

Support for Mortgage Interest recipients in part-time employment

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Introduction

This statistical release presents estimates of the number and related proportion of Support for Mortgage Interest (SMI) recipients who are also in part-time employment in Great Britain. These estimates are derived from the August 2010, November 2010, February 2011 and May 2011 Quarterly Statistical Enquiry datasets.

Queries about the content of this document

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Background

Support for Mortgage Interest (SMI)

1. Claimants who receive Income Support (IS), income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA), or Pension Credit (PC) may be entitled to help towards their mortgage costs. This is known as support for mortgage interest (SMI). SMI covers eligible interest on loans, up to prescribed capital limits, taken out to purchase a home and on certain home improvement loans for repairs and improvements which are necessary to maintain the home's fitness for habitation.
2. SMI is not designed to meet mortgage commitments in full. It is a safety net designed to provide primarily short-term help to people at a time of personal crisis such as loss of employment or sickness for working age people to enable them to quickly return to work so they can meet their responsibilities for paying their mortgage.
3. Claimants have to satisfy the qualifying conditions for one of the income-related benefits to receive SMI. SMI is not a stand-alone benefit. The benefits listed above are income-related and entitlement is calculated dependent on the claimant's level of income and savings. The working-age benefits (Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance) also have 'remunerative work' rules which specify the hours that can be worked before benefit ceases. Claimants are excluded, for example, on grounds of capital in excess of the specified limit, or, where the claimant works 16 hours or more a week, or the partner works for 24 hours or more a week.
4. Therefore most working age claimants can work up to 16 hours a week while receiving income-related benefits, and retain SMI, although their award is reduced £1 for £1 with any earnings over a small disregard level. The exception to this is individuals undertaking permitted work when in receipt of SMI with income related ESA or IS on incapacity grounds. Here, individuals can undertake some types of work within certain limits which allows the individual to test their capacity to do some work and perhaps gain new skills whilst maintaining their entitlement to benefits. There is no equivalent data series showing the numbers undertaking part-time work for IB/ESA, but previous evidence suggests that the numbers undertaking part-time or permitted work are low.
5. A person's eligible mortgage interest is calculated using a standard interest rate and the capital balance (net of arrears) outstanding on the loan taken out to purchase the home, and for certain loans for repairs and improvements.

Methodology

6. Please note that the figures presented draw on Quarterly Statistical Enquiry data from August 2010, November 2010, February 2011 and May 2011, which provide point in time estimates in each quarter. The figures presented draw on 5% Quarterly Statistical Enquiry sample data relating to the SMI qualifying benefits (IS, JSA and PC). Therefore, all figures are subject to a degree of sampling variation, however, we have estimated the averaged figures over the last four quarters of data to limit the impacts of seasonality. Please note that data does not include those receiving SMI as part of ESA due to a lack of National Statistics data series for SMI ESA data.
7. IS, JSA and PC claimants will be recorded as in receipt of SMI if they are recorded to receive a positive award for mortgage interest, which can include other housing costs.
8. The income related benefit rules restrict benefit entitlement to recipients who work less than 16 hours, and their partners less than 24 hours, per week. An SMI recipient on JSA, IS or PC will be recorded as being in part-time employment if the recipient, their partner or both are recorded as having earnings or self-employed earnings. Therefore "part-time work" here refers to recipients working less than 16 hours per week, or where a recipient's partner works less than 24 hours per week, of paid employment.
9. Figures derived from the 5% sample data have been scaled up to the overall 100% Work and Pensions Longitudinal Study (WPLS) total for the benefit.
10. Caseloads are rounded to the nearest hundred.
11. Figures relate to Great Britain only.

Results

12. Table 1 below provides the number and corresponding proportion of SMI recipients in part-time employment by qualifying benefit, from August 2010 to May 2011, in Great Britain.

Table 1: Number and proportion of SMI recipients in part-time employment, from August 2010 to May 2011, in Great Britain.

	Working Age		IS		JSA		PC		All	
	Number	%	Number	%	Number	%	Number	%	Number	%
Aug-10	6,300	6%	3,800	5%	2,600	8%	4,600	4%	10,900	5%
Nov-10	5,300	5%	3,400	5%	1,900	6%	4,200	4%	9,500	4%
Feb-11	5,300	5%	3,300	5%	2,100	6%	3,900	4%	9,200	4%
May-11	5,400	6%	3,100	5%	2,300	8%	3,900	4%	9,300	5%
Average (Aug-10, Nov-10, Feb-11, May-11)	5,600	5%	3,400	5%	2,200	7%	4,100	4%	9,700	5%

Source: DWP Quarterly Statistical Enquiry, August 2010, November 2010, February 2011 and May 2011

Notes:

1. Please note that the figures presented draw on Quarterly Statistical Enquiry data from August 2010, November 2010, February 2011 and May 2011, which provide point in time estimates in each quarter. Please note that data does not include those receiving SMI as part of ESA due to a lack of National Statistics data series for SMI ESA data.
2. "Part-time work" here refers to recipients working less than 16 hours per week, or where a recipient's partner works less than 24 hours per week, of paid employment.
3. Numbers in part-time employment are rounded to the nearest hundred.
4. Figures relate to Great Britain only.
5. Figures are based on 5% sample data. All figures are subject to a degree of sampling variation. However, we have estimated the averaged figures over the last four quarters of data to limit the impacts of seasonality.
6. Figures derived from the 5% sample data have been scaled up to the overall 100% WPLS total for the benefit.

13. Estimates presented above suggest that around 5% of working age SMI claimants (receiving SMI with IS or JSA) are in part-time work (data is based on results taken from the August 2010, November 2010, February 2011 and May 2011 Quarterly Statistical Enquiry).

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