

## **Benefit Changes in the HM Treasury Spring Budget 2014**

| Area of Benefits Affected  | Benefit Change  | reference       |
|--|---|-----------------|
| <b>New scheme of Voluntary National Insurance contributions (VNICs) to allow pensioners to top up their Additional State Pension</b> | For 18 months from October 2015 and available to everyone reaching State Pension age before 6 April 2016. <i>This will help pensioners with savings who increase their State Pension, and could particularly benefit those with gaps in their Additional State Pension record, such as the self-employed and women who have taken time out from work to raise children.</i>   | 1.174           |
| <b>Universal Credit Plans</b>  | These remain that couple claims in some pathfinder areas will start in the Summer 2014, and national rollout should be complete by 2016. 85% child care costs will be payable under Universal Credit. <i>This should incentivise work further for those with childcare costs especially as work allowances(or earnings disregards) tend to be more generous and child care costs are allowable for any number of hours worked under Universal Credit.</i> | 1.181,<br>1.183 |
| <b>Support for Mortgage Interest</b>   | To continue at its enhanced level until 31/3/2016. <i>The enhanced level has operated throughout the recession and allows earlier payment of mortgage housing costs at 13 weeks(instead of 39 weeks) and an upper limit of outstanding loans allowable of £200,000(instead of £100,000).</i>  | 1.186           |
| <b>Increased Child Benefit and Child Tax Credit compliance checks on EEA nationals</b>   | Will apply to new and existing claims.  | 1.197           |
| <b>Increased recovery rates for Tax Credit Debts</b>   | For those with higher incomes.  | 1.207           |
| <b>Carer Allowance Income Level</b>  | Increase of the earnings level above which Carers Allowance is not payable from £100 to £102 from May 2014. <i>This is a means testing rule that sits within Carers Allowance(which is on the whole non means tested).</i>  | 2.100           |
| <b>Employment and Support</b>  | From October 2014, new claimants of both types of ESA will have to serve a 7 day waiting period. <i>This extends the</i>  | 2.102           |

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|--------------------|---|------|
| <b>Allowance</b>   | <i>normal waiting period of 3 days.</i>   |      |
| <b>Welfare Cap</b> | <p><i>This caps the rate of the rise of certain benefits each year. Set initially at £119 billion for 2015/16 and rising each year, with inflation. Forecasts are £122 billion in 2016/17, £124.6 billion in 2017/18 and £126.7 billion in 2018/19. About half of the budget for Benefits will be affected. Claimants of the following benefits are included- Attendance Allowance, Bereavement benefits, Carer's Allowance, Christmas Bonus, Disability Living Allowance, Employment and Support Allowance, Financial Assistance Scheme, Housing Benefit (except HB passported from JSA), Incapacity Benefit, Income Support, Industrial injuries benefits, In Work Credit, Maternity Allowance, Pension Credit, Personal Independence Payment, Return to Work Credit, Severe Disablement Allowance, Social Fund – Cold Weather Payments, Statutory Adoption Pay, Statutory Maternity Pay, Statutory Paternity Pay, Universal Credit (except payments to jobseekers), Winter Fuel Payments, Personal Tax Credits, Child Benefit and Tax-Free Childcare .</i></p> | 1.76 |

This won't include the Basic and additional State Pensions and expenditure related to recessions; JSA and JSA-passported Housing Benefit expenditure and, following the introduction of Universal Credit, to jobseekers within the Full Conditionality group of Universal Credit with no net earnings.

Budget date 19 3 2014

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