

Getting to Know Devolved Social Security: Carer’s Allowance & Supplement

Carer’s Allowance is a complicated benefit delivered by DWP. It interacts with earnings, tax and other means-tested benefits, as well as being reliant on a “caring test”. Added to this, Carer’s Allowance Supplement now interacts with it, but is paid separately by Social Security Scotland. This briefing should give you a basic understanding of the two benefits but is by no means exhaustive.

	Carer’s Allowance (CA)	Carer’s Allowance Supplement (CAS)
What is it?	A flat rate, non-contributory, non-means-tested benefit paid to full-time carers of someone who is severely disabled.	An extra payment for people in Scotland who get CA, on two particular dates each year. The combined package of CA and CAS is the same level as JSA.
What will it be called?	<p>“Carer’s Allowance” until a new system is introduced after 2025.</p> <p>No new name has been announced, but it is currently called “carer’s assistance” in the Social Security Act.</p>	<p>“Carer’s Allowance Supplement” until a new system is introduced after 2025.</p> <p>It is believed that CAS will be subsumed into a single payment of “carer’s assistance” from 2025.</p>
How frequently is it paid?	Weekly in advance or every 4 weeks.	Twice a year, with each payment covering a 6-month period.
Who gets it?	<p>The carer claiming must:</p> <ul style="list-style-type: none"> • be 16 or over; • spend 35+ hours a week caring for someone (the “caring test”); • meet certain residency and immigration conditions • not be in full-time education (or studying 21+ hrs/wk) • earn less than £128/wk [in 2020-21] after tax and national insurance <p>And the disabled person they care for must get one of:</p>	<p>The carer must:</p> <ul style="list-style-type: none"> • live in Scotland; and • be getting Carer’s Allowance payments; on • two particular dates each year. <p>As the payment is made six-monthly, the use of the “particular” dates confirms they were actively receiving <u>a payment of CA</u> at a specific time.</p> <p>In 2019, those dates were (and may change in 2020):</p>

	<ul style="list-style-type: none"> • Personal Independence Payment <u>daily living component</u> • Disability Living Allowance <u>middle or highest care rate</u> • Attendance Allowance • Constant Attendance Allowance [<u>at certain rates</u>] • Armed Forces Independence Payment 	<ul style="list-style-type: none"> • 15 April 2019 (payment on 24 June 2019) • 14 October 2019 (payment on 13 December 2019)
What is it worth?	<ul style="list-style-type: none"> • £67.25pw [2020-21] <p>If the carer gets other benefits, they may not receive any CA funds, due to the “overlapping benefit rule”. However, they should maintain a live claim for CA to gain carer “premiums” for things like Universal Credit.</p> <p>The disabled person will lose severe disability premiums in their own means-tested benefits.</p>	<ul style="list-style-type: none"> • £230.10 twice a year [2020-21]
What if you work?	<p>The carer can continue to get the benefit if they earn under £128pw [2020-21] but earning just a penny more means they will lose that week’s payment.</p> <p>The DWP should be informed of any payments over £128pw, and earnings more generally as they may agree to average out fluctuating earnings.</p> <p>CA is taxable.</p> <ul style="list-style-type: none"> • A welfare rights advisor will be best placed to advise if they are on the right combination of benefits. 	<p>Work does not directly affect a payment of CAS, but if their CA is affected by earnings, they will not be entitled to CAS.</p> <p>CAS is taxable. Other benefits are not affected.</p>

Where does a constituent apply?	Applications should continue to be made with the DWP until 2022 at carersallowance.service.gov.uk/allowance-benefits	They don't. The payment is made automatically by SSS, though the carer will get a letter before payment is made.
How it be delivered?	<ul style="list-style-type: none"> • By DWP until 2025. • Case transfers [to SSS] are due to start in 2022. 	By SSS.
When will the SSS start delivery?	<p>SSS will start taking new applications in early 2022.</p> <p>It is unclear if SSS will deliver a merged benefit from 2022 or is the payments will be replicate their current form.</p>	SSS began delivery in September 2018.
What does the application involve?	<p>An online or 28-page paper form.</p> <p>The carer is required to enter details about their income, including P45 information, as well as details about the disabled person (national insurance number). It takes about 3 weeks to be processed.</p>	Not applicable. See above.
What else comes with it?	<p>Exemption from the benefit cap.</p> <p>Some councils provide Council Tax Reduction support.</p> <p>Carer premiums (in UC, JSA, ESA, etc).</p>	None.
How many people benefit?	83,000 in 2020-21 (SFC forecast)	
How much does it cost?	£292m in 2020-21 (SFC forecast)	£39m in 2020-21 (SFC forecast)

What is the Scottish Government planning to change?

The Carer's Allowance Supplement increased the overall package of Carer's Allowance support, to an amount equivalent to JSA. The Scottish Government introduced this in September 2018, however delivery of CA remains with the DWP. Cases are expected to start transferring from the DWP to SSS in 2022 and will take up to 3 years to complete.

The Scottish Government has committed to consult on improvements to CA in 2021, however these changes would not be implemented until the case transfer process completes in 2025. A Young Carer Grant (£300pa) was introduced in 2019, and parents who are carers of more than one disabled child will start to receive an additional payment of CA/CAS in 2021.

What would we do?

Labour supported increasing CA to the same rate as JSA in our 2016 manifesto. In February 2019 we used Labour business time to demand that CA, CAS and the earnings threshold were uprated by RPI [typically more generous than CPI] in order to unravel a Tory cut introduced in 2011. The last Labour Government used RPI to uprate social security.

[In 2018 Labour published a discussion paper](#) seeking views on a range of improvements it would introduce to CA. The Scottish Policy Forum is now taking forward several key responses from that paper, including opening up CA to those in full-time education, allowing carers to earn more without losing their benefit, and considering how a Minimum Income Guarantee for carers would be introduced.

Acronym and jargon buster

CA: Carer's Allowance	
CAS: Carer's Allowance Supplement	
JSA: Jobseeker's Allowance	
SSS [Social Security Scotland]: the new social security agency set up by Scottish Ministers. It is headquartered in Dundee with another office in Glasgow.	
DWP: Department for Work and Pensions	
SFC: Scottish Fiscal Commission	
UC: Universal Credit	
RPI: Retail Prices Index	
CPI: Consumer Prices Index. Usually the September rate is used to uprate benefits the following April, i.e. benefits will increase in April 2020 by the September 2019 rate of 1.7%.	
Personal Independent Payment [PIP]:	The main disability benefits for working age people delivered by the DWP.
Disability Living Allowance [DLA]:	
Daily living component:	PIP & DLA are made up of components for caring need and to help with mobility. The Daily Living and Care components are paid to support the cost of paying for care and support.
Care component:	
Means-tested benefit: a benefit payable to someone/a household which has an income and/or capital below a certain amount. In contrast disability benefits are "non-contributory benefits" paid regardless of income, so long as you meet the disability test.	
Premium: universal credit and tax credits are made up of certain "chunks" of money. For example, if you are severely disabled, or a carer, an extra chunk of money would be added to the overall benefit (i.e. a disability or carer premium). There are no premiums in CA or CAS.	
Overlapping benefit rule: this rule applies when, on paper, the person appears to qualify for two benefits with similar purposes (i.e. the rules overlap). They can only be paid once, and though they will receive a combination of the two, the amount will be equal to whichever is worth more.	
Earnings threshold: in 2020-21 a carer can earn £128 after tax without losing CA. There is no taper and limited flexibility, so if they earn a penny over, they lose all of their CA for that week.	

Further reading

UK Government information: [Carer's Allowance](#)

Scottish Government information: [Position Paper, February 2019](#)

Jargon buster: [Turn2us Jargon Buster](#), Turn2us