

Housing Benefit and Council Tax Benefit Circular

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ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	Local authority (LA) Housing Benefit (HB) Managers
ACTION	For information
SUBJECT	Personal Independence Payment (PIP) – impact for local authorities

Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against paragraphs: Part A5, para 5.504 and 5.571, Part BW1, para W1.201 and A1.01, Part BP1 para A1.01 Part BW2, annex B and annex F, Part BP2, para P2.11 and annex F Part BW3, para W3.140, W3.164, W3.210 and W3.250 and Part BP3, para P3.180, P3.210 and P3.250.

Queries

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Personal Independence Payment - impact for local authorities

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Personal Independence Payment – Impact for local authorities

Introduction

1. This circular provides details of the Social Security Personal Independence Payment (Consequential and Supplementary Provisions) Regulations 2013 that were made on 26 February 2013.

<http://www.legislation.gov.uk/ukxi/2013/388/contents/made>

2. Following the introduction of Personal Independence Payment (PIP), this instrument contains amendments to the Housing Benefit (HB) Regulations 2006 and the HB (Persons who have attained the qualifying age for state Pension Credit) Regulations 2006.
3. The Regulations can be viewed free of charge via the legislation website from the Office of Public Information.
4. Amendments to the regulations come into force on 8 April 2013. Powers to make these amendments are in section 92(1) of the Welfare Reform Act 2012.

Background

5. As part of the reform of the welfare system, Disability Living Allowance (DLA) will be replaced by PIP for people aged 16 to 64 on or after 8 April 2013. The Department for Work and Pensions (DWP) will introduce PIP gradually from April 2013, starting with new claims in a limited geographical area. The implementation timetable is available on the DWP PIP web-page at: <http://dwp.gov.uk/docs/pip-reassessments-and-impacts.pdf>
6. PIP will help towards some of the extra costs arising from having a long term condition (this means ill-health or disability expected to last 12 months or longer). It is based on how a person's condition affects them, not the condition they have. PIP is a benefit that people can get whether they are in or out of work. It is not affected by income or savings and is not taxed.
7. It is not possible to get both PIP and Disability Living Allowance (DLA) at the same time. Some existing DLA claimants (aged 16-64 on or after 8 April 2013) will be invited to claim PIP from October 2013 (this includes DLA fixed period awards due to expire from the end of February 2014, and where recipients report a change in their DLA care or mobility needs), but most won't be affected before October 2015, when DWP will start to invite all remaining DLA recipients to claim PIP.

Design

8. The design of PIP, the claims process and how it will be administered have been developed to be more supportive to the needs of claimants, staff and third party organisations alike, to better represent and support disabled people.

9. Whilst there are some key similarities between how DLA is currently claimed and how PIP will be claimed, such as the special rules for people with terminal illness, there are important and fundamental differences. For example, the PIP claim involves an initial minimal data gather to collect basic claim and entitlement information followed by a more comprehensive gather of information about the claimant's disability or condition and how it affects their daily living and mobility.

Who is affected?

10. PIP will apply to all new claimants aged 16 to 64 at the date of claim, and existing DLA claimants who are aged 16 to 64 on 8 April 2013 or reach age 16 after that date.
11. This includes DLA claimants who have an indefinite or 'lifetime' award. The reassessment of DLA for claimants aged between 16 and 64 will begin in October 2013. There is no automatic transfer from DLA to PIP; claimants already getting DLA will need to make a new claim for PIP when invited to do so.
12. If a young person turns 16 before 7 October 2013 then they will continue to be able to claim DLA. But in the same way as other people receiving DLA, they will be asked to claim PIP at some point over the next few years.
13. If a young person is due to turn 16 on or after 7 October 2013 then they will need to decide if they want to claim PIP. DWP will write to them and their parent or guardian in plenty of time before the individual turns age 16 to explain how to apply for PIP, when they need to claim by and what will happen to their DLA – DWP will contact the young person at age 16 (or their appointee if appropriate) to invite them to claim PIP. DWP will **not invite** claims to PIP for young people reaching the age of 16 if they are in receipt of DLA because they are terminally ill.
14. The introduction of PIP will not affect people who are already aged 65 or over on 8 April 2013. Someone of this age receiving DLA or Attendance Allowance (AA) will continue to receive these benefits as long as they meet the other eligibility criteria. However, claimants should continue to report any changes in their circumstances in the normal way.
15. Current DLA linking rules will continue to apply for these claimants, who will be able to reclaim DLA where they had been in receipt of a DLA award which ended less than 12 months earlier. Someone who is 65 or over, and hasn't received DLA in the previous 12 months would normally claim AA.

Controlled start

16. From 8 April 2013, DWP will start taking new claims to PIP from claimants who are aged 16 to 64 on or after 8 April 2013 in a controlled start area for claimants living in Cheshire, Cumbria, Merseyside, North East England and North West England.

17. Postcodes affected are: BL, CA, CH (except CH1, CH4, CH5, CH6, CH7 and CH8), CW, DH, DL (except DL6, DL7, DL8, DL9, DL10 and DL11), FY, L, LA (except LA2 7, LA2 8, LA6 2 and LA6 3), M, NE, PR, SR, TS (except TS9), WA and WN. As such the local authorities (LAs) listed in Annex 2 will be the first impacted by this change.
18. Bootle Benefits Centre will handle these PIP claims. If anyone sends in a DLA claim in these areas, Bootle Benefit Centre will treat it as a PIP claim but DLA will still be available to the rest of the country until PIP is extended to all remaining areas of GB, which is expected to be from 10 June 2013.
19. During this period communications will provide a reinforced message to claimants of HB and local Council Tax support about the need to tell their LA about a successful PIP claim.

National Launch

20. The national launch for all new claims to PIP is expected to start from 10 June 2013, when new working age claimants (individual aged 16 – 64 on or after 8 April 2013) will no longer be able to claim Disability Living Allowance (DLA).
21. In preparation for the national launch the Local Authority Data Sharing (LADS) Programme has been commissioned to implement an Automated Transfer to Local Authority Systems (ATLAS) notification; which will replace the existing DLA notification with a new PIP one and will post directly to LA HB systems.
22. Details about the ATLAS changes will be provided via the ATLAS Awareness pack which will be published on HUDDLE for LAs to view.

Existing DLA claimants from October 2013

23. From October 2013, DWP expect to start inviting claimants with fixed period DLA awards coming up for renewal (from the end of February 2014), young people turning 16 (except those receiving DLA because they are terminally ill) or DLA claimants who report a change in their care and/or mobility needs, to claim PIP.
24. If there are changes in how an existing DLA claimant's health condition or disability affects them on or after 7 October 2013 then they'll be asked to make a claim for PIP. When the claimant reports their change of needs DWP will explain what will happen next.
25. If a claimant's existing DLA award is due to end after February 2014 and they have not received a DLA renewal letter then they will be asked to make a claim for PIP. DWP will write to claimants in plenty of time if they need to take any action.
26. Most claimants with awards expiring before the end of February 2014 will be asked to re-claim DLA for the time being and will be invited to claim PIP at a later date.

27. Everyone else in receipt of DLA will start to be contacted from October 2015, unless they report a change in their needs, or if their award is due to end. DWP will write to them in plenty of time to explain what action they should take and by when.
28. These claims will be handled by Blackpool Benefits Centre.

Existing DLA claimants from October 2015

29. From October 2015, DWP expect to begin contacting existing DLA claimants who have not already been assessed for PIP to tell them what they need to do to claim PIP. DLA recipients who turned 65 after 8 April 2013 will be invited to claim PIP as close as possible to their 65 birthday.
30. If an existing DLA claimant decides to claim PIP and complies with the process then DWP will continue to pay DLA until they make a decision on entitlement to PIP.
31. Where a decision has been made to award PIP or to make a nil award LA payments will continue for 4 weeks from the date of that decision. DWP will ensure there are no breaks in payment when moving to the new benefit.
32. If the claimant does not comply with the DLA reassessment process their DLA will first be suspended; but will then stop. Similarly if the claimant decides not to apply for PIP, their DLA will also stop.

PIP components

33. PIP is made up of two components:
 - Daily Living component (payable at standard or enhanced rate)
 - Mobility component (payable at standard or enhanced rate)
34. An award of PIP may include one or both of these components.

Income disregard

35. PIP is fully disregarded as income in the HB calculation (HB regs schedule 5 (6) and HB (SPC) regs 29(1)(j)(ia)).
36. Similarly, PIP is fully disregarded when calculating a non-dependant's gross income (HB regs 74(9)(a) and HB (SPC) regs 55(10)(a)).

Premiums

37. Depending on the level of award, PIP will provide a gateway to premiums in HB similar to DLA. There are no changes to the regulations with regards to the treatment of DLA.

38. The **Disability Premium** is awarded when PIP daily living and/or mobility is in payment at either the standard or enhanced rate (HB regs schedule 3, 13(1)(a)(i)).
39. This Disability Premium also applies when PIP has been suspended due to the claimant or partner being a patient (HB regs schedule 3, 13(1)(a)(iii)).
40. The **Disabled Child Premium** is awarded when PIP daily living and/or mobility is in payment in respect of a young person at either the standard or enhanced rate (HB regs schedule 3, 16(d) and HB (SPC) regs schedule 3, 8(d)).
41. This premium also applies when the child is a patient and PIP has been suspended as a result.
42. The **Severe Disability Premium** is awarded when PIP daily living is in payment at either the standard or enhanced rate (HB regs schedule 3, 14(2)(a)(i) and HB (SPC) regs schedule 3, 6(2)(a)(i)).
43. The rules regarding the Severe Disability Premium remain the same. For example, a single claimant will only be awarded the Severe Disability Premium if they live alone and no one receives Carer's Allowance (CA) for them.
44. For couples, the Severe Disability Premium will only be awarded when both members of the couple are receiving PIP Daily Living at the standard or enhanced rate and there are no non-dependents. Where one member of the couple is a patient and PIP has been suspended, they should continue to be treated as being in receipt of PIP.
45. When establishing if the Severe Disability Premium applies, no account shall be taken of a non-dependant who is receiving PIP daily living at either standard or enhanced rate.
46. The **Enhanced Disability Premium** is awarded when PIP daily living is in payment at the enhanced rate. This premium is applicable to working age claimants and can be paid on top of any other disability premium (HB regs schedule 3, 15(1)(c)).
47. The premium also applies when the claimant is a patient and PIP has been suspended as a result.
48. The **Carer Premium** is awarded providing the claimant or partner is receiving CA for looking after a person who is in receipt of PIP Daily Living at either the standard or enhanced rate (HB regs schedule 3, 7(2) and HB (SPC) regs schedule 3, 5(2)).
49. **Carers Credit:** PIP standard or enhanced rate Daily Living component will provide a gateway to this credit. Carers Credit will continue to contribute towards State Pension entitlement.

Capital disregard

50. Any arrears of PIP Daily Living and/or Mobility are disregarded for one year from the date of receipt (HB regs schedule 6, 9(1)(a) and HB (SPC) regs schedule 6, 21(2)(n)).

Non-dependant deductions

51. When the claimant or partner is in receipt of PIP Daily Living at the standard or enhanced rate, no non-dependant deduction will apply where applicable (HB regs 74 (6)(b)(iii) and HB (SPC) regs 55 (6)(b)(iii)).

Child care costs disregard

52. When one member of a couple is in remunerative work and the other is incapacitated, child care costs can be deducted. When the non-working partner is in receipt of PIP Daily Living and/or Mobility at either rate, they are treated as incapacitated (HB regs 28 (11)(d)(viii) and HB (SPC) regs 31 (11)(d)(viii)).
53. Child care costs may be deducted for a disabled child up to the first Monday following their 16 birthday. The definition of a disabled child includes a child who is receiving PIP Daily Living and/or Mobility at either rate. This also includes a child who would be receiving PIP if not for the fact they are a hospital in-patient.

Person who requires overnight care

54. When determining the number of bedrooms a person requires for the purposes of HB, an additional room can be allowed for an over-night carer in certain circumstances. A person who is likely to require over-night care now includes someone who is receiving PIP Daily Living at any rate (HB regs (2) and HB (SPC) regs (2)).

Universal Credit

55. Universal Credit (UC) is a new single payment for people who are looking for work or are on a low income. It will replace income-based Jobseeker's Allowance; income-related Employment and Support Allowance; Income Support; Child Tax Credits; Working Tax Credits; and HB.
56. In April 2013, both UC and PIP will start to be introduced for people aged 16 to 64 making new claims in parts of Northern England. UC will replace existing working age benefits in a Pathfinder area for newly unemployed people, who meet a set of eligibility criteria. This will allow DWP to test UC before it is introduced nationally. People with a disability or health condition, will not be eligible to claim at this time. However there will be selected areas within the LAs of Tameside, Warrington and Wigan where both benefits are being introduced at the same time.
57. Because the UC Pathfinder does not include people with disabilities or health conditions, individuals would not normally be affected by both changes at this

point, and claimants already in receipt of these benefits are unlikely to be affected at this stage.

Claimant journey

How does the claim process work?

1	<p>Thinking about claiming</p> <p>Information about PIP will be available from a range of sources, including online, via leaflets and through support organisations. This will explain the eligibility criteria and help the claimant decide if they want to claim PIP.</p> <p>Existing DLA claimants will be contacted individually to ask if they want to claim PIP.</p>
2	<p>Making a claim</p> <p>Claimants (or those supporting them) phone DWP to make a claim to PIP. This involves an identity check and some basic questions. Paper claims won't normally be used, and online claims will not be available before 2014. Additional support, such as provision of alternative formats will be available.</p> <p>DWP will send claimants a form where they can explain how their disability affects them.</p>
3	<p>Telling your story</p> <p>Claimant completes the 'How your disability affects you' form to explain how their condition affects their daily life, both on good and bad days and over a range of activities.</p> <p>Supporting evidence can be sent with this form, which they return to DWP by post.</p>
4	<p>Assessment</p> <p>Claim details, form and supporting evidence are passed to the health professional.</p> <p>Most people will be asked to attend a face to face consultation unless a decision can be reached on the basis of written evidence. Home visits will be available when necessary and claimants can take someone along for support. The consultation will provide the opportunity to explain their support needs in their own words.</p> <p>The health professional reviews the claim against a set of clear descriptors to assess the challenges faced by the individual.</p>
5	<p>Decision</p> <p>A DWP Case Manager will use all the information in the claim form, from the health professional and anything else that has been provided. They will make a reasoned decision on entitlement, including the level and length of award.</p>

Claimant Information

It's important that claimants have clear and timely information to help them understand what's happening and when.

DWP are updating their online presence in stages during 2013:

- Before new claims are taken in the controlled start area from 07 April general information about PIP is available on <https://www.gov.uk/pip> including a calculator where claimants can type in their postcode and date of birth and be told when PIP is likely to affect them.
- From April 2013 the PIP pages of gov.uk will be expanded to include additional information to help claimants through the PIP journey including what information they should have at hand before they call to make a claim to PIP and what they can expect to happen at a PIP assessment

DWP are also reviewing their leaflet suite to include a new leaflet specifically on PIP (available from Feb 2013) and PIP information in related leaflets – a full list of leaflets that will change and when can be found at: <http://www.dwp.gov.uk/policy/disability/personal-independence-payment/pip-toolkit/forms-leaflets-letters/>

DWP have written to all existing DLA claimants (about 2.2 million people) to explain about PIP in the usual annual letters that tell them what their new benefit rate will be. PIP information will be included in each year's

DWP have provided a toolkit for support organisations and other government departments that includes general awareness, fact sheets about PIP, copies of PIP letters and suggested text to use in their own communication at:

<http://www.dwp.gov.uk/policy/disability/personal-independence-payment/pip-toolkit/>

Annex 2

LAs included in the controlled start phase:

Allerdale District Council
Blackburn with Darwen Council
Blackpool Borough Council
Bolton Borough Council
Bury Borough Council
Carlisle District Council
Cheshire East Council
Cheshire West and Chester Council
Chorley Borough Council
Copeland Borough Council
Craven District Council
Darlington Borough Council
Durham County Council
Eden District Council
Flintshire County Council
Fylde Borough Council
Gateshead Borough Council
Halton Borough Council
Hambleton District Council
Hartlepool Borough Council
Knowsley Borough Council
Lancaster City Council
Liverpool City Council
Manchester City Council
Middlesbrough Borough Council
Newcastle Under Lyne Borough Council
Newcastle Upon Tyne District Council
North Tyneside Council
Northumberland County Council
Oldham Metropolitan Borough Council
Preston City Council
Redcar and Cleveland Borough Council
Ribble Valley Borough Council
Richmondshire District Council
Rochdale Metropolitan Borough Council
Rossendale Borough Council
Salford City Council
Scarborough Borough Council
Sefton Metropolitan Borough Council
Shropshire Council
South Lakeland District Council
South Ribble Borough Council
South Tyneside Council
St Helens Metropolitan District Council
Staffordshire Moorland District Council
Stockport Metropolitan Borough Council
Stockton on Tees Council

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Warrington Borough Council
Wigan Metropolitan Borough Council
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