Benefits factsheet

Benefits for Carers – April 2020

Carers Allowance is the only benefit specifically for carers. This factsheet explains the rules for getting this benefit. It shows how getting Carers Allowance can have an effect on other benefits. It is important to check whether claiming Carers Allowance is the best option for both the carer and the disabled person.

Carers Allowance – Who Can Qualify?

This is a benefit that can be paid to somebody who provides a lot of care to a disabled person. The carer does not have to be living with the disabled person and does not have to have paid National Insurance contributions. To qualify a carer must meet all of the following conditions:

- Is aged 16 or over
- Is habitually resident in Great Britain and has been here for at least 2 out of the last 3 years
- Provides at least 35 hours care a week (Sunday to Saturday) for a disabled person who gets an appropriate disability benefit (see below)
- Cares for a person who receives one of the following:
  - Disability Living Allowance care component at the middle or higher rate, or
  - Personal Independence Payment daily living component at either rate, or
  - Attendance Allowance at either rate, or
  - Constant Attendance Allowance paid with War Disablement Pensions or Industrial Injuries Disability Benefits at a specified rate
- Is not in full-time education
- Not earning more than £128.00 ‘net’ each week.

Only one person can get Carers Allowance for looking after one disabled person. A person cannot get two lots of Carers Allowance, even if they are looking after two disabled people. Claiming Carers Allowance can help towards qualifying for an additional state pension. It can also help to meet the contribution conditions for benefits like Jobseekers Allowance and contribution based Employment and Support Allowance.

Carers Allowance is £67.25 per week.

Work and Study

People can claim Carers Allowance and do some work. They can earn up to £128.00 net a week. Net earnings are what is left after taking off any tax and National Insurance contributions as well as half of a pension contribution. If the carer has to pay someone to look after the disabled person (or for their child who is aged less than 16) so that they can go to work, some of this cost can be deducted from earnings. Up to half of the carer’s earnings can be ignored when calculating the earnings limit. The ‘substitute carer’ can’t be a close relative.
Example

Julie is the carer for her mother who gets Attendance Allowance. Julie earns £120 per week after tax and National Insurance. Julie pays a neighbour £50 per week to look after her mother while she is at work. This £50 can be ‘offset’ against her earnings. This brings Julie’s earnings down to £70 so she can claim Carers Allowance.

A person can’t get Carers Allowance whilst in full time education. This is defined as 21 hours or more of ‘supervised study’. This includes course work that is done away from the school or college as well as time spent with a teacher or lecturer.

‘Overlapping benefits’

Carers Allowance cannot be paid at the same time as certain other benefits that are said to ‘overlap’. These include Incapacity Benefit, contribution based ESA and Retirement Pension. The person will receive the benefit that pays the highest amount. They are said to have an ‘underlying entitlement’ to the other. This means that lots of older carers can’t actually receive Carers Allowance.

Why it May be Worth Claiming Carers Allowance Even If It Can’t be Paid

A person who gets Carers Allowance or has an ‘underlying entitlement’ to it may be able to get extra help with means tested benefits. This might include Pension Credit, Universal Credit or Housing Benefit. This is because a carer is seen to ‘need’ more money when their benefits are calculated. The extra amount is known as the Carer Amount or Carer Premium which can be worth £37.50 per week.

For people claiming Universal Credit, the Carer Element is £162.92 for each monthly assessment period. The rules are slightly different for Universal Credit, as you don’t have to be getting Carers Allowance to have this element included in the assessment. Carers will need to show that they meet the basic requirements to claim Carers Allowance. For some carers their earnings might be too high to claim Carers Allowance, as long as they meet the rest of the requirements, the Carers Element can be included in the assessment.

Example

Dora and Harold are both aged 75. Harold gets Attendance Allowance. Dora is his carer. They both get Retirement Pension. They also get the Guarantee Credit of Pension Credit.

Dora claims Carers Allowance. She gets a letter saying that she can’t be paid the benefit because she has Retirement Pension, which is more than the Carers Allowance. But the letter also says that she has ‘underlying entitlement’ to Carers Allowance. This means that their Pension Credit increases by £37.50 per week. They should tell the Pension Service as soon as they get the decision on the Carers Allowance.

People who get Carers Allowance or have underlying entitlement to it have their earnings treated differently for means tested benefits like Pension Credit and Housing Benefit. They will be allowed to keep £20 a week from their earnings. Any earnings above this level will reduce their benefit. Universal credit treats earnings differently.

Warning

If the disabled person lives alone it is important to check whether a carer getting Carers Allowance will affect their income. Some disabled people who live alone can get extra means tested benefits if they don’t have a carer getting Carers Allowance.
This affects Income Support, Pension Credit, income based Employment and Support Allowance and Housing Benefit. There is an extra amount, called a Severe Disability Premium or Amount in these benefits. If the carer starts to receive Carers Allowance the disabled person will lose this extra amount.

Time Off From Caring – Holidays, Respite Care and Hospital Stays

Once a person has been getting Carers Allowance for a time they may have temporary breaks in care and still get the benefit. A week runs from Sunday to Saturday when assessing Carers Allowance. That means that day or weekend breaks are unlikely to affect most peoples’ Carers Allowance. As long as the carer provides 35 hours care in a week it will count.

If there is a break in care for a full week or more it may still be possible to get Carers Allowance. They can have up to 4 weeks apart in a 26-week period because of reasons like holiday or respite care. If one of them is in hospital the break can be up to 12 weeks in 26 weeks. However the Attendance Allowance, DLA or PIP must remain in payment. If the disability benefit stops being paid, so does the Carers Allowance. Attendance Allowance, care component and daily living component normally stop being paid after 28 days in a hospital or care home.

It is always best to tell the Carers Allowance Unit in writing about any breaks in caring. This should avoid overpayments of benefit. If benefit is overpaid because a person didn’t tell the benefit office about a change in circumstances then it would be recoverable.

How to Claim Carers Allowance

Claim forms are available from:

The Carers Allowance Unit on 0800 731 0297

The internet at: https://www.gov.uk/carers-allowance/how-to-claim

People of working age who will be claiming Carers Allowance and means-tested benefits are encouraged to claim all benefits online or through Jobcentre Plus. The number is 0800 055 6688.

People who get State Retirement Pension have a shorter application form.

It is possible to get Carers Allowance ‘backdated’. If a carer claims within 3 months of the decision to award the disabled person a disability benefit the carer can get Carers Allowance or underlying entitlement from the date the disability benefit started.

Example

Fred is disabled. Mary is his carer. Fred claimed DLA on 2nd January. He doesn’t get a decision on his benefit award until 1st June. Mary met all the conditions for Carers Allowance throughout this time. As long as Mary submits a claim for Carers Allowance before 1st September she can be paid Carers Allowance from 2nd January.

National Insurance and Credits for Carers

People who receive the Carers Allowance get National Insurance credits for each week that they qualify. These credits can help people to qualify for the State Retirement Pension. If a person only fails to get the Carers Allowance because they get a bereavement benefit and so cannot receive it under the Overlapping Benefit rules, they also receive National Insurance credits.
If they cannot be paid Carers Allowance because they get another benefit like Incapacity Benefit or Employment and Support Allowance they will get credits from those benefits.

Before April 2010 some people who were caring for a disabled person, but who were not able to get Carers Allowance were able to get help towards their Retirement Pension through something called Home Responsibilities Protection. This was a way or reducing the number of years that a person had to have contributions or credits to be able to get a pension.

From April 2010 the Carers Credit was introduced. This is a way of giving National Insurance credits to some people who have caring responsibilities, but who cannot receive the Carers Allowance and so might otherwise miss out on credits.

To qualify, a person must be resident in the UK and meet all of the following conditions:

- Be providing at least 20 hours care per week
- The person they care for must be getting one of these benefits
  - Attendance Allowance at either rate
  - Care component of DLA at the middle or higher rate
  - Daily living component of Personal Independence Payment at either rate
  - Armed Forces Independence Payment
  - Constant Attendance Allowance paid with War Disablement Pension or Industrial Injuries Disablement Allowance
- OR
- If the disabled person does not receive one of the qualifying disability benefits the carer must get a Care Certificate signed by a health or social care professional confirming that the disabled person needs at least 20 hours of care per week.

More information about the Carers Credit and application forms, including a form to get a Care Certificate, are available here.

https://www.gov.uk/carers-credit

This factsheet is a general guide. It is not a full statement of the law.

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