

Analysis of Incapacity Benefits: detailed medical condition by type of payment and phase of claim

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Background

Incapacity benefits are weekly payments for people who become incapable of work while under State Pension age. They are:

Employment and Support Allowance (ESA), which is for new claimants from October 2008, offers personalised support and financial help, so that claimants can do appropriate work, if they are able to, and provides increased financial support for those who have an illness or disability that severely affects their ability to work.

Incapacity Benefit (IB) provides support for people who cannot work because of an illness or disability which started before October 2008. Similarly, Severe Disablement Allowance (SDA) could be claimed before April 2001 by those unable to work for at least 28 weeks in a row because of illness or disability.

IB and SDA are being phased out, and work is underway to review claims of those under state pension age to see if they can claim ESA instead.

More information on incapacity benefits is available on the DirectGov website at http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/esa/DG_171894. More information about the review of existing IB/SDA claims is available at http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/IIIorinjured/DG_188859.

The Department publishes a range of statistical information on IB/SDA and ESA claimants at <http://research.dwp.gov.uk/asd/index.php?page=tabtool>, including statistics on the numbers of IB/SDA claimants by the main medical condition and type of payment at http://83.244.183.180/100pc/ibsda/icdgp/ccbencod/a_carate_r_icdgp_c_ccbencod_nov10.html, the number of ESA claimants by main medical condition and type of payment at http://83.244.183.180/100pc/esa/icdgp/payment_type/a_carate_r_icdgp_c_payment_type_nov10.html and ESA by main medical condition and phase of claim at http://83.244.183.180/100pc/esa/icdgp/esa_phase/a_carate_r_icdgp_c_esa_phase_nov10.html.

Causes of incapacity are based on the International Classification of Diseases, 10th revision, published by the World Health Organisation.

Incapacity Benefit is a contributory benefit, with entitlement requiring that the claimant has paid or been credited with enough National Insurance contributions, with exceptions applicable to some widows and widowers and those who became incapable of work in youth. A 'credits only' claim is one where no actual benefit is paid, but the claimant is credited with a National Insurance contribution that can help towards their retirement pension.

ESA is partially contributory, having a contributory form and an income-based form. Income-related ESA can be paid to claimants who have not met the NI criteria but have passed a means test.

This analysis provides a more detailed breakdown of the medical conditions by in payment/credits only cases for IB/SDA and ESA, and by phase of claim for ESA at November 2010.

Results

At November 2010, 2.6 million people were claiming incapacity benefits, of which around 600,000 people were claiming ESA.

Of the 2 million people claiming IB/SDA, 62 per cent were receiving payment while some 38 per cent received IB Credits only.

Of those claiming ESA the data shows that 88 per cent receive payments and 12 per cent credits only.

The percentage receiving credits only varies by medical conditions. The published table referred to above shows there are higher percentages of IB credits only claims among those with conditions of Pregnancy, Childbirth and the Puerperium (56%) and Mental and Behavioural Disorders (46%) and lower percentages among those with Congenital Malformations, Deformations and Chromosomal Abnormalities (7%). This can be seen in more detail in the associated spreadsheet. Among the Mental and Behavioural Disorders, Drug Abuse (78%) and Alcoholism (61%) have higher than average credits only percentages, and Down's Syndrome (4%) and Spina Bifida (15%) lower than average.

ESA claimants who have been through the assessment stage and are found to qualify for ESA are put into either the work-related activity group who are expected to prepare for return to work or the support group, whose illness or disability has a severe effect on their ability to work, and who are not expected to work.

For those claiming ESA 53 per cent of cases were in the assessment phase of their claim, 9 per cent in the support group and 27 per cent in the work-related activity group. Thus around three times as many were put in the work-related activity group than in the support group, and this ratio also varied by medical condition.

The published grouped data shows that for those claimants with Diseases of the Musculoskeletal system and Connective Tissue more than nine times as many were in the work-related activity group than in the support group, whereas for those with Neoplasms or Congenital Malformations, Deformations and Chromosomal Abnormalities three times as many were in the support group than in the work-related activity group. This also can be seen in more detail in the associated spreadsheet. Claimants with Dorsalgia (back pain) or Fracture of Lower Limb were thirteen times more likely to be in the work-related activity group than in the support group, whereas claimants with Down's syndrome were five times more likely to be in the support group than the work-related activity group.

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