

# Freedom of Information request 1806/2013

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## Information request

*Are benefits subject to tax*

*If so is tax deducted at source*

*If not how is tax recovered*

*Are all benefits tax free or do they, when paid, become part of total personal income?*

## DWP response

Not all State Benefits are subject to tax.

The most common benefits that you pay Income Tax on are:

- the State Pension
- Jobseeker's Allowance
- Carer's Allowance
- Employment and Support Allowance (contribution based)
- Incapacity Benefit (from the 29th week you get it)
- Bereavement Allowance
- Pensions paid by the Industrial Death Benefit scheme
- Widowed Parent's Allowance
- Widow's pension

The most common state benefits you don't have to pay Income Tax on are:

- Housing Benefit
- Employment and Support Allowance (income based)
- Income Support - though you may have to pay tax on Income Support if you're involved in a strike
- Working Tax Credit
- Child Tax Credit
- Disability Living Allowance
- Child Benefit
- Guardian's Allowance
- Attendance Allowance
- Pension Credit
- Winter Fuel Payments and Christmas Bonus
- free TV licence for over 75s
- lump sum bereavement payments
- Maternity Allowance
- Industrial Injuries Benefit
- Severe Disablement Allowance

- War Widow's Pension
- Young Person's Bridging Allowance

Most people have a Personal Allowance - an annual amount of tax-free income. The rates of Income Tax you pay depend on how much taxable income you have above your allowance.

Income tax is a yearly assessment and everyone is entitled to an annual amount of tax free allowances known as a pay adjustment. The pay adjustment is normally deducted from any source of taxable income before calculating how much tax is due. In most cases the source of taxable income is a persons salary. HM Revenue and Customs (HMRC) deal with the administration and recovery of Income Tax from people who receive State Benefits and further information can be obtained by contacting them on:

**Telephone:** 0845 300 0627

**Textphone:** 0845 302 1408

Monday to Friday, 8am to 8pm

Saturday, 8am to 4pm

Or at:

<https://www.gov.uk/taxable-income/overview>

If you have any queries about this letter please contact me quoting the reference number above.