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for Work &
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Paul Gray
Chair
The Social Security Advisory Committee
5th Floor
Caxton House
Tothill Street
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18 November 2015

Dear Paul,

BEREAVEMENT BENEFIT REFORM

Thank you for sending me an advance copy of the Committee's report on reform of bereavement benefits. I understand the report was well received when it was launched at your stakeholder event in Edinburgh on 5 November.

I was also pleased to hear that my officials worked closely with the Committee Secretariat on the report in its final stages.

I read the report with interest and I think it makes a helpful contribution to the on-going debate about support for the bereaved. This has been an area which has attracted considerable interest over the last few years, including through our public consultation and then from Parliament as the new measures were passed.

I have attached a table to this letter with a detailed response to each of the recommendations, and I hope the Committee will recognise this as a positive response to their report. I would also be keen for officials to discuss them further with the Committee or the Secretariat if you would find that helpful.

It is important, of course, to see suggestions for further change in the context of the major reforms which will come in in April 2017.

Bereavement Support Payment will replace the existing suite of bereavement benefits and will see the Government investing an extra £110 million over the first four years to support the changes. We are aiming to simplify a complex administrative process, whilst focusing financial support in the short term to help with the additional financial costs associated with bereavement.

Bereavement Support Payment will consist of a lump sum followed by 12 monthly instalments and those with children will receive a higher amount. Unlike existing bereavement benefits, these payments will be paid in addition to other welfare benefits and will be disregarded from the benefit cap and will not be taxable.

Bereavement Support Payment will be easier to understand and fairer to surviving spouses and civil partners. The contribution condition has been simplified and will maintain the contributory principle whilst allowing more people to qualify for a full payment, rather than incremental payments as now. The lower age limit has been removed meaning those under age 45 will also have entitlement under the new arrangements. There are also fewer changes of circumstance that will affect the award (including re-partnering or marrying) and the amount and duration of the payments will be known at the outset of the award.

I hope this letter is helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Freud', written in a cursive style.

Lord Freud

Minister for Welfare Reform