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FRS Interviewer Guide to

Savings

Mortgages

Pensions

Benefits and Credits

Updated February 2019

Note: this Guide is for interviewer use only.

It has been designed to give FRS interviewers a basic picture of the things they will be talking about as part of the survey.

It is not intended to be an authoritative statement on savings / mortgages / pensions / state benefits.

Contents

SAVINGS AND INVESTMENTS

The FRS asks adults about all liquid assets, that is, money held in accounts and investments, because these financial holdings can affect people's eligibility for means-tested benefits. There are a huge variety of financial products available. For convenience, the FRS distinguishes three main types:

Accounts	Cash holdings for day to day use and for longer term savings
Investments	Investments in the financial markets, e.g. ISAs, Unit Trusts, stocks and shares
National Savings & Investments (NS&I)	Investments issued by National Savings and Investments

After Tax or Before Tax?
Many savings products are not subject to tax at all (the interest is tax-free), for example ISAs, Premium Bonds and Savings Certificates.

Other accounts and investments typically pay their interest after tax ('net of tax'). Here, the bank/building society/provider deducts the tax due and pays it directly to HM Revenue and Customs. Sometimes the interest after tax may not be separately identified, though it is usual for there to be a once-a-year statement of the tax paid by the account holder. And there remain accounts where tax is not deducted, and the interest is paid on a gross basis, notably from National Savings & Investments.

The FRS caters for these possibilities by asking whether interest recorded is 1) after tax, 2) before tax but tax has been/will be paid, or 3) before tax because the person is a non-taxpayer.

Non-taxpayers, e.g. children, students, non-working spouses, and some retired people, can fill in a form to register their accounts with HM Revenue and Customs, and thereby receive the interest gross of tax (National Savings and Investments is not part of this scheme). With other investments, or on accounts that haven't been registered, non-taxpayers may be able to claim back the tax deducted from HM Revenue and Customs.

A note on the term 'Bonds'
There are at least 3 financial products which use the name 'bonds'. Best-known are *National Savings & Investments products*, such as Income Bonds, Guaranteed Income Bonds, Guaranteed Growth Bonds, and Children's Bonus Bonds (now called Children's Bonds). The FRS records these separately from other investments.

Friendly societies, insurance companies and banks and building societies issue 'bonds', whereby sums are deposited, long-term, to earn high rates of interest. On the FRS these are *not* counted as investments as they cannot be bought and sold on the financial market, and so are included with bank/building society, etc. savings accounts.

Less common are bonds issued by *private companies ('corporate bonds'), foreign governments, local authorities and others* in order to raise money. These *are* counted as investments on FRS, along with other holdings of stocks, shares, etc. as investors can usually trade these securities on the financial market.

A note on the Child Trust Fund (CTF) and Junior ISAs

Introduced in April 2005, the CTF was a long-term investment & savings account for children born between 1 September 2002 and 2 January 2011. Eligible children received a starter voucher of £250 to be paid into an account from a registered provider. A further payment was received when the child turned seven.

CTFs have been replaced by Junior Individual Savings Accounts (JISAs) as the main tax-free savings account for children. Eligible children must be under 18 and living in the UK. There are 2 types of Junior ISA; cash Junior ISAs, and stocks & shares Junior ISAs. A child can have both types. There is a limit on annual payments into JISAs.

CURRENT & SAVINGS ACCOUNTS

Current Account

Such an account is normally with a bank though building societies, some shops and online providers are now common. It’s used for day-to-day transactions and will have a debit card, and generally offers both the facility to withdraw cash by means of a card and an overdraft. Internet banking / telephone accounts <u>should be</u> included here. Any interest on such accounts will normally be minimal. The majority of FRS respondents will have a current account.

Basic Bank Account or Post Office Card Account

From April 2003, many benefits and some tax credits became payable by transfer directly into a bank or building society account. These accounts were introduced to allow those who did not have or want a current account to receive money directly.

Basic (or Starter) Bank Accounts are offered at high street banks and building societies, and the Post Office has introduced the Post Office Card Account for this purpose. These should be coded separately at the question ‘Accounts’ but thereafter will be treated in the same manner as a current account.

Individual Savings Account (ISA)
ISAs are tax-free savings accounts. They were introduced to replace TESSAs and PEPs, all of which automatically became stocks & shares ISAs in April 2008.

Until 5 April 2005 there were 3 components – cash, securities (stocks and shares, unit trusts, etc.) or life assurance. Following this date the life assurance ISA merged with the stocks and shares leaving two components. These components could be held singly (known as ‘mini ISAs’), or collectively (known as ‘maxi ISAs’), but this distinction ended as of 6 April 2008. Individuals are now able to subscribe to a cash ISA, a stocks & shares ISA or both. The annual limit for savings is £20,000, which can be split between cash and stocks & shares ISAs, or wholly put into one of these.

Savings or investment account
Savings accounts go by several names, including 'deposit' accounts, ‘bonds’ and ‘investment’ accounts. Such ‘bonds’ are not intended for day-to-day transactions, with a period of notice for withdrawals. Interest can be paid yearly, half-yearly, quarterly, or monthly, based on the amount of money in the account as well as interest rates.

National Savings & Investments (accounts)
Several types of account are administered by NS&I on behalf of Her Majesty's Government. Some of these are now closed to new deposits:

Investment Account
On 21 May 2012 the Investment Account changed from a passbook account to a postal savings account and account holders could no longer transact in the Post Office. This account has a minimum investment of £20 and maximum holding of £1 million per person. Interest is gross, before tax (but is taxable) and is credited annually on 31 December.

Direct Saver Account
Launched on the 8 March 2010. This account has a minimum investment of £1 and a maximum holding of £2million per person. Interest is gross, before tax (but is taxable) and is credited annually on 31 March.

Post Office Ordinary Account (closed)
From 29 January 2004 no new accounts were allowed to be opened and from 31 July 2004 all existing account holders were asked to transfer their accounts to the Easy Access Savings Account. In 2008 any funds remaining in an Ordinary Account were moved to the 'Residual Account'.

Easy Access Savings Account (closed)
From 28 November 2011 no new accounts were allowed to be opened, and all existing account holders were asked to transfer their accounts to the NS&I Direct Saver account or the Postal Investment Account. From 27 July 2012 the Easy Access Savings Account fully closed and any funds remaining in the account were moved to the Residual Account.

Credit Unions

Similar to mainstream building societies, members can deposit as much or as little money as they like as often as they wish to. Loans can also be taken out. Dividends are usually paid out annually, typically around 2-3%, but they can be higher (the maximum legal limit is 8%).

INVESTMENTS

Government Gilt-Edged Securities

Gilts raise money for the UK Government by offering a secure investment, usually over a fixed period and with a fixed rate of interest, although some are index-linked. They are regarded as a safe investment, hence the name 'gilt-edged'.

At the end of the fixed term, the holder is repaid their original purchase price. Until that point, interest is paid half-yearly, before tax, if bought from the National Savings Stock Register. Gilts can be freely bought and sold and the value of the gilt is its current market price.

Gilts can be ‘shorts’ (up to 5 years to redemption date), ‘mediums’ (5 to 15 years) ‘longs’ (over 15 years). Historically, there were also *undated* gilts with no redemption date - some issued during World War 1 - but these were all redeemed in 2015.

For the FRS **it is important to get the name of the gilt** from its certificate (e.g. 'Treasury 7.25%') the year in which it will be repaid (called the redemption date) and the period plan. *Note: Gilts reported to be part of a Personal Equity Plan (PEP) will now be part of an ISA, and should be coded as such.*

Stocks, Shares, Bonds, Debentures, other securities
Types of investment usually bought and sold on the financial market. A **share** is a single unit of ownership in a company. The units are of equal value, hence 'equities'. (Please record whether the shares are ‘ordinary’ shares or ‘preferential’ shares to enable the value to be determined). **'Stocks'** is the general term for various types of security issued by companies. **Bonds** and **debentures** are two ways to attract investment in the form of loans: others include unsecured loan stock and convertible loan stock. (Bonds issued by foreign governments and local authorities should also be recorded here.)

Unlike shares, where dividend earnings may fluctuate, bonds give a fixed-interest return. They are issued for a set period, during which time they can be traded by investors; at the end of the period they are redeemed at the original price. Dividends on shares and interest on bonds and other loans are typically paid half-yearly, net of tax. The value of these holdings is their current price on the financial market.

*Note: if held in a PEP or ISA, then code under **ISA**.*

Note: A few investors may hold stocks and shares that cannot be publicly traded, e.g. in 'private' companies not listed on the Stock Exchange. If this is the case then enter the price of the investment and the date of purchase at FRS ‘Assets’ questions.

Funds (sometimes known as Unit Trusts)
These offer a means of investing in the stock market whilst mitigating the risks of share prices falling.

Here, many individuals’ contributions are pooled into a single fund, which a fund manager uses to buy shares, stocks, gilts, etc in bulk. This person makes buying and selling decisions on behalf of the investors, altering the makeup of the portfolio; Investors are said to hold 'units' in the fund, and are usually free to withdraw their money at any time (technically, this is selling their 'units').

Dividends are paid net of tax (and usually half-yearly), but some funds reinvest them back into the fund by purchasing further assets. Added to this, the value of the units themselves can go up over time, and investors will look for a track record of this growth when choosing which fund to invest in. Offsetting this gain, there are usually annual charges, deducted from your investment; these can be as little as 0.2% for a 'tracker' fund which automatically follows the FTSE 100 index. But for an actively managed fund, with 'top pick' shares chosen by the fund manager, fees are usually over 1% annually.

Enter the full name of the company and the investment. *Note: a Fund 'held in a PEP' should be coded as an ISA.*

Investment Trusts
Pooled schemes are similar to Unit Trusts/Funds, letting people invest together in markets that they may not be able to reach as individuals. The difference is that the Trust is a company, and investors hold shares in that company, rather than directly in its various investments. For FRS purposes, the value of a shareholding is its current market price. *Note: if 'held in a PEP' then code under ISA.*

ICVC / OEIC
For the FRS, Investment Companies with Variable Capital (ICVC) and Open Ended Investment Companies (OEIC) should be coded as Unit Trusts/Investment Trusts. All OEICs should be ICVCs and there is little difference between them and Unit Trusts apart from the structure of the fund, plus the fact that ICVCs have a

single price rather than separate ‘buy’ and ‘sell’ prices (a bid-offer spread).

Miscellaneous
The *Moneyspinner Account* is a with-profit savings plan available to the police through Police Mutual. Other Police Mutual products include the *Gold* and *Silver* accounts and the *Platinum Bond*.

Endowments not linked to property
Endowments originally taken out to pay for a property can be held solely as an investment (rather than with the intention of paying back a loan on a property). A decline in their value has meant that for many they are not worth enough to pay back a loan on a property.

BONDS - NATIONAL SAVINGS AND INVESTMENTS

Premium Bonds (NS&I)
These don't earn interest, but are entered in a monthly draw for tax-free monetary prizes. The top prize is £1 million.

Capital Bonds (NS&I)
Capital Bonds have a minimum purchase of £100 and maximum holding of £1 million. Interest is fixed for 5 years, and is credited annually, gross (before tax), but is taxable. *For the FRS it is important to obtain the series number.*

Income Bonds (NS&I)
These bonds have a minimum purchase of £500, and a maximum of £1 million, sole or joint. Interest is paid monthly, before tax (but taxable), into a bank/building

society or similar account. *On the FRS, please be sure to differentiate clearly between National Savings Income Bonds and National Savings Deposit Bonds.*

Children's Bonds (NS&I)
(Nicknamed Baby Bonds) are long-term tax-free investments for children, with interest rates guaranteed for 5 years at a time, and a special bonus on every fifth anniversary of purchase. Anyone over 16 can buy bonds for anyone under 16. Any sum from £25 to £3,000 can be invested per child in the current issue. The bond will accrue low interest in the early years, but sustain a large 'bonus' on the five year anniversary of purchase or whenever the child reaches 21 years of age. Any bonds bought, or that will mature and continue to be invested, on or after this date will accrue the same rate of interest for each year of the investment (there is no longer a bonus).

Guaranteed Equity Bonds (NS&I)
A 5-year investment, giving a return linked to the performance of the FTSE. If the FTSE increases in value the investment will increase up to a specified maximum percentage. If it loses value, the investor will get their original sum back, so it offers potential for stock market growth with no risk to capital. These bonds have a minimum investment of £2,000 and a maximum of £1 million.

Savings Certificates (NS&I)
There are two types of investment for lump sum savings: Fixed Interest and Index-linked certificates (where the value is linked to changes in the Retail Prices Index). These have a minimum investment of £100 and a maximum investment £15,000. –Fixed Interest investments have terms of 2-5 years, Index-linked 3-5 years. The interest on both investments is tax-free.

Fixed Rate Savings Bonds/FIRST Option Bonds/ Guaranteed Income Bonds/ Guaranteed Growth Bonds (NS&I)

FIRST Option Bonds were replaced with Fixed Rate Savings Bonds in 1999. People who held FIRST Option Bonds from before October 1999 can keep them and receive interest at the rate for a one year Fixed Rate Savings Bond. Fixed Rate Savings Bonds can be purchased with the interest guaranteed for 1, 3 or 5 years. Interest can be credited annually or monthly and is paid into a bank or building society account or added to the value of the bond. The minimum holding is £500 and the maximum holding is £1 million. *For the FRS it is important to obtain the month and year of purchase, the issue, the value, the length of period (1, 3, 5 years) and whether or not interest is paid monthly or accrued to the bond.*

In February 2008, Fixed Rate Savings Bonds were re-launched as two distinct investments, the Guaranteed Income Bond and the Guaranteed Growth Bond. People who held a Fixed Rate Savings Bond will have had it converted into either of these Bonds, depending on whether they chose the income or growth option when they invested.

Pensioners Guaranteed Income Bond (NS&I) (no longer sold)

Only available to people over 65 years old, this bond pays out monthly interest before tax at a fixed rate for either 1, 2 or 5 years. The interest is taxable and it has a minimum investment £500. Money can be withdrawn early, but there is a 60 or 90 day interest penalty.

Save-As-You-Earn (NS&I/Bank/Building Society) (no longer sold)

A government scheme which allowed tax concessions to persons making regular savings from their salaries into certain building society, bank and National Savings & Investments accounts. Although National Savings SAYEs were abolished in November 1994, previous schemes remain valid. Bank and building society schemes still exist. Under some of these schemes people can save money to purchase share options tax-free, provided it has been approved by HM Revenue and Customs. Under these schemes you pay a fixed monthly amount over 3, 5 or 7 years with fixed interest.

Yearly Plan (NS&I) (no longer sold)
Yearly plan certificates can still be held, though new applications stopped in January 1995. Under the scheme monthly standing order payments of £20 were made (to a max. of £400); after 12 months a Yearly Plan certificate was issued. The certificates earn tax-free interest, paid monthly, and reach maturity value after 4 years. After the 4th year, interest is paid 3-monthly at a lower rate.

Note: Except for CTF/JISA **children** are not asked about individual accounts held or the income from them, just whether they have any savings. They are also asked to give the total amount held (in bands) and this will include all types of savings mentioned above.

MORTGAGES

The FRS asks about owned accommodation and mortgages taken out to purchase a property and also re-mortgages. There has been a recent move towards more of the new types of 'flexible' mortgage accounts. This document outlines the different types, and combinations of mortgages (including both the traditional and the new style options) currently available.

Repayment Mortgage
Payments are made that cover both the interest on the loan and the amount borrowed.

Money borrowed is repaid gradually over an agreed period (e.g. 20-25 years). Charges may be applied if the loan is paid off early.

On top of this the interest incurred on the loan outstanding is also paid.

Sometimes a mortgage protection policy is taken out with an insurance company. This ensures that in the event of a death there is enough money to pay off the outstanding mortgage. This is ***NOT,*** however, the same as an endowment policy.

Some borrowers may combine a repayment mortgage with an endowment (or interest only) mortgage as a single arrangement, whereby both interest only and interest and capital elements are combined into a single regular payment.

Interest Only Mortgages

Payments are made to the lender to cover only the interest on the loan. In many cases linked investments are taken out to pay back the original amount borrowed when the term ends.

a) Combined with linked investments, e.g. Unit trust, ISA
   OR
b) No linked investments - will only be paying off the interest on mortgage.

However, some borrowers do not set up an investment or savings scheme.

Pension Mortgage (no longer sold)

The interest on the mortgage is paid to the lender, and in addition a pension is set up into which monthly contributions are paid. The objective is to repay the mortgage with the personal pension plan at the end of the agreed mortgage term.

Endowment Mortgage (no longer sold)

The interest on the mortgage is paid to the lender and in addition a separate endowment policy is arranged, into which contributions are paid. This endowment is then invested in stocks and shares, the value of which can increase or decrease. When the endowment policy matures the money earned is used to pay off the outstanding mortgage in full, though some payments have fallen short of doing so in recent years.

Unit Trust / ISA Mortgages (no longer sold)

In all cases only the interest is paid to the lender.

i) **Unit trust** - monthly investments are made into a unit trust savings plan. Depending on stock market prices it may be possible to pay off part of the loan before the final instalment.

ii) **ISA** - again contributions are made.

It is possible to have more than one type of linked investment. For example one could have a combination of ISA's and endowments.

For all of these accounts the aim is to use the investment to pay off the mortgage in full at the end of the agreed period.

Flexible Mortgages

Here, mortgage repayments can be varied from month-to-month and may not necessarily be a separate entity from other financial areas such as loans, savings and current accounts. Flexible mortgages allow more control over how the original loan is paid back. The amount paid each month can change according to personal circumstance, allowing the borrower to tailor repayments to their own needs. It is possible to make lump sum payments, to make overpayments/ underpayments or to have payment 'holidays'. It is also possible to repay the mortgage early, but the total amount borrowed must be paid off in full by the end of the agreed period.

Other features/benefits may include:

- No redemption penalties (for choosing early repayment)
- Current account facilities
- Daily/Monthly calculation of interest (as opposed to annual)

Flexible mortgages can be repayment, endowment or other investments.

All-in-one-Accounts
This is one of the most popular types of flexible mortgage.

There are 2 types of All-In-One accounts;

i) **Current Account Mortgages**, e.g. The One Account (RBS) and NatWest One

This allows all finances to be kept under 'one roof' - rather than having a separate mortgage and current account, both are kept together and the funds in the current account are used to offset the interest of the mortgage balance. So for example

A borrower may have a mortgage balance of £60,000 and £2,000 in the current account (their salary is likely to get paid into this account) so is only charged mortgage interest on £58,000. It's akin to having a huge 'overdraft' that slowly over time gets paid off.

As well as combining the current account with the mortgage, it is also possible to combine savings, credit cards and loans resulting in one overall account with one outstanding balance

ii) **Offset Mortgages**, as offered by several high street banks including Santander and Barclays

This is similar to the Current Account Mortgage in flexibility. Again the mortgage interest is calculated based on the overall outstanding balance made up from debits and/or credits acquired from mortgage, loans, current account, savings and credit cards. So it incorporates many of the benefits seen in the All-in-one accounts. The difference is that although the mortgage is linked to the current account/other savings, separate accounts are still kept, rather than having one account overall balance. Money can still be easily transferred between the different parts of the offset mortgage.

Islamic Mortgages
Islamic mortgages allow Muslims obeying Sharia Law to own property. Under Sharia Law, both paying for and receiving interest is forbidden. With these types of mortgages, a property is purchased on behalf of the client, and is leased back to them over a fixed term. Once, the purchase price is paid in full, the property transfers from the lender, to the client. *For the FRS, This type of mortgage should be recorded as 'another type' of mortgage at the question 'MortType'.*

Buy-to-let Mortgages
Buy-to-let mortgages are for those properties purchased for investment. Mortgage lenders in the buy-to-let scheme will take account of rental income likely to be achieved from a property. *Do **not** include these in questions about mortgages. The FRS is only interested in mortgages where the respondent is actually resident in the property.*

PENSIONS

There are many types of pension schemes with different tax relief and contribution arrangements, and varied ways of building up the pension. Some pension schemes are employer-sponsored, others are set up by an individual in their own right, and a small number are set up on behalf of another family member.

What is a pension?
A pension is a source of income in retirement.

There are a number of different types of pension, they are classed as either:

• **State pensions** – these include the basic State Pension and, from 6 April 2016, the new State Pension.

• **Private or non-state pensions** – these include occupational pensions (also known as work or company pensions) and personal pensions (including stakeholder pensions). People can have several different non-state pensions at once, but they may not be allowed to make contributions to all of them.

State Pension
The basic State Pension is paid by the Government to people who have reached State Pension age before 6 April 2016. If you reach State Pension age on or after this date, you can claim the new State Pension.

Additionally, people reaching State Pension age on or after this date will not be eligible to claim Second State Pension. You qualify for state pension by paying or being credited with National Insurance (NI) contributions, for example, by qualifying for Home Responsibilities Protection (HRP). Most employers take NI contributions out of your wages. If you are self-employed, you are responsible for paying your own NI contributions.

Occupational pensions ('company pension', 'employee' or 'workplace' pension)

Company pensions are known formally as occupational pension scheme. Another term that is sometimes used, particularly for schemes set up before the 1990s, is 'superannuation schemes'.

Here, an employer arranges a pension for their employees when they retire. Some schemes offer side benefits such as life assurance or a continuing pension for their dependants should the employee die before them.

Self-employed people are normally not eligible to belong to an occupational pension scheme, the main exceptions being doctors and dentists.

Employees making contributions from wages are 'active members' of the scheme. The scheme is directly connected to one's job. If you leave your job, you may not be able to transfer your occupational pension to your new employer's scheme. If you do *not* transfer your pension to your new employer, you continue to hold the pension from your previous employer's scheme; these entitlements are called 'preserved benefits' or 'deferred rights' and the individual is a 'preserved member' or 'deferred member' of the scheme.

People who have benefits in a previous employer's occupational pension scheme can join a new employer's occupational pension scheme, but they cannot continue to pay into the old scheme as well as the new one.

There are two main types of occupational pension:

i) **Defined-benefit (DB) schemes** (commonly referred to as “final salary” schemes, but including several other setups such as career-average, salary-related or superannuation schemes)

A DB scheme pays a retirement income based on your salary and how long you have worked for your employer. It is generally only available from public sector or older workplace pension schemes.

You and your employer contribute to the scheme. A group of trustees then looks after scheme members’ interests (which is also the case for occupational DC schemes, please see below). On rare occasions, schemes are ‘non-contributory’ with the employees making no payments in.

ii) **Defined-contribution (DC) schemes** (also called “money purchase” schemes)

This type of scheme builds up a pension pot for employees, based on cash contributions. These can be made by you, your employer, or both, usually by deduction from salary. In some schemes, including ‘Smart’ pensions and some salary-sacrifice schemes, all contributions are made by the employer and the employees don’t make any contributions.

These contributions build up over time and are put into various types of investments, including shares. At retirement, the amount in your pension pot is based on how much has been paid in and how well those investments have performed. Many “company pensions” are now DC schemes but there are a range of ways of running them, including via an insurance company or master trust provider.

Individual Personal pensions

Unlike occupational pensions, this type of pension is not connected to one's workplace. An individual personal pension is one which people set up for themselves, by contacting a financial services provider. This means that individuals can continue to contribute to the same personal pension if they move jobs. These pensions are the most common arrangement for people who are self-employed.

In terms of their setup, these follow the DC model, with the money saved being put into investments such as bonds or shares. At retirement, the size of your fund will depend on the total amount paid into the scheme over the years, plus how the investment has grown. At retirement, the fund can be used in a variety of ways (outlined below in the Pension Freedoms section).

Group Personal Pensions (GPPs)

Some employers who do not offer their own company (occupational) pension scheme may arrange for a pension provider to offer all employees a personal pension instead. This arrangement is called a Group Personal Pension (or sometimes Group Self-Invested Personal Pensions). When you leave your job, you can continue contributing into your GPP, but your employer will stop making contributions, and you may lose any special terms that your employer has negotiated for the group scheme.

Stakeholder Pensions (SHPs)

Stakeholder Pensions (SHPs) are a special type of low-charge personal pension. As with other types of DC pensions, the money you save is invested and the amount you get when you retire depends on the total amount of money paid in, and how the investment has grown. At retirement, this fund can be used to buy an annuity from an insurance company that will give you a regular income.

SHPs are suitable for people who are self-employed, moderate and low earners, and those who do not have an income of their own but can afford to save for a pension (e.g. women on a career break). SHPs can also be set up for children.

Like personal pensions, SHPs are sold by insurance companies, some banks and building societies, as well as by some trade unions. As with GPPs, employers can make an arrangement with a pension provider and offer their employees a "group SHP" scheme (GSHP).

There are some differences between SHPs and other types of personal pensions. SHPs have to meet certain standards set by the Government to make sure they offer value for money, flexibility and security:

- The charges are capped;
- There are low minimum payments;
- They are more flexible than many other private pension schemes – you can choose when and how often you pay into the scheme and there are no penalties if you miss a payment; and
- Other people, as well as an employer, can pay into a SHP on your behalf. That means that partners or other family members can help you to save for your retirement.

Note: Some pensions introduced shortly before 2001 adopted SHP standards and were called 'Stakeholder Compliant' pensions. These should be treated as stakeholder pensions in FRS.

Self-Invested Personal Pension Schemes (SIPPs)
SIPPs are another type of DC pension where the individual controls the management of their own investments directly. SIPPs are designed for people who want to manage their own fund by dealing with, and switching, their investments when they choose. They decide which assets are bought, sold or leased and when assets are acquired or disposed of.

Retirement Annuity Contracts (RACs)
RACs were pension schemes open to the self-employed and employees who were not members of their employer's occupational pension schemes. These pension arrangements were withdrawn from 1 July 1988 when personal pension schemes were introduced. Although no new RACs can now be set up, some people still have these pension arrangements as individuals who were already contributing to an RAC at that date were permitted to continue to make contributions.

Additional Voluntary Contributions (AVCs) & Free-standing Additional Voluntary Contributions (FSAVCs)
AVCs are further employee contributions made by an employee in a DB occupational scheme. Contributions are paid at a level over and above the normal requirement, and to obtain additional benefits, usually a higher pension in retirement. These either allow an employee to buy additional months or years of membership in the employer’s DB pension scheme, to increase the benefit received at retirement; or sometimes to build up a separate DC fund, alongside a DB pension.

Contracting out
Until 6 April 2016 all employees with earnings above an annual Lower Earnings Limit (LEL) have been automatically included in the additional State Pension scheme – State Second Pension.

From 1978 to 6 April 2016, members of an occupational pension that meets certain requirements could ‘contract out’ of the additional State Pension scheme. Employers and employees paid lower NI contributions, but the employees got a reduced entitlement to the additional state pension.

From 1988 to 6 April 2016, employees with a personal pension (or since 2001, a SHP) could also opt to ‘contract out‘ if they thought it will give them a higher income, or other benefits, when they retire. They paid standard rate NI contributions, but an annual NI rebate was paid into their personal pension or SHP in addition to other contributions. For some personal pensions, the NI rebate is the only contribution – these are often called ‘rebate only’ pensions.

A note on DB pensions now paid as annuities
The gradual closure of DB schemes has meant that an increasing number of them have transferred their pension liabilities to insurance companies (possibly by means of a buy-out or a buy-in) with the pensioner being paid an annuity by the insurance company, either directly or indirectly via the pension scheme.
Note: *If an employee has a pension from a previous employer paid via an annuity, this should be coded as an employer pension.*

Automatic enrolment
With automatic enrolment employees who earn more than £10,000 a year, are aged over 22 and under state pension age and usually work in the UK, are automatically be enrolled by their employers in a workplace pension scheme. By 2018 all employers must provide a workplace pension scheme. Part-time workers who earn less than £10,000 that can ask to take part. Employees can ask to opt out if they wish.

Pension Freedoms

Since the introduction of the Pension Freedoms reforms in April 2015, people aged 55 and over are able to use their Defined Contribution pension pots as they wish.

The following are the options available:

You can get a guaranteed income for life (annuity)

A lifelong, regular income (also known as an annuity) provides you with a guarantee that the income will last as long as you live. You may need to move into a new pension plan to do this. A quarter of your pension pot can usually be taken tax-free and any other payments will be taxed.

You can keep your pension pot where it is

You can delay taking money from your pension pot to allow you to consider your options.

You can take your whole pension pot in one go

This is also known as a full cash withdrawal. A quarter of your pension pot can usually be taken tax-free – the rest will be taxed. You can spend the money, use it to pay debts, purchase other financial products or save it into your current or savings accounts.

You can take your pension pot as a number of lump sums (UFPLS)

You can choose to leave your money in your pension pot and take lump sums from it as and when you need (by choosing what is known as UFPLS), until your money runs out or you choose another option. You can decide when and how much to take out. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow, but it could go down in value too. Each time you take a lump sum, normally a quarter of it is tax-free and the rest will be taxed. You may need to move into a new pension plan to do this.

You can get a flexible retirement income (drawdown)
You can leave your money in your pension pot and take an income from it, by choosing a drawdown product. You may need to move into a new pension plan to do this. Your pension pot remains invested, but up to a quarter of your pension pot can usually be taken tax-free. Any other withdrawals will be taxed whether you take them as income or as lump sums. You do not have to take an income, some people access their pension just to take the tax free lump sum and leave the rest of the money invested until they are ready to take a decision.

You can choose more than one option and you can mix them
You can also choose to take your pension using a combination of some or all of the options over time or over your total pot. If you have more than one pot, you can use the different options for each pot. Some pension providers or advisers can offer you an option that combines a guaranteed income for life with a flexible income.

Useful links
Further information on pensions can be found on the GOV.UK website:

https://www.gov.uk/browse/working/state-pension

*Benefits marked with '**m**' are income-related, where the claimant's (and partner's) earnings, savings and other income (including some benefits), are taken into account. It is the benefit unit that receives the money, so adults in the same benefit unit should not both be in receipt of the same means-tested benefit.*

Armed Forces Compensation Scheme (formerly War Disablement Pension)
Payable to members of the Regular & Reserve Forces for service injuries, ill-health and deaths.

Attendance Allowance (AA)
Payable to disabled persons of State Pension age or over living at home who need help with personal care because of their illness or disability. There are two rates; a lower rate for attendance during day OR night; and a higher rate for day AND night. Note: people can get AA even if no one is actually providing them with care.

Bereavement Support Payment
Replaced all of the previous bereavement benefits from 6th April 2017 (Bereavement Payment, Bereavement Allowance and Widowed Parent's Allowance). The claimant must be under State Pension age when widowed. Their partner must have paid NI for at least 25 weeks or died as a result of an accident at work or disease caused by their work to be considered eligible. Claimants with children under 20 years old in full-time education receive an initial payment of £3,500, then up to 18 monthly payments of £350.

Claimants who don't have children under 20 years old in full-time education receive an initial payment of £2,500 and up to 18 monthly payments of £100.

Bursary fund – 16 to 19 year olds
Paid to eligible students by the school, college or training provider. Students may receive funds to cover the costs of transport, equipment and materials needed for study. Those in care, claiming IS, DLA or ESA may be also able to receive a bursary of £1,200 per year. The 16 to 19 year old Bursary fund is only available for students studying in England.

Carer's Allowance (CA)
A weekly benefit for people earning £123 per week or less after tax, who give regular and substantial care (for 35+ hrs per week) to a severely disabled person who gets one of: DLA care component at the middle or highest rate, PIP daily living component at either rate or AA at either rate. It has two components, the Allowance itself and can have an Adult Dependent addition.

Carer's Allowance Supplement is a top-up payment for people in Scotland who get Carer's Allowance. It is paid twice a year and is paid for by Social Security Scotland.

Young Carer Grant (Scotland only)
Young Carer Grant is only available in Scotland (expected to be from autumn 2019) for people aged 16-19. The grant is received as one payment of £300 per year.

Child Benefit ***m***
Paid for each child under 16 years of age, or aged 16-19 and still in full-time further (but not higher) education. Two rates apply, with a higher rate for the only/eldest child and lower rate for all subsequent children.

The Child Benefit High Income Tax Charge was introduced in January 2013. While affected claimants (households with one annual income greater than £50,000) can still receive Child Benefit, they will pay a tax charge if they do so, or they can choose not to receive Child Benefit.

Child Tax Credit ***m***

A payment to support families with children. The credit is paid directly into the bank or building society account of the person responsible for caring for the children.

Note that CTC will be superseded by the child element of Universal Credit.

Community Care Grant - Social Fund ***m***

From April 2013, responsibility for providing Community Care-type grants moved to Local Authorities (in England) / the devolved administrations (in Scotland & Wales). See Local Authority Grants and Loans. The grants are mainly for priority groups who receive income-related benefits e.g. elderly or disabled people and people leaving institutional care

Council tax reduction (formerly Council Tax Benefit)
Paid by the local authority to the people who are liable for the tax - usually the householder(s). From 2013, the administration of this reduction is carried out by local authorities, who are able to set their own eligibility criteria. CT reduction should not be confused with CT exemptions (e.g. for student households), or discounts (e.g. for one-adult households). For tenants in multi-occupied accommodation (e.g. bedsits) the landlord is usually liable for the tax, and adds an amount to the rent; here, the tenant will not be able to get the reduction.

Disability Living Allowance (DLA)
Persons under 65 can claim for DLA if they need help with personal care and/or with getting around. Once an initial claim is made there is no upper age limit. DLA can be paid even if no-one is giving the care needed. There are two components:

(i) **Care Component** which covers things like washing, dressing, using the toilet, cooking a main meal. It is paid at one of 3 fixed rates (Higher, Middle or Lower).

(ii) **Mobility Component** for persons who can't walk or have difficulty walking. Paid at one of 2 fixed rates (Higher and Lower).

Personal Independence Payment (PIP) replaced DLA for new claimants, aged 16 to 64 from 2013. New claims for DLA are only accepted for those aged under 16 and changes to existing claims will only be accepted for those aged under 16 or over 65.

Educational Maintenance Allowance (EMA) ***m***
EMA is no longer available in England, but is still available elsewhere in the UK. The allowance is paid to children aged 16 to 18 years in low income families to continue in education. There are two types of payments: Weekly Payments and Bonuses. *Note: Information on Weekly Payments (usually £10, £20 or £30) is collected on the FRS, but information on Bonuses or on reimbursed travel expenses as part of the allowance is not.*

Employment and Support Allowance (ESA)
ESA replaced IB and disability-based IS for new claimants from October 2008 and is being extended to all existing claimants over time. All claimants receive a ‘Main Phase’ payment along with either a ‘work related

activity' or 'support' component depending on how the claimant's condition affects their ability to work. Severe Disability/ Enhanced Disability/ Carer/ Pensioner and Higher Pensioner premiums are available.

Extended Payment of Housing Benefit or Council Tax Reduction
These benefits may be received for a further 4 weeks by people aged under 60 when they start working full-time following a period of at least 6 months being unemployed, on a Government Training Scheme, or on Income Support as a lone parent or carer.

Funeral Expenses (England, Wales and Northern Ireland) / Funeral Expense Assistance (Scotland) ***m***
A grant from the Social Fund can be obtained if the respondent or partner (who is paying for the funeral) gets Universal Credit, Income Support, income-based JSA, income-related ESA, PC, Tax Credits, HB.

Guardian's Allowance
Can be claimed for a child who is in effect an orphan and who lives with the claimant, or whom they help to maintain, whether or not they are the legal guardian. It is paid at a flat rate for all children and can be paid on top of Child Benefit. Consistent with gov.uk

Housing Benefit (HB) / Benefits to help with rent ***m***
Benefits are paid by the local authority to people who need help with rent. For working age households, this support is now given via Universal Credit (for new claims).

Council tenants on these benefits get a rent rebate which means that their rent is reduced by the amount of rebate. However, they are responsible for their own water charges so those on 100% rent rebate do pay a weekly or fortnightly amount to cover these and other charges.

Private tenants and Housing Association/ Registered Social Landlords' tenants usually receive HB (or rent allowance) personally. Benefits may be paid to the claimant or, in a small proportion of cases, directly to the landlord. People on Income Support, income-related ESA or income-based JSA usually get the maximum amount. The recipient, or the recipient and their partner, must not have over £16,000 in savings. The amount awarded in housing benefits doesn't normally exceed the claimants rent, but this is possible under the Local Housing Allowance Project.

Incapacity Benefit (IB)
Paid to people who have been medically assessed as incapable of working, if they have paid enough National Insurance contributions. People ineligible for Statutory Sick Pay (SSP) may receive IB. If a person is/was receiving SSP, IB replaces it after 28 weeks. There are three basic rates depending on the period of the claim, age of the individual(s) and severity of incapacity. A number of supplements may also be received. *From October 2008 ESA gradually replaced claims to IB and this process has now been completed.*

Income Support (IS) ***m***
Income Support is payable to those with no income or a low income but working less than 16 hours a week and have not signed on as unemployed. It is made up of personal allowances for each member of the benefit unit, premiums for any special needs, and housing costs, principally for mortgage interest payments. Those on IS

are likely to be getting HB (if in rented accommodation) and CTB (if liable). Often paid to top up other benefits, or earnings from p/t work.

Income Support has been superseded by Universal Credit (UC), with all new claims from carer / lone parent groups now made to UC instead. The remaining cases on IS will be moved to UC over the next few years.

Industrial Injuries Disablement Benefit
Provided for employees injured at work or suffering from an industrial disease. The amount depends on the degree of disablement. Some recipients may also be entitled to an Unemployability Supplement. Those whose disablement is assessed as 100% also get Constant Attendance Allowance at one of four rates, and may be eligible for Exceptionally Severe Disablement Allowance. The reduced rate for under-18s was abolished in April 2013. See also Reduced Earnings Allowance.

Industrial Death Benefit Widows Pension
Widows and widowers of those employees killed at work or by an industrial disease may be entitled to this pension if their spouse died before April 1988.

Jobseeker's Allowance (JSA)
To receive JSA the claimant must be out of work or working less than 16 hours a week, actively seeking work and have a Jobseeker's Agreement with the DWP. There are two types: contribution-based, which is dependent on the amount of NI contributions paid in the past and payable for up to 6 months; and income-based, which is dependent on income and savings. There are fixed age-related allowances with extra allowances and premiums for those on income-based JSA.

Universal Credit (UC) will supersede the income-based section of JSA, although claims to the other (contributory) section will continue for the foreseeable future.

Local Authority Grants and Loans
The system of discretionary payments for needs met by Community Care Grants and Crisis Loans (for living expenses) was abolished from April 2013. All of the funds for them passed to upper tier local authorities in England and devolved administrations in Scotland and Wales to provide a new local provision.

Maternity Allowance
For women who have paid enough Class 1 or 2 NI contributions but are not entitled to Statutory Maternity Pay because, for example, they are self-employed or recently changed jobs. Payment is usually made for a period of 39 weeks beginning 11 weeks before the baby is due (later if still working).

Sure Start Maternity Grant ***m***
A one-off payment of £500 from the Social Fund for maternity expenses. Available if the respondent or partner is getting Income Support, income-based JSA, income-based ESA, Pension Credit or Tax Credits. Only payable for the first child unless the second or a subsequent pregnancy results in a multiple birth.

Best Start Grant (Scotland)
From October 2018, the Sure Start Maternity Grant was replaced **in Scotland** by the Best Start Grant.

The Sure Start Grant provides qualifying families with a one-off payment of £500 on the birth of a first child (or for a multiple birth even if they have children already).

Under the Best Start Grant, qualifying families in Scotland will receive £600 on the birth of a first child and £300 for any subsequent children, £250 when each child begins nursery, and a further £250 when they start school.

Over 80 Pension

The over 80 pension is a top-up to State Pension for people aged 80 or over. To be eligible you must get either a basic State Pension of less than £71.50 a week (2016/17 rate), or no basic State Pension at all.

Pension Credit ***m***

Pension Credit comprises 2 elements:

(i) A **Guarantee Credit** which is the minimum a pensioner can be expected to live on. Additional amounts are available for owner occupiers, those with a disability / caring responsibilities.

(ii) The **Savings Credit** which rewards those who have made provision for their retirement over and above the State Pension.

Personal Independence Payment (PIP)

Personal Independence Payment (PIP) replaced Disability Living Allowance (DLA) for new claimants, aged 16 to 64, from April 2013. Existing DLA claimants were invited to claim PIP from April 2013, with these transferred claims starting in October 2013. There will be no automatic migration from DLA to PIP.

There are two components:

(i) **Daily Living Component** covers 10 activities including eating and drinking, washing and dressing, using the toilet, communicating and understanding, managing medication or therapy, engaging with people and making budgeting decisions. Paid at either a standard or enhanced rate.

(ii) **Mobility Component** covering 2 activities: planning and following journeys and moving around. Paid at either a standard or enhanced rate.

Reduced Earnings Allowance

Paid to people who cannot return to their regular occupation or do work of the same standard due to disablement caused before October 1990 by industrial accident or disease. The maximum Reduced Earnings Allowance amount is £67.20. <u>Note: this benefit should be included in the 'other benefits' category.</u>

School clothing grant/ Pupil Development Grant/ Uniform Grant (Scotland, Wales and Northern Ireland only)

Parents of school children on low income may be eligible for a school clothing grant of at least £100 per year per child in a voucher or in cash (in Scotland, amount, eligibility and how it's paid differs by council). Wales and Northern Ireland also have similar grants. In Northern Ireland the Uniform Grant is a minimum of £22 and no more than £78 per child per year, in Wales, the Pupil Development Grant is a fixed amount of £125 per child.

Severe Disablement Allowance
Severe Disablement Allowance was closed to new claims in 2001, with SDA cases migrating to ESA in recent years. It is included here to avoid any confusion with either Severe Disability Premiums to income-related benefits, or the former Incapacity Benefit.

Social Fund Loans
Repayable interest-free loans. The Social Fund includes funeral expenses/funeral expense assistance, maternity grants and budgeting loans/budgeting advances (and formerly also included Crisis Loans).

Budgeting Loans (administered by DWP) are available to those on Income Support, income based JSA, income related ESA or Pension Credit, to help spread budgeting costs for certain items. *Budgeting Advances replace Budgeting Loans under Universal Credit.*

State Pension
The basic state pension is paid to men and women aged 65 and over. The pension age for women has risen steadily in recent years, and now matches the pension age of men.

State Pension is the same for men and women who have paid their own NI contributions at the standard rate, and for widows/widowers on their late partner's NI contributions. Details will be shown on the notification form for respondents who receive payments directly into their bank or building society account. The State pension can be deferred for as long as required.

Those receiving the state pension may also get Pension Credit.

Statutory Maternity Pay (SMP)
Received by employees during maternity leave. It is paid by the employer. The respondent must have been in the same job for at least 26 weeks and earning enough to have to pay NI contributions. SMP can be paid for up to 39 weeks. The employer may also add 'made-up' pay. The first six weeks are paid at 90% of respondent's salary, and 33 weeks at the standard flat rate or 90% of average earnings if less than the flat-rate amount. <u>Note: SMP should only be recorded in the last/usual pay.</u>

Statutory Paternity Pay (SPP)
Received by employees during paternity leave. It can be paid for up to 2 weeks. The weekly amount is the standard flat rate or 90% of average earnings if less than this amount.

Statutory Adoption Pay (SAP)
Received by employees for up to 26 weeks at a standard flat rate or 90% of average earnings if less than this amount.

Statutory Sick Pay (SSP)
Paid by employers to employees who earn enough to have to pay NI contributions after 4 consecutive sick days, for a maximum of 28 weeks in any spell or linked spells of sickness. (After 28 weeks, or if the employer's obligation to pay SSP ends before then, the respondent will usually transfer to ESA.) The employer may also add 'made-up' pay. <u>Note: SSP should only be recorded in the last/usual pay</u>.

Universal Credit (UC) ***m***
Universal Credit (UC) is now the primary working age benefit, with around 2 million cases administered by DWP. Most claimants will be of working age, though

claimants can be over state pension age if their partner is still of working age. It is not just for those who are out of work; it is also for those who *are* working, but for low wages.

UC has now completed its nationwide roll-out and is available throughout GB and Northern Ireland. This means that new claims are made to UC, instead of the benefits which it replaces (Housing Benefit, tax credits, Income Support, as well as income-based JSA for jobseekers and income-related ESA for those currently incapable of work). Many people are still in receipt of these older benefits and tax credits; they will move to UC over the next few years.

It is paid monthly, in very nearly all cases.

UC gives its claimants an online statement each month, which would show you the £ payment they have been given. A typical statement would also show how that £ figure has been calculated, with some or all of the following features:

- a personal allowance, which in the past would have been paid as the JSA / ESA / IS headline rate.

- For those with children, child elements (which replace the tax credit child / disabled child / childcare components);

- For those paying rent or a mortgage, it will also include a housing element, as a contribution to their housing costs. For renters, this will be determined by their rent, and can be paid direct to the landlord if this is preferable. Those who own their home with a mortgage may add an amount in support of their mortgage (interest) payments, where their earnings fall below a certain level.

- A <u>net earnings</u> figure for the benefit unit as a whole. Where claimants are earning, every pound earned will decrease the UC payment by 63 pence. Note that families can disregard (exclude) the first few pounds of earnings from this calculation, and thus boost their UC. This is known as their Work Allowance.

- Any <u>deductions</u>, either to keep the benefit unit below the overall Benefit Cap; due to DWP sanctions being applied; or to recoup debts from a utility company or court order.

All UC claimants agree a claimant commitment with DWP, though its nature will vary depending on the individual's current earnings, plus the level of work search activity they can be expected to do in return for their UC. This recognises any limitations on their ability to work, such as childcare or incapacity. For those working full-time, the commitment is simply to notify DWP of any changes to their circumstances. Even so, it is important to note that no UC payment will be made until such a commitment is agreed.

War Widow's/ Widower's Pension
Payable to widow/er's and children of someone killed in the Armed Forces or who died as a result of injury sustained in the Armed Forces.

Widowed Parent's Allowance
Payable if husband, wife or civil partner died before 6 April 2017, for those under State Pension Age and entitled to Child Benefit. The claimant must be under State Pension age when widowed. Their partner must have paid NI for at least 25 weeks or died as a result of an accident at work or disease caused by their work to be considered eligible.

Widow's Pension
A weekly benefit for women aged 45-65 (or 40-65 if widowed before 11 April 1988), paid when their husband dies or when their Widowed Mother's Allowance ends. It was replaced by Bereavement Allowance on 1 April 2001, although existing claimants continue to receive it.

Working Tax Credit (WTC) ***m***
A payment from HMRC which tops up the earnings of working people on low incomes. The amount received is based both on the number of hours worked – which must be over 16 per week – and income (joint income for couples). There are extra amounts for households where someone has a disability.

Note that WTC will be superseded by Universal Credit (UC).

Winter Fuel Payments (WFP)
WFPs are made to households where there is at least one State Pension age person to help them pay their heating bills. This is paid regardless of whether they are in receipt of any other state benefits. Note: Winter Fuel Payments are not recorded on FRS.

BENEFIT AMOUNTS 2019/20

Benefit/Allowance/Credit	**Amount**
(Weekly rates unless otherwise shown. Universal Credit is Monthly)	

ATTENDANCE ALLOWANCE

higher rate (day and night)	£87.65
lower rate (day or night)	£58.70

BEREAVEMENT SUPPORT PAYMENT / BENEFIT

Bereavement support payment standard rate	£2,500.00
Bereavement support payment higher rate	£3,500.00
Standard rate monthly payments	£100.00
Higher rate monthly payments	£350.00
Widowed parent's allowance (pre-April 2017)	£119.90

CARER'S ALLOWANCE	£66.15
Note the higher rate available in Scotland	£73.10

CHILD BENEFIT

Eldest or only child	£20.70
Additional children (per child)	£13.70

DEPENDENCY INCREASES

Adult dependency increases for spouse or person looking after children - payable with:

State Pension on own insurance (Cat A or B)	£70.00
Long term Incapacity Benefit	£65.20
Severe Disablement Allowance	£39.10
Carer’s Allowance	£38.90

Short-term Incapacity Benefit (over state pension age)	£62.75
Short-term Incapacity Benefit (under State Pension age)	£50.80

Child Dependency increases - payable with: State Pension, Widowed Mothers/Parents Allowance, Short-term Incapacity benefit - higher rate or over state pension age, Long-term Incapacity Benefit, Carer's Allowance, Severe Disablement Allowance, Industrial Death Benefit (higher rate).

First child	£11.35
Subsequent child(ren)	£8.00

DISABILITY LIVING ALLOWANCE

Care Component

Highest	£87.65
Middle	£58.70
Lowest	£23.20

Mobility Component

Higher	£61.20
Lower	£23.20

EMPLOYMENT AND SUPPORT ALLOWANCE

Personal Allowances

Single

under 25	£57.90
25 or over	£73.10

lone parent

under 18	£57.90
18 or over	£73.10

Couple

both under 18	£57.90
both under 18 with child	£87.50

both under 18 (main phase)	£73.10
both under 18 with child (main phase)	£114.85
one 18 or over, one under 18 (conditions apply)	£114.85
both over 18	£114.85
claimant under 25, partner under 18	£57.90
claimant 25 or over, partner under 18	£73.10
claimant (main phase), partner under 18	£73.10

Premiums

enhanced disability	
single	£16.80
couple	£24.10
severe disability	
single	£65.85
couple (lower rate)	£65.85
couple (higher rate)	£131.70
Carer	£36.85
Pensioner	
single with WRAC	£65.10
single with support component	£55.60
single with no component	£94.15
couple with WRAC	£111.35
couple with support component	£101.85
couple with no component	£140.40

Components

Work-related Activity	£29.05
Support	£38.55

GUARDIANS ALLOWANCE £17.60

INCAPACITY BENEFIT

Long-term Incapacity Benefit	£112.25
Short-term Incapacity Benefit (under state pension age)	
lower rate	£84.65
higher rate	£100.20

Short-term Incapacity Benefit (over state pension age)		
	lower rate	£107.65
	higher rate	£112.25
Increase of Long-term Incapacity Benefit for age		
	lower rate	£6.60
	higher rate	£11.90
Invalidity Allowance (Transitional)		
	lower rate	£6.60
	middle rate	£6.60
	higher rate	£11.90

INCOME SUPPORT & Income-based JSA

Personal Allowances

Single		
	under 25	£57.90
	25 or over	£73.10
Lone parent		
	under 18	£57.90
	18 or over	£73.10
Couple		
	Both under 18	£57.90
	both under 18 - higher rate	£87.50
	one under 18, one under 25	£57.90
	one under 18, one 25 and over	£73.10
	both 18 or over	£114.85
dependent children (if CTC not in payment)		£66.90

INDUSTRIAL INJURIES DISABLEMENT BENEFIT

Standard rate		
	100%	£179.00
	90%	£161.10
	80%	£143.20
	70%	£125.30
	60%	£107.40

50%	£89.50
40%	£71.60
30%	£53.70
20%	£35.80

JOBSEEKER'S ALLOWANCE

Contribution based JSA - Personal rates

under 25	£57.90
25 or over	£73.10

Income-based JSA - personal allowances See IS above

MATERNITY ALLOWANCE

Standard rate	£148.68

PENSION CREDIT

Standard minimum guarantee

single	£167.25
couple	£255.25

Additional amount for severe disability

single	£65.85
couple (one qualifies)	£65.85
couple (both qualify)	£131.70

Additional amount for carers	£36.85

Savings credit

maximum amount - single	£13.72
maximum amount - couple	£15.35

PERSONAL INDEPENDENCE PAYMENT

Daily Living Component		
	Standard rate	£58.70
	Enhanced rate	£87.65
Mobility component		
	Standard rate	£23.20
	Enhanced rate	£61.20

SEVERE DISABLEMENT ALLOWANCE

	Basic rate	£79.50
Age-related addition		
	Higher rate	£11.90
	Middle & Lower rate	£6.60

STATE RETIREMENT PENSION

New State Pension		
	Full rate	£168.60
Old State Pension		
	Standard rate (single person)	£129.20
	Standard rate (couple)	£206.65
	Addition at age 80	£0.25

STATUTORY ADOPTION PAY, MATERNITY PAY, PATERNITY PAY, SHARED PARENTAL PAY

Earnings threshold	£118.00
Standard rate	£148.68

STATUTORY SICK PAY

Earnings threshold	£118.00
Standard rate	£94.25

UNIVERSAL CREDIT — monthly amounts

Personal allowance		
Single		
	Single under 25	£251.77
	Single 25 or over	£317.82
Couple		
	Joint claimants both under 25	£395.20
	Joint claimants, one or both 25 or over	£498.89
Child element		
	First child	£277.08
	Second/ subsequent child	£231.67
Disabled child additions		
	Lower rate addition	£126.11
	Higher rate addition	£392.08
Limited Capability for Work element		£126.11
Limited Capability for Work and Work-Related Activity element		£336.20
Carer element		£160.20
Childcare element		
	Maximum for one child	£646.35
	Maximum for two or more children	£1108.04
Non-dependants' housing cost contributions		£73.89
Work allowances		
Higher work allowance (no housing element)		
Single		
	Single claimant, no dependent children	£0.00
	Single claimant, one or more children	£503.00
	Single claimant, limited capability for work	£503.00
Joint claimants		
	Joint claimant, no dependent children	£0.00
	Joint claimant, one or more children	£503.00
	Joint claimant, limited capability for work	£503.00

Lower work allowance
Single

Single claimant, no dependent children	£0.00
Single claimant, one or more children	£287.00
Single claimant, limited capability for work	£287.00

Joint claimants

Joint claimant, no dependent children	£0.00
Joint claimant, one or more children	£287.00
Joint claimant, limited capability for work	£287.00

Assumed income from capital	£4.35

WIDOW'S BENEFIT

Widowed mother's allowance	£119.90