parent/s (or anyone acting in place of parent/s) and parent/s cannot provide support because they are:
 - chronically sick or mentally or physically disabled (chronic sickness and disability means that a person could get a disability or higher pensioner premium or is getting an armed forces grant for the cost of providing a car or is substantially and permanently disabled); or
 - in prison or in custody awaiting trial or prohibited from entering Northern Ireland under immigration laws; or
- a refugee and during first year in Northern Ireland started a course of more than fifteen hours per week to learn English to secure a job (this will only apply for nine months); or
- has ceased to live in accommodation provided by a health and social care trust and is of necessity living away from parent/s and any person/s acting in place of parent/s. A care leaver aged sixteen or seventeen can only qualify if a lone parent and treated as responsible for the child; or
- has no living parents and no one acting as a parent.

A student who turns nineteen while on a full time non advanced course of education will continue to receive Income Support if s/he started the course before turning nineteen. This will apply until the person's 21st birthday or until the course ends, whichever occurs first.

Note: If under nineteen at the start of a course and in advanced level education, then the rules for people aged nineteen or over prior to the start of the course are applied. Advanced level education means a degree level course, Higher National Diploma or other course above A level standard.

3.5 Student income and Income Support

This section deals with the treatment of student income by Income Support. A list of bursaries and loans not taken into account by Income Support is listed in 3.5.2.

Note: Student income is treated in a similar way for the calculation of JSA and Housing Benefit.

3.5.1 Treatment of higher education student maintenance loan

A student maintenance loan is treated as income for Income Support purposes, but it is subject to specific rules regarding relevant periods of study in a year. The maximum loan is taken into account even if the person does not apply for it. In the first year of the course, the loan will be ignored until the first day of the term.

■ Courses lasting one academic year or less

The student loan will be apportioned from the start of the academic year or from the first day of the course (if the course is less than one full academic year) to the last day of the course.

■ Courses lasting more than one academic year.

The loan will be taken into account from whichever date is the earliest:

- first day of benefit week in September and ending on the last day of the benefit week in June (usually a 42 or 43 week period); or
- first day of the first benefit week following the beginning of the autumn term and ending with the last day of the last benefit week in June.

For final year students, the loan will be taken into account from whichever date is the earliest:

- first day of benefit week in September, ending with the last day of benefit week before the last day of course; or
- first day of benefit week following the beginning of the autumn term and ending with the last day of benefit week before the last day of course.

■ Disregards

- Travel, books and equipment costs: a disregard of £303 for the 2010/2011 academic year is allowed for travel costs. This is a fixed amount. If the student's actual travel costs are higher than the fixed sum, no additional amount will be disregarded. A disregard of £309 is allowed for books and equipment for 2010/2011.
- A disregard of £10 is allowed against weekly income from a student loan. If this disregard overlaps with a combination of other income disregards, then an overall £20 disregard will apply to both the student loan and the Support Fund (formerly known as access funds) for Income Support purposes.

3.5.2 Treatment of other student income

Different types of income are treated in different ways.

The disregard for travel, books and equipment costs listed above is only applied once and the student is not entitled to it on each individual bursary or loan listed below.

- Higher education bursaries (from Education & Library Board) of up to £2,000 for the 2010/2011 academic year will be treated as income for benefit purposes. This bursary is only payable to existing 'old system' students.
- Higher education maintenance grant of up to £3,475 for the 2010/2011 academic year will be treated as income for benefit purposes over the same period as a student loan for maintenance.
- Adult dependants' grant of up to £2,695 for the 2010/2011 academic year is extra support for people who have adult dependants. This will be treated as income over the same period as a student loan for maintenance.
- Health professional courses: students studying on certain health professional courses are entitled to apply for a non-income assessed loan which is treated in the same way as the student loan (see 3.5.1). Students are also entitled to apply for an income assessed bursary which will be treated as income for benefit purposes.
- Bursaries from higher education institutions should not be treated as income for benefit purposes if described as being for course related costs. The value of these bursaries varies between colleges. In Northern Ireland, they may have a value of up to £1,200.
- Higher education grant for tuition fees of up to £1,310 for the 2010/2011 academic year will not be treated as income for benefit purposes. This grant is only payable to existing 'old system' students.

BENEFITS & TAX CREDITS

MEANS-TESTED

INCOME SUPPORT / INCOME BASED JSA

PERSONAL ALLOWANCES

single

under 25	£51.85
aged 25 or over	£65.45

lone parent

under 18	£51.85
aged 18 or over	£65.45

couple

both under 18*	£51.85
both under 18, with child	£78.30
one under 18 one under 25	£51.85
one under 18 one over 25	£65.45
both aged 18 or over	£102.75

* for more details of rates for under 18s, see Law Centre (NI) Encyclopedia of Social Welfare Rights or the CPAG handbook.

dependent children (existing claimants)**

birth to day before 20 th birthday	£57.57
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PREMIUMS

family	£17.40
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pensioner

couple	£99.65
single (JSA only)	£67.15

disability

single	£28.00
couple	£39.85

enhanced disability

single	£13.65
child	£21.00
couple	£19.65
family (existing claimants)**	£17.40

severe disability

per qualifying person	£53.65
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disabled child (existing claimants)**	£52.08
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carer	£30.05
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**people still receiving personal allowances and premiums for a dependent child may transfer to Child Tax Credit during 2009

DEDUCTIONS FOR NON-DEPENDANTS (MORTGAGE INTEREST)

aged 18, or over, and in remunerative work

gross income	
£120 - £177.99	£17.00
£178 - £230.99	£23.35
£231 - £305.99	£38.20
£306 - £381.99	£43.50
£382 and above	£47.75

Others, aged 18 or over and not in work or earning less than £120 or on IS or Income-based JSA and 25 or over or in receipt of Pension Credit or on main phase income related ESA (i.e. after 13 weeks) £7.40

Note: Disregards for rates are covered in Housing Benefit rates

DEDUCTIONS

child maintenance (standard)	£6.60
child maintenance (lower)	£3.30
finest (standard / lower)	£5.15 / £3.30

direct payment of fuel debt-5% rate	£3.30
direct payment of housing & rates arrears	£3.30
strikers	£35.00
recovery of ordinary overpayment	£9.90 (max)
recovery if convicted of fraud	£13.20 (max)

DISREGARDS

earnings - single	£5.00
earnings - couple	£10.00
earnings - lone parent or in receipt of carer's / disability premium	£20.00
Child Support	£20.00
war pensions, War Widows Pension and Widowed Parent Allowance	£10.00
child maintenance	£40.00
student loan	£10.00
student's covenanted income	£5.00
income from boarders (plus 50% of the balance of the charge)	£20.00
income from sub tenants	£20.00

voluntary and charitable payments, DLA and AA ignored in full

CAPITAL LIMITS

disregarded	£6,000
resident of care home	£10,000
upper limit	£16,000
child upper limit	£3,000

tariff income on capital between disregard and upper limit is £1 for every £250 or part thereof

SURE START MATERNITY PAYMENT	£500
COLD WEATHER PAYMENT	£25.00

INCOME RELATED EMPLOYMENT & SUPPORT ALLOWANCE (ESA)

same as IS, except:

PERSONAL ALLOWANCES

couple

both under 18 (after 13 weeks)	£65.45
both under 18 with child (after 13 weeks)	£102.75
one 18 or over, one under 18	£102.75

PREMIUMS

pensioner

single with work related activity component (WRAC)	£41.20
single with support component	£35.75
single with no component	£67.15
couple with WRAC	£73.70
couple with support component	£68.25
single with no component	£99.65

COMPONENTS (from week 14)

work related activity	£25.95
support	£31.40

DISREGARDS

No disregards for war pensions, War Widows Pension and Widowed Parent Allowance

HOUSING BENEFIT: RENT

APPLICABLE AMOUNTS - ie personal allowances, premiums and hospital care allowances

as for IS except:

personal allowance for:

couple - both under 18	£78.30
couple - one under 18	£102.75

single person on main phase ESA	£65.45
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couple, claimant entitled to main phase ESA	£102.75
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family premium

baby addition (child under one)	£17.40
lone parent rate*	£10.50
	£22.20

*only if entitled to this premium prior to 1998

pensioner personal allowances

single aged 60-64	£132.60
couple - one or both aged 60-64	£202.40
single aged 65 or over	£153.15
couple - one or both aged 65 or over	£229.50

AMENITY DEDUCTIONS

heating	£21.55
hot water	£2.50
lighting	£1.75
cooking	£2.50

MEALS DEDUCTIONS

full board (3 or more meals a day)

each person aged 16 or over	£23.35
each child under 16	£11.80

half board (less than 3 meals a day)

each person aged 16 or over	£15.50
each child under 16	£7.80

breakfast only

each person (including children)	£2.85
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NON-DEPENDANT DEDUCTIONS

same as IS, except:

no deductions for non-dependants on IS or JSA (IB) & under 25, on Pension Credit or on main phase ESA (IR)

EARNINGS DISREGARDS

specified employments	£20.00
lone parent - not in receipt of IS where the claimant has a partner	£25.00
single claimant	£10.00
where carer or disability premium awarded	£5.00
	£20.00
additional earnings disregard	£17.10

CHILDCARE COSTS

1 child	up to £175.00
2 or more children	up to £300.00

OTHER INCOME DISREGARDS

maintenance	£15.00
child maintenance	ignored in full
war pensions	£10.00
Widowed Parent's Allowance	£15.00
student loan	£10.00
student's covenanted income	£5.00
income from boarders (plus 50% of the balance of the charge)	£20.00
income from sub tenants	£20.00

Voluntary & charitable payments, DLA and AA ignored in full

from 12 April 2010

CAPITAL LIMITS

same as IS, except:

Capital limit for Housing Benefit claimants above qualifying age for Pension credit is £10,000

Tariff income on capital between disregard and upper limit is £1 for every £500 or part thereof if aged 60 or over)

Pension Credit / Housing Benefit where claimant or partner over 60 no upper limit

HOUSING BENEFIT: RATES

PERSONAL ALLOWANCES AND PREMIUMS

as for rent except that personal allowances are not payable for young people aged 16 and 17

NON-DEPENDANT DEDUCTIONS

aged 18 or over, and in remunerative work

gross income

£382 or more £6.95

£306 - £381.99 £5.80

£178 - £305.99 £4.60

under £178 £2.30

others (for whom deduction made) £2.30

no deductions for non-dependants on IS or JSA (IB) or Pension Credit or ESA (IR)

CAPITAL DISREGARDS, TARIFF INCOME, EARNINGS & OTHER DISREGARDS as for rent

Note: disregards for rates also apply for owner occupiers on IS and JSA (IB). Non dependant deductions for rent are as per mortgage interest deductions.

PENSION CREDIT

[key figures only]

STANDARD MINIMUM GUARANTEE

single £132.60
couple £202.40

ADDITIONAL AMOUNTS

severe disability (per qualifying person) £53.65
carer £30.05

SAVINGS CREDIT

threshold single £98.40
threshold couple £157.25
maximum single £20.52
maximum couple £27.09

CAPITAL

disregarded £10,000
tariff income £1 for each £500 above disregard
no upper capital limit

HOUSING COSTS

deductions for non-dependants as for IS

DISREGARDS

as for IS except:

voluntary & charitable payments, child maintenance, student's loan, student's covenanted income are disregarded in full

DEDUCTIONS

as for IS except no deductions for child maintenance or reduction for strikers

NON MEANS-TESTED

[KEY FIGURES ONLY]

ATTENDANCE ALLOWANCE

higher rate £71.40
lower rate £47.80

BEREAVEMENT ALLOWANCE

aged 45 - 54 £29.30 to £90.81
standard rate £97.65

WIDOWED PARENTS ALLOWANCE £97.65

BEREAVEMENT PAYMENT £2,000

CARER'S ALLOWANCE £53.90

increase for adult dependant £31.70

CHILD ADDITION* £11.35

Retirement Pension, Widowed Mothers Allowance, Widowed Parents Allowance, Short-Term Incapacity Benefit (higher rate) & Long Term Incapacity Benefit, Carer's Allowance, Severe Disablement Allowance, Higher Rate Industrial Death Benefit, Unemployability Supplement and Short-Term Incapacity Benefit if over pension age.

*Reduced to £8.10 for eldest or only child where Child Benefit is paid.

CHILD BENEFIT

only or eldest child £20.30
other child(ren) £13.40
lone parent rate has been abolished

CONTRIBUTORY ESA

week 1 - 13 (assessment phase)
under 25 £51.85
25 or over £65.45
from week 14 (main phase)
with WRAC £91.40
with support component £96.85

CONTRIBUTORY JSA

under 25 £51.85
25 or over £65.45

DISABILITY LIVING ALLOWANCE care component

higher £71.40
middle £47.80
lower £18.95

mobility component

higher £49.85
lower £18.85

EARNINGS RULES

Carer's Allowance £100.00
permitted work earnings limit for incapacity for work benefits (higher) £93.00
incapacity for work benefits (lower) £20.00

GUARDIAN'S ALLOWANCE £14.30

INCAPACITY BENEFIT

short-term (under pension age)

lower rate £68.95
higher rate £81.60
adult dependant £41.35

short-term (over pension age)

lower rate £87.75
higher rate £91.40
adult dependant £51.10

long-term £91.40

adult dependant £53.10

increase of long-term for age

lower rate £5.80
higher rate £15.00

INVALIDITY ALLOWANCE (transitional)

higher rate £15.00
middle rate £8.40
lower rate £5.45

INDUSTRIAL INJURIES DISABLEMENT PENSION

max lump sum £9,680.00

18 or over or under 18 with dependants

100% assessment £145.80
20% assessment £29.16

under 18

100% assessment £89.35
20% assessment £17.87

reduced earnings allowance (max) £58.32

MATERNITY ALLOWANCE

standard rate £124.88
MA threshold (for variable rate) £30.00
adult dependant £41.35

RETIREMENT (Categories A & B), WIDOW'S PENSION (HIGHER) and WIDOWED MOTHER'S ALLOWANCE

single person £97.65
spouse or adult dependant (retirement) £58.50
over 80 age addition (retirement) £0.25

SEVERE DISABLEMENT ALLOWANCE

basic rate £59.45
adult dependant £31.90

age-related addition

higher rate £15.00
middle rate £8.40
lower rate £5.45

STATUTORY ADOPTION PAY, STATUTORY MATERNITY PAY, STATUTORY PATERNITY PAY

standard rate £124.88
earnings threshold £97.00

STATUTORY SICK PAY

standard rate £79.15
earnings threshold £97.00

TAX CREDITS

WORKING TAX CREDIT

(per year unless otherwise stated)

threshold £6,420

basic element £1,920

30-hour element £790

couple and lone parent element £1,890

disabled worker element £2,570

severe disability element £1,095

50-plus return to work element

16-29 hours £1,320

30 hours or more £1,965

childcare element

80% of weekly cost for 1 child up to costs of £175

80% of weekly cost for 2 or more children up to costs of £300

CHILD TAX CREDIT (per year)

threshold (entitled to CTC but not WTC) £16,190

second threshold £50,000

family element £545

baby addition £545

child element (per child) £2,300

disabled child element (in receipt of DLA) £2,715

severely disabled child element £1,095

(in receipt of DLA higher rate care component)

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- Higher education loan for tuition fees will not be treated as income for benefit purposes.
 - Higher education special support grant of up to £3,475 for the 2010/2011 academic year will not be treated as income for benefit purposes.
 - Parents' learning allowance of up to £1,538 for the 2010/2011 academic year for course related costs for full-time students with dependent children. The allowance will not be treated as income for benefit purposes.
 - Childcare grant of up to £148.75 a week for one child and £255 a week for two or more children for the 2010/2011 academic year will not be treated as income for benefit purposes.
 - Disabled Students' Allowances will not be treated as income for benefit purposes.
 - Mandatory awards of course and fee grants for part-time higher education courses will not be treated as income for benefit purposes.
 - The £4,000 non-means-tested incentive grant paid to Northern Ireland domiciled students studying social work in Northern Ireland will be treated as income for Housing Benefit purposes but not in the calculation of any other benefit. The £500 contribution towards their expenses related to work-based learning will not be treated as income in calculating all benefits.
 - Nursing bursaries: students on three year diploma and degree courses have different funding arrangements than other students and are funded through the Nursing Bursary Unit (028 9055 3661). The bursary is paid for a period of twelve months. The basic amount of the bursary is taken into account as income over that period, subject to disregards for travel, books and equipment. Any contribution towards childcare and the Parents' Learning Allowance will be disregarded.
 - Further education bursaries of up to £2,092 for the 2010/2011 academic year will be taken into account over the period of study and treated as income for benefit purposes with disregards applied for travel, books and equipment only (see 3.5.1).

The following are ignored for Income Support purposes:

- Disabled Students' Allowances;
- grants/allowances for tuition and examination fees; and
- cost of attending a residential course.

For detailed information on grants and loans available see *A Guide to Financial Support for Higher Education Students in 2010/2011* available from local Education and Library Boards and posted on a number of websites (for contact details see Section 6.2).

3.5.3 Treatment of Student Support Fund payments

- A Student Support Fund payment is a non-repayable grant for students in severe financial hardship available from colleges and universities. A Student Support Fund payment made in a single lump sum will be considered as capital. However, it will be disregarded as savings for 52 weeks if it is used for fuel, food, clothing and footwear (everyday clothing and footwear, which does not include work wear or school uniform) and rent (for which Housing Benefit is applicable).

- A Student Support Fund payment made in instalments will be disregarded as income except in the circumstances outlined below, where it will be partially disregarded. If the instalments are used for daily living expenses, ie food, fuel, clothing, footwear and rent as above, then a £20 a week disregard will apply. If the disregard should overlap with other disregards applied to a student loan or certain charitable or voluntary payments then an overall maximum £20 disregard will apply.
- There is one exception to the rule. A single payment or instalment from Student Support Funds, made on or after 1 September or on the first day of the course (whichever is the earlier), is disregarded as income and savings when it is used to bridge the gap before receiving payment of the student loan or made in anticipation of becoming a student.

4. OTHER BENEFITS

4.1 Housing Benefit

A part time student (including those in receipt of Income Support or Income-based JSA) is eligible to apply for Housing Benefit. A full time student is only entitled to Housing Benefit if s/he is:

- on Income Support or Income-based JSA or Income-related ESA; or
- a single parent with at least one dependent child or young person aged under sixteen; or between sixteen and up to 20 years old who is in full-time not advanced education; or
- a lone foster parent with a child made in arrangements with a health and social care trust or voluntary group, or who is boarded out in a training school; or
- a student with a disability, who satisfies one of the following conditions:
 - qualifies for a disability or severe disability premium; or
 - gets Incapacity Benefit; or
 - gets Disability Living Allowance; or
 - is registered blind; or
 - has limited capability for work for 28 weeks for ESA purposes. A person should claim ESA to have her/his limited capability for work acknowledged. The weeks of limited capability for work on either side of a gap of up to twelve weeks can be added together; or
 - qualifies for disabled student's allowance because of deafness;
- under 21 and not on a course of higher education and was enrolled, accepted or began the course before age nineteen; or
- one of a couple who are both full time students with at least one dependent child or young person. Note that, unlike Income Support and JSA, this provision applies throughout the year; or

- a person waiting to go back on a course having taken approved time out because of illness or caring responsibility which has now come to an end.

An eligible student living in college accommodation, such as halls of residence, will normally qualify for Housing Benefit. If a person is one of a couple and her/his partner is not a full-time student, the partner can claim in her/his own right.

4.2 Employment and Support Allowance (ESA)

ESA replaced Incapacity Benefit (IB) and Income Support on disability grounds from 27 October 2008. New claims for IB cannot be made from 27 October 2008, unless the claimant can reclaim under 'linking rules'. Likewise, the rules within Income Support which allowed full-time disabled students to claim no longer exist for new claims from that date, unless the claim can be linked to a previous Income Support claim. Full-time students who are ill or disabled and making a claim for benefit on those grounds now have to claim ESA.

ESA has two elements: Contributory and Income-related.

Contributory ESA element essentially replaces IB - people can claim if they have paid enough national insurance (NI) contributions, or are eligible under the youth conditions. There are no special rules affecting either full or part-time students who have paid sufficient NI contributions and satisfy the other conditions of entitlement. A student claiming under the youth conditions is not entitled to Contributory ESA if aged under nineteen and attending a course for 21 or more hours a week.

Income-related ESA is designed to replace Income Support paid on the grounds of disability or as a top up to Contributory ESA. The only full-time students who can claim Income-related ESA are those in receipt of DLA (any rate). Part-time students can claim Income-related ESA if they satisfy the means test; unlike full-time students, there is no requirement that they get DLA.

4.3 The Social Fund

The discretionary Social Fund is a cash limited system of lump sum payments in the form of grants or interest free loans, for financial needs that are difficult to meet from weekly benefits. There are three types of payments.

- Community Care Grants are intended to promote community care for people who are vulnerable and in receipt of Income Support or Income-based JSA or Income-related ESA in order to assist them to live independently in the community. Any Community Care Grant is reduced by the amount of savings a person has above £500.
- Crisis Loans may be paid to meet expenses in an emergency, or as a consequence of a disaster. There is no minimum amount but a maximum payment of £1,500 applies. A Crisis Loan is an interest free, repayable loan. Any savings a person has is expected to be used towards meeting the crisis.
- Budgeting Loans are available to people who have been in receipt of Income Support or Income-based JSA or Income-related ESA for at least 26 weeks. The loan must be for a specific item covered by Social Fund rules. The minimum amount that can be paid is £100 and the maximum £1,500. A Budgeting Loan is an interest free loan, repayable at a weekly amount usually deducted

from benefit. The maximum debt that a person can have is £1,500. This includes money owed on a Crisis Loan as well as Budgeting Loans. Any budgeting loan is reduced by the amount of savings a person has above £1,000.

4.4 Tax credits

Students who are working may be able to claim tax credits. Tax credits are means tested.

Student grant and loan income is ignored for tax credit purposes, with the exception of the adult dependants' grant. The grant for adult dependants is taken into account in full. Bursaries, including DHSSPS bursaries, are also ignored in full.

4.4.1 Child Tax Credit

Child Tax Credit is a benefit payable to families with children under sixteen or families with children under nineteen still in full time non advanced education. Families can also continue to receive Child Tax Credit for a young person aged nineteen completing a course of non advanced education where a young person started (or enrolled on, or accepted a place on) the course before her/his nineteenth birthday.

It is means tested and replaces the child allowance elements of Income Support and Income-based JSA and child dependants' additions with non means tested benefits. It is paid in addition to Child Benefit. It is administered by Her Majesty's Revenue and Customs (HMRC).

4.4.2 Working Tax Credit

To qualify for Working Tax Credit, a person must be:

- aged 25 or over, and in paid work of 30 hours or more per week; or
- aged sixteen or over, in paid work of sixteen hours or more per week and:
 - responsible for a child or qualifying young person; or
 - a disabled worker; or
 - aged 50 or over and qualify for the 50+ element;

and

- living and working in the UK (the person claiming and partner must normally live in the UK, or must be a crown servant posted overseas, or must satisfy certain criteria if working in the UK but normally resident in another European country). A person subject to certain forms of immigration control may not be entitled to tax credits.

Eligible students can obtain further information on Child Tax Credit or Working Tax Credit and application forms by calling the Tax Credit Helpline on 0845 300 3900 or by visiting the website www.hmrc.gov.uk/taxcredits.

4.4.3 Bursaries and loans

Education and Library Boards will not take tax credits into account when calculating entitlement to bursaries or loans.

4.5 Incapacity Benefit

The general rule is that it is not now possible to make a new claim for IB. In most cases, if a person makes a new claim for Incapacity Benefit (IB), it will be treated as a claim for ESA (see 4.2).

People on IB before 27 October 2008 continue to receive IB. Some people who were previously entitled may be able to re-establish entitlement now via the linking rules. From April 2011 the government intends to move claimants on incapacity benefit to ESA.

Students can continue to receive IB while studying full or part time, providing the national insurance contribution conditions are met. However, IB cannot be claimed if aged under nineteen and attending a course for 21 hours or more a week.

Note: The Social Security Agency will consider whether the fact that a person is able to study means that s/he is capable of work. Working and studying are very different and the person should emphasise the differences such as number of hours involved, tasks involved, flexibility, support arrangements and the level of pressure s/he is under. For example, studying is not as pressurised as working as it is more informal and self motivated.

4.5.1 Bursaries and loans

When calculating entitlement to bursaries and loans, Education and Library Boards take into account the gross taxable income of the student, and of the parent/spouse or co-habiting partner (of the same or opposite sex) where appropriate. Long-term IB and short-term IB (higher rate) are taxable benefits.

4.6 Disability Living Allowance

A person can claim Disability Living Allowance (DLA) while studying full or part time. However, it should be noted that, when assessing continuing entitlement to the benefit, the Social Security Agency will look at how s/he is managing while attending the course.

4.6.1 Bursaries and loans

Education and Library Boards do not take DLA into account in the assessment of income for bursaries and loans.

4.7 Carer's Allowance

Carer's Allowance is a benefit that carers may claim if they look after a disabled person in receipt of:

- the DLA care component at the middle or highest rate;
- Attendance Allowance at any rate; or
- Constant Attendance Allowance paid at the full rate from Industrial Injuries Branch or War Pension Branch.

Care must be provided for 35 hours or more a week and a person must not earn more than £100 a week.

Students in full time education studying 21 hours a week are not entitled to Carer's Allowance.

A Court of Appeal decision (*Bronwyn Wright Turner v DSD*) has confirmed that study undertaken at home as part of a course requirement is counted in assessing the number of hours of study undertaken.

4.7.1 Bursaries and loans

Education and Library Boards take into account the gross taxable income of the student, and the parent/spouse or co-habiting partner (of the same or opposite sex) where appropriate, when calculating entitlement to bursaries and loans. Carer's Allowance is a taxable benefit, except for any increases for children.

5. OTHER ISSUES

5.1 Leaving a course early

A person who leaves a full-time course will continue to be treated as a full-time student unless s/he abandons or is dismissed from the course. However, special circumstances apply if the student has an illness or has caring duties.

5.1.1 Illness or caring duties

A person who has to leave a course temporarily due to ill health or to care for someone cannot claim Income Support, Income-related ESA or Income-based JSA until the day s/he recovers from the illness or relinquishes her/his caring role. Entitlement ends on the first day of the following academic year, or the day on which the person resumes the course, whichever occurs first. A person on DLA (either component at any rate) can claim Income-related ESA during the interruption of the studies.

To qualify, the person must not be getting a student bursary or loan during this period.

No benefit is payable while the person remains ill or still engaged in caring activities.

Unless a person temporarily leaving a course qualifies under Income Support rules in 3.3, s/he will have to leave the course to qualify for JSA or Income Support.

5.1.2 Pregnancy

There may be grounds to claim JSA or Income Support if a student has to suspend her studies due to a pregnancy related illness, or is within eleven weeks of the expected date of birth. Medical evidence will be required.

Note: Pregnancy is not considered to be an illness. For specialist advice on pregnancy and benefits, contact the Law Centre's advice line.

5.1.3 Leaving a full time course and going into part-time studies

The Social Security Agency will not pay Income-based JSA, Income-related ESA or Income Support if a person:

- has started a full-time course; and
- fails exams or does not take exams; and
- retakes a course on a part-time basis unless the Income Support categories in 3.3 apply.

Note: A person leaving a course should seek advice straight away. If attending a university, s/he should contact the Student Financial Adviser at the Student's Union. If attending a college, contact college student services staff or Students' Union advisers.

Advice on benefits and education can be obtained from a variety of sources: Law Centre (NI), www.lawcentreni.org, Citizens Advice (details of nearest office are available in the telephone directory or on the web: www.citizensadvice.co.uk), independent advice centres (details of which are available from Advice NI on 028 9064 5919 or on www.adviceni.net), Skill (for students with disabilities) 0800 328 5050 or an information officer in EGSA on 028 9024 4274.

5.2 Health costs

Students are not automatically exempt from paying for health costs such as eye tests, dental work and other charges unless they fall into the other automatic exemption categories (such as being pregnant or in receipt of certain benefits such as Income Support, Income-based JSA or Income-related ESA) Prescriptions are free in Northern Ireland.

Students are advised to complete a HC1 form available from the local social security office in order to obtain a remission certificate under the Low Income Scheme. It is more advantageous for students to claim from the social security office nearest their place of study.

5.3 Appeals

If a student is unhappy with a decision of the Social Security Agency or HMRC on a claim for benefit or tax credit, s/he has a right to challenge this.

The time limit for appealing is one month from the date of the decision (30 days if appealing a tax credit decision). Students should therefore seek advice quickly from a local Citizens Advice Bureau or independent advice centre.

5.4 Notifying change of circumstances

Students in receipt of benefits should be aware that it is an offence to fail to notify the Social Security Agency of a change of circumstances such as commencing study. A student may also have to pay back any overpayment of benefit.

Advisers should remind their clients of the requirement to notify any change in circumstances.

It is also a requirement to notify specific changes of circumstances to HMRC for tax credit purposes.

5.5 Parents claiming for young people

If a young person is not entitled to Income Support, JSA or Income-related ESA, then parents on JSA, Income-related ESA or Income Support can claim Child Tax Credit, Child Benefit and Guardian's

Allowance until s/he turns 20 years of age, as long as s/he:

- started the course before becoming nineteen;
- is in full time non advanced education; and
- is still living at home.

A parent of an eighteen year old university student cannot claim for the student, because the young person is in advanced education and Child Benefit is no longer payable for her/him.

5.6 Education Maintenance Allowance

A young person who stays on at school or goes to college may be entitled to get an Education Maintenance Allowance (EMA).

EMA is a fortnightly payment of up to £60 for students aged sixteen, seventeen, eighteen or nineteen on or between 2 July 2009 and 1 July 2010. It is paid directly to young people from households with an income of less than £33,062 who stay on in education after they reach statutory leaving age.

The fortnightly payments are intended to help cover the day-to-day costs that a person has to meet when staying on at school or college, such as travel costs, books and equipment for the course.

Note: EMA is not available to any students in Higher Education.

Payment bands according to household income:

- up to £22,331: £30 per week EMA;
- £22,332 - £27,338: £20 per week EMA;
- £27,339 - £33,061: £10 per week EMA;
- £33,062 and above: no payment.

EMA is available to an eligible student who is enrolled on an eligible course for a minimum of fifteen hours guided learning per week. This includes a wide range of courses from NVQ Level 1 Basic Skills up to and including Level 3, and other courses such as GCSEs, GNVQs, and other vocational qualifications. It is payable once s/he has enrolled on a course and started attending school or college.

A bonus payment of £100 will be payable for those who complete the course satisfactorily.

EMAs will not affect any other benefits, eg if a person's only income is Income Support, it will not be reduced if an EMA is claimed.

Bonus payments are normally made three times a year, at the end of each academic term, pending a satisfactory report regarding attendance, course work and progress from the school or college.

Check with the Careers Officer in the student's school or further education college or the Customer Service Team (telephone: 0845 601 7646) for further details.

6. USEFUL INFORMATION SOURCES

6.1 Social security benefits

- As a supplement to this booklet, advisers may find useful the information contained in:
 - *Law Centre (NI) Encyclopedia of Social Welfare Rights* (www.lawcentreni.org/EoR);
 - *CPAG Welfare Benefits & tax credits handbook 201-/2011* (www.cpag.org.uk);
 - *Disability Rights Handbook 2010/2011* (www.disabilityalliance.org).
- Skill (National Bureau for Students with Disabilities) also produces a series of detailed information sheets on benefits, which can be accessed on www.skillinfo.org.uk.
- Other useful websites with information on benefits include:
 - www.support4learning.uk/money/index.cmf;
 - www.rightsnet.org.uk/toolkit.shtml;
 - www.hmrc.gov.uk/taxcredits;
 - www.lpsni.gov.uk.

6.2 Bursaries and loans

A guide to financial support for higher education students in 2010/2011 provides detailed information on grants and loans available to help finance higher education. It is available from Education and Library Boards (ELBs). www.studentfinancenl.co.uk also has information.

The Educational Guidance Service for Adults (EGSA), has produced a series of fact sheets on financing further and higher education and educational trusts. Download copies -from www.egsa.org.uk.

7. WHERE TO GET MORE HELP

Advice on benefits and education is available from a variety of sources.

- College student services staff or Students' Union advisers;
- Citizens Advice (details of your nearest office are available in the telephone directory or on the web: www.citizensadvice.co.uk);
- your local independent advice centre (details of which are available from Advice NI on (028) 9064 5919 or on www.adviceni.net);
- Skill (for students with disabilities) 0800 328 5050;
- the local Education and Library Board.

students & benefits 2010-2011

NUS-USI

42 Dublin Road
BELFAST
BT2 7HN
Tel: 028 9024 4641
Fax: 028 9043 9659
Textphone: 028 9032 4878
Email: info@nistudents.org

LAW CENTRE (NI)

124 Donegall Street
BELFAST
BT1 2GY
Tel: 028 9024 4401
Fax: 028 9023 6340
Textphone: 028 9023 9938
Email: admin.belfast@lawcentreni.org
Web: www.lawcentreni.org

Western area office

9 Clarendon Street
DERRY
BT48 7EP
Tel: 028 7126 2433
Fax: 028 7126 2343
Email: admin.derry@lawcentreniwest.org



Law Centre (NI)



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