



BRIEFING PAPER

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Carer's Allowance

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Summary

Carer's Allowance – formerly Invalid Care Allowance – is a non-contributory, non-means-tested benefit paid to people who care full-time for someone who is severely disabled. To be entitled to Carer's Allowance, a person must be providing at least 35 hours of care a week for someone in receipt of a qualifying disability benefit, not be in full-time education, and, if in paid work, have earnings after certain deductions of no more than £110 a week.

Entitlement to Carer's Allowance also acts as a "passport" to the carer premiums/additions in means-tested benefits such as Income Support, Pension Credit and Housing Benefit.

Issues frequently raised in relation to Carer's Allowance include:

- The level of Carer's Allowance, when compared with other "income replacement" benefits
- The problems faced by people seeking to study or do paid work while claiming Carer's Allowance
- The fact that Carer's Allowance cannot be paid in addition to certain other state benefits, including the Retirement Pension

The interaction with other benefits is covered in more detail in a separate Library briefing, [Carer's Allowance and the Retirement Pension](#).

The previous Labour Government gave an undertaking to consider reform of carers' benefits – including Carer's Allowance – as part of its wider welfare reform programme, but did not put forward any proposals by the time of the 2010 General Election.

The 2010 Government made no significant changes to the Carer's Allowance rules.

Means-tested support for carers of working age will be subsumed within Universal Credit, but Carer's Allowance will remain a separate benefit.

1. Introduction

Carer's Allowance – known as Invalid Care Allowance (ICA) before April 2003 – was introduced in 1976.¹ It followed the 1974 White Paper *Social Security Provision for Chronically Sick and Disabled People* which stated that there was “a strong case for the provision of a non-contributory benefit of right” to be payable to carers of sick and disabled people.² The new benefit was intended to “provide a measure of income maintenance for a man or single woman who had forgone the opportunity of full-time employment in order to care for a severely disabled relative.”³ Entitlement was later extended to married women and to people caring for non-relatives.

Carer's Allowance is payable to people caring “regularly and substantially” for a person in receipt of a qualifying disability benefit. Eligibility is not dependent on a claimant's National Insurance contribution record (i.e. it is non-contributory) or a claimant having limited income and capital (i.e. it is non-means-tested). The 2016-17 rate is £62.10 a week. Those receiving Carer's Allowance are credited with Class 1 National Insurance contributions. In line with other “income replacement” benefits, Carer's Allowance is taxable.

At August 2015 there were 758,000 recipients of Carer's Allowance in Great Britain, of whom 72 per cent were women.⁴ Total expenditure in 2016-17 is forecast to be over £2.7 billion.⁵

Research commissioned by the Department for Work and Pensions in 2010 concluded that measuring the take-up of Carer's Allowance – the proportion of those who would be entitled to the benefit who actually claim it – was especially difficult because of the “immense complexity” of the benefit rules, which were “arcane” even by the standards of the social security system. Analysis of the Family Resources Survey suggested a take-up rate of around 65% for the core group of within-household carers not affected by overlapping benefits (see below), but measurement error meant that this was probably an under-estimate.⁶

Carers may also (depending on their household's income and/or capital) be entitled to means-tested benefits such as Income Support, Pension Credit and Housing Benefit. Carer's Allowance acts as a “passport” to the carer premium/addition in means-tested benefits, which is currently £34.60 a week. The premium, which was introduced in 1990, is intended to “focus help on those who have limited opportunity to gain income from work because of caring responsibilities, and who do not gain from entitlement to [Carer's Allowance] because it is taken fully

¹ Section 37 *Social Security Act 1975*, now consolidated in [Section 70 of the Social Security Contributions and Benefits Act 1992](#)

² DHSS, HC 276 para 42

³ DWP, [Attendance Allowance, Disability Living Allowance and Carer's Allowance: Retrospective equality impact assessment](#), September 2010, paras 2.8

⁴ [DWP Tabulation Tool](#)

⁵ [DWP Benefit Expenditure and Caseload Tables](#), March Budget 2016

⁶ Richard Berthoud, [The take-up of Carer's Allowance: A feasibility study](#), DWP Working Paper No 84, 2010

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into account in the calculation of income related benefit entitlement.”⁷ Without such a premium/addition, people on means-tested benefits who are also eligible for Carer's Allowance would see no gain because it would reduce the amount of benefit they receive pound for pound.

⁷ DWP, *The Regulatory Reform (Invalid Care Allowance) Order 2002: Statement by the Department for Work and Pensions*, 2002, para 17

2. Conditions of entitlement

To be entitled to Carer's Allowance, a person must:

- provide at least 35 hours of care a week for a severely disabled person receiving one of the following benefits:
 - the middle or highest rate Disability Living Allowance care component; or
 - Attendance Allowance (either rate); or
 - Personal Independence Payment daily living component (either rate); or
 - Constant Attendance Allowance at or above the normal maximum rate with an Industrial Injuries Disablement Benefit, or basic (full day) rate with a War Disablement Pension; or
 - Armed Forces Independence Payment⁸
- be aged at least 16 years old;
- meet residence and presence conditions;
- not be subject to immigration control;
- not be in full-time education (21 hours or more a week); and
- not be "gainfully employed." The criterion for gainful employment is having earnings of more than £110 a week, after deduction of allowable expenses.

If a person is caring for two or more people, they can only claim Carer's Allowance for looking after one of them. A carer is only allowed to receive one award of Carer's Allowance, no matter how many people they are caring for. A person cannot add together the time they spend caring for two or more people to meet the 35 hours requirement. They have to show that they are caring for one person for at least 35 hours a week.

Until 2002 Carer's Allowance could not be claimed by those aged 65 or over, although it remained payable to those who were eligible immediately prior to their 65th birthday. From 28 October 2002 however the upper age limit for claiming Carer's Allowance was abolished (see below).

Further information on the Carer's Allowance rules can be found in:

- Carers UK's factsheet, [Carer's Allowance 2016/17](#)
- Disability Rights UK Factsheet F30, [Carer's Allowance](#)

2.1 Changes announced in October 2002

The previous Labour Government undertook a review of Invalid Care Allowance (as it was then known) as part of the follow-up work to the

⁸ The DWP states that "Using the award of these benefits as a proxy for substantial care needs avoids making a separate assessment for Carer's Allowance purposes" (DWP, [Attendance Allowance, Disability Living Allowance and Carer's Allowance: Retrospective equality impact assessment](#), September 2010, para 2.9)

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1999 National Carers Strategy.⁹ On 3 October 2000 Alistair Darling, the then Secretary of State for Social Security, announced £191 of million extra financial help for carers as a result of the review. The package of measures comprised:

- a £2 per week increase to the carer premium paid with means-tested benefits such as Income Support;
- carers would be able to claim ICA for the first time after 65;
- an increase in the earnings limit for ICA from £50 to the level of the Lower Earnings Limit (LEL) for National Insurance, and a commitment that this would rise in line with the LEL¹⁰; and
- continued payment of ICA for up to 8 weeks after the death of the person being cared for.¹¹

The Carers National Association (which became Carers UK in 2001) described itself as “delighted” with the changes announced on 3 October 2000. In a press release it stated:

CNA is pleased that carers are getting greater recognition. The new measures will make a significant change to the lives of many carers. We are particularly pleased that resources are going to the poorest and oldest carers. Although the £2 increase in the carer premium is of great importance, we will continue our campaign to ensure that the carer premium is doubled and that all carers are recognised for the enormous contribution they make to society.¹²

In fact in the uprating statement on 9 November 2000 Alistair Darling announced that the carer premium would be increased by £10 on top of normal uprating.¹³ The increase to the carer premium and the earnings limit for ICA took effect from April 2001.

The abolition of the age limit for new claims and the extension of ICA for 8 weeks after the death of the person being cared for required changes to primary legislation. The Government achieved this through an order under the *Regulatory Reform Act 2001*.¹⁴ As part of the consultation process required under this Act the Department for Work and Pensions published a consultation paper in July 2001 on *Changes to Invalid Care Allowance*. A draft regulatory reform order was laid on 17 December 2001¹⁵ and debated on 28 May 2002 in the Lords.¹⁶ The *Regulatory Reform (Carer's Allowance) Order 2002* was laid on 29 May 2002.¹⁷ This also provided that from April 2003 ICA would be known as Carer's Allowance.¹⁸ The abolition of the age limit and the 8 week “run-on” came into effect on 28 October 2002.

⁹ Department of Health, *Caring about Carers: a National Strategy for Carers*, February 1999

¹⁰ In October 2007 the earnings limit was further increased above the level of the LEL, from £87 to £95 a week

¹¹ DSS press release 2000/277, 3 October 2000

¹² CNA press release 3 October 2000

¹³ DSS press release 2000/325, 9 November 2000

¹⁴ House of Lords Deposited Paper, HDEP 2001/012, 21 December 2000

¹⁵ *The Regulatory Reform (Carer's Allowance) Order* SI 2002/1457; DWP press release, *Caring for our carers is key*, 17 December 2001

¹⁶ HL Deb 28 May 2002 c 1222-7

¹⁷ SI 2002/1457

¹⁸ Article 2

2.2 Introduction of Personal Independence Payment

[Personal Independence Payment \(PIP\)](#) is replacing Disability Living Allowance for people of working age – including existing DLA claimants – and will therefore eventually become the main route by which a carer of a working age disabled person qualifies for Carer's Allowance. Carer's Allowance is currently payable if the person being cared for receives the middle or higher rate DLA care component. Under PIP, receipt of the "daily living" component – at either the "standard" or the "enhanced" rate – by the disabled person will act as the passport to Carer's Allowance.

PIP was introduced for new claims across Great Britain from June 2013, but for most existing DLA claimants reassessment for PIP did not begin until July 2015, and is scheduled to be completed by 2019-20.

Entitlement to PIP is determined by a "new, fairer, objective assessment of individual need" which differs from that currently used to determine eligibility for the DLA care components. The introduction of PIP could therefore have a knock-on effect for some current recipients of Carer's Allowance, if the person they care for is receiving DLA and, on reassessment for PIP, is found not to satisfy the conditions for the PIP daily living component.

Exactly how Personal Independence Payment will impact on current Carer's Allowance claimants is unclear. A DWP Impact Assessment on PIP published in May 2012 stated:

26. We expect that the introduction of Personal Independence Payment will not affect the overall size of the Carer's Allowance population or the level of expenditure on the benefit. However, as Personal Independence Payment will be a new benefit with different entitlement conditions, we would expect some shifts in the DLA caseload as claimants are migrated over to the new system. This would in turn, affect those who have an entitlement to Carer's Allowance.¹⁹

¹⁹ DWP, [Disability Living Allowance reform \(Personal Independence Payment\) impact assessment](#), 15 May 2012

3. Issues

Issues frequently raised in relation to Carer's Allowance in recent years include the fact that Carer's Allowance cannot be paid in addition to the Retirement Pension (and certain other benefits), and the amount of benefit payable in comparison with other income replacement benefits. The difficulties carers face combining their caring duties with paid work or studying are also a frequent source of complaint.

Debate on these issues often takes place within the context of the wider issue of whether Carer's Allowance should remain an income replacement benefit, or whether it should be intended to cover additional costs that carers incur.

3.1 Overlapping benefits rule

Prior to 28 October 2002, Carer's Allowance (or Invalid Care Allowance, as it was then known) could only be paid to a carer over the age of 65 if they were entitled to it immediately before they reached that age. In its response to the Labour Government's 1998 Green Paper on welfare reform, Age Concern said that older carers were "angry that they receive no financial support in recognition of the important role they play."²⁰

Following the Labour Government's subsequent review of ICA (see above), the upper age limit for new claims was abolished. This was expected to extend a new entitlement to 40,000 carers.²¹

Many pensioners were, and new claimants above State Pension age still are, unhappy to discover that Carer's Allowance cannot be paid because they are in receipt of the State Retirement Pension. This is due to the "overlapping benefits rule". The rule applies not only to people eligible for Carer's Allowance and the Retirement Pension, but to people who would satisfy the conditions for more than one non-means-tested "income replacement" benefit. Income replacement benefits also include Incapacity Benefit, contributory Employment and Support Allowance, contribution-based Jobseeker's Allowance, Bereavement Allowance, and Widowed Parent's Allowance.

If a person eligible for Carer's Allowance is also in receipt of another overlapping income replacement benefit, they will not be paid any Carer's Allowance if the other benefit is paid at an equivalent or higher rate. If the other benefit is less than the amount of Carer's Allowance, then the difference is made up.

The rationale for these provisions is that Carer's Allowance is paid to provide income for a person unable to work because of their caring responsibilities. It cannot therefore be paid in addition to any of the other income replacement benefits. To do so would be against the

²⁰ Age Concern's comments on the Green Paper on Welfare Reform, *New ambitions for our country: a new contract for welfare*, Age Concern Briefings Ref: 1698

²¹ DWP press release, *Caring for our carers is key*, 17 December 2001

long-standing feature of the social security system that “double provision should not be made for the same contingency”.²²

At August 2015, 368,520 people over State Pension age satisfied the care conditions for Carer’s Allowance, but only 16,860 were actually in receipt of the benefit.²³

People over State Pension age may however still benefit from claiming Carer’s Allowance even though they may not actually receive it because they are already getting the Retirement Pension. This is because an “underlying entitlement” to Carer’s Allowance means that they are eligible for the carer premium/addition in means-tested benefits such as Pension Credit and Housing Benefit (see section 1 above). At May 2014, 219,000 people qualified for the carer addition in Pension Credit.²⁴

Means-tested benefits are however affected by income and capital, so better off pensioners who are also carers may not get any additional income.

The overlapping benefits rule as it affects pensioners who are carers is a frequent source of complaint. In response to a parliamentary question on whether the Labour Government would review the rule, the then Work and Pensions Minister Maria Eagle said in 2004:

Carer’s allowance, (previously invalid care allowance), has always been subject to the overlapping benefits rules which put into effect one of the principles of the social security system that only one benefit at a time can be paid for the same purpose.

The reason why carer’s allowance and state pension overlap is that they are both directed at providing a benefit for those whose circumstances typically mean that a traditional source of income is no longer available. Carer’s allowance replaces income where the carer is over working age or has to give up the chance of working to look after a severely disabled person; state pension replaces income in retirement.

Although an entitlement to both benefits will mean that carer’s allowance is not payable, or not payable in full, an underlying entitlement to carer’s allowance gives access to the carer premium in housing benefit and council tax benefit and the additional amount for carers in state pension credit.

We continue to look at ways of helping both carers and the elderly, although we have no immediate plans to change these arrangements.²⁵

In 2009 the Labour Government did however hint that it accepted in principle that there should be some recognition in the benefits system of the extra costs faced by carers because of their caring responsibilities. This might have benefited carers over pension age affected by the overlapping benefits rule, by allowing them to keep a portion of their

²² National Insurance Advisory Committee, *Report on overlapping benefit regulations*, HC 36 1948/49

²³ source: DWP Tabulation Tool

²⁴ DWP, [Pension Credit: Supporting Information: Information on Pension Credit customers: receipt of additional amounts and Assessed Income Periods](#), ad hoc analysis, February 2015

²⁵ HC Deb 13 December 2004 c850W

Carer's Allowance in addition to their Retirement Pension. However, the Labour Government set out no clear timetable for reforming carers' benefits, saying instead that it intended to look at support for carers as part of its longer-term plans for welfare reform. By the time of the 2010 General Election, no further proposals for reform of carers' benefits had been put forward.

Ministers in the 2010 Government said that they had no plans to amend the rules for pensioners eligible for Carer's Allowance, pointing out that "Carer's allowance has always been subject to the overlapping benefits rules which ensure that only one benefit at a time can be paid for the same purpose."²⁶

A written answer in January 2012 estimated the cost of abolishing the overlapping benefits rule completely for people eligible for both Carer's Allowance and the Retirement Pension would be around £800 million, not taking into account the effect of any increase in take-up of Carer's Allowance as a result of the change.²⁷

Further information on the overlapping benefits rule, on the Labour Government's statements regarding possible reform, and on the 2010 Government's position, is given in a separate Library briefing, [Carer's Allowance and the Retirement Pension](#).

3.2 Amount of benefit

Carer's Allowance is currently £62.10 a week (2016-17 rate). This is a lower weekly rate than most other income replacement benefits, for example:

Contribution-based Jobseeker's Allowance (aged 25 or over)	£73.10
Contributory ESA (main phase; Work-Related Activity Group)	£102.15
Contributory ESA (main phase; Support Group)	£109.30
Long-term Incapacity Benefit	£105.35
Full Category A Retirement Pension	£119.30

Carers' organisations have long argued that the amount of Carer's Allowance payable to carers is insufficient to meet its stated purpose of providing a replacement income for those who give up work to look after a disabled person.²⁸ To appreciate why Carer's Allowance is set at the level it is, it is necessary to consider the origins of the benefit.

Invalid Care Allowance was introduced following the 1974 White Paper *Social Security Provision for Chronically Sick and Disabled People* which stated that there was "a strong case for the provision of a non-contributory benefit of right" to be payable to carers of sick and disabled people.²⁹ Eligibility for Carer's Allowance not dependent on a

²⁶ HC Deb 13 September 2011 c1061W

²⁷ HC Deb 23 January 2012 c97W

²⁸ It is perhaps significant that in PQs and in other statements successive governments have said that Carer's Allowance provides "a **measure** of income-maintenance" to carers; see for example HC Deb 27 March 2007 c1502

²⁹ DHSS, HC 276 para 42

claimant's National Insurance contribution record. Carer's Allowance is intended to provide income for a person unable to do paid work because of their caring responsibilities; it is not a payment for care provided or a "carer's wage."³⁰

ICA was introduced with a range of other new non-contributory benefits, including the Non-Contributory Invalidity Pension.³¹ These were all set at a rate of 60% of contributory long-term benefit rates. This relationship has been roughly maintained with Carer's Allowance now being paid at 59% of long-term Incapacity Benefit.

The 1974 White Paper which proposed the new non-contributory benefits gives further clues as to why they were set at such a low level. In setting out the case for the Non-Contributory Invalidity Pension for sick or disabled people who were excluded from the National Insurance system because they lacked a contribution record, the Government said:

It is for this group of people, deprived of both their normal role in the community and of the normal rights that go with that role, that pressure is strongest for a non-means-tested benefit to confer the very important psychological advantage of membership of the national insurance community.³²

The White Paper went on to argue that it was

...palpably wrong to deny altogether basic benefit as of right to people who because of severe disablement have not been able to establish themselves as contributors in the insurance scheme.³³

Joan Brown, in her 1984 study of *The Disability Income System*, commented however that³⁴

...a justification based on the right to a basic non-means tested benefit did not in the government proposals extend to equality with the National Insurance recipients or to a benefit level which would remove the need for means tested supplementation where the benefit formed the sole or virtually the only income. The government paper first asserted that the case for a benefit for this group 'would not be weakened by the fact that, if they were granted a new non-means tested benefit, some of them (the numbers would depend on the level of the benefit) would still be unable to manage without recourse to supplementary benefit' (*Social Security Provision for Chronically Sick and Disabled People*, p18). Further on in a statement which harked back to Beveridge's views on the necessity to give non-contributors (on National Assistance) a less desirable benefit than the insurance benefit ('otherwise the insured persons get nothing for their contributions'), the paper stated:

...it would be inconsistent with the maintenance of the insurance base of that scheme (National Insurance) and inequitable in comparison with the treatment of those already over pension age – particularly those who have no or reduced pensions and are just as disabled as those under

³⁰ HC Deb 18 November 2004 c1867W

³¹ The Non-Contributory Invalidity Pension was replaced in 1984 by Severe Disablement Allowance which, in turn, was replaced by non-contributory Incapacity Benefit for new claims from April 2001; and ESA in youth from October 2008

³² HC 276 p13

³³ *ibid.* p18

³⁴ p216

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pension age – to pay non-contributory invalidity benefit at the full contributory rates to people under pension age (*ibid.*, p18)

In other words, the lower rate was thought necessary in order to maintain the integrity of the National Insurance system. Similar considerations appear to have informed decisions about the level of the Invalid Care Allowance. Looking back at the introduction of ICA, Joan Brown commented:

The decision to make the benefit non-contributory was based on the need 'to include the few who have been at work as well as the many more who have had to give up a paid job' (*Social Security Provision for Chronically Sick and Disabled People*, p20). If the work had been given up for other reasons, for example, invalidity, contributors would draw the normal NI benefit to which they were entitled, instead of ICA, but of the sole reason was to meet attendance needs, then 'the many' with a contribution record on the government's reasoning would have to be levelled down to the rate of benefit considered for 'the few' with no record. Governments in any case took the view that the contingency of giving up work to meet attendance needs could not be provided for under a contributory scheme (*ibid.*, p13).³⁵

To summarise, therefore, it would appear that Carer's Allowance is set at a lower rate than other benefits because:

- The Government in the 1970s decided that carers could not be supported by a new National Insurance benefit; and
- Non-contributory benefits should be paid at a lower rate than National Insurance benefits.

The following PQ from January 2007 suggests that this was still the official position at that time:

Mr. Laurence Robertson: To ask the Secretary of State for Work and Pensions if he will take steps to increase the level of carer's allowance in line with that of (a) jobseekers' allowance, (b) income support and (c) incapacity benefit; and if he will make a statement. [115338]

Mrs. McGuire [*holding answer 15 January 2007*]: The level of carer's allowance is increased in April each year in line with the annual movement in prices as measured by the retail price index, and we have no plans to change these arrangements.

Unlike incapacity benefit and jobseeker's allowance (contributions-based), entitlement to carer's allowance does not depend upon the payment of national insurance contributions; hence, the level of carer's allowance has always been less than other income maintenance (contributions-based) benefits such as incapacity benefit and jobseeker's allowance.

Income support and income-based jobseeker's allowance are available to carers in lower-income households. They are not payable at standard rates, but are assessed on the basis of an individual's personal circumstances. Carers entitled to carer's allowance have the carer premium of £26.35 a week [£34.60 in 2005-16] included in the assessment of these benefits, and of housing benefit and council tax benefit. If they are aged 60 or

³⁵ *Disability Income Part 2: The Disability Income Scheme*, Policy Studies Institute, 1984, p261

over, they have the equivalent additional amount for carers included in their pension credit assessment.³⁶

Other developments in the benefit system since the 1970s suggest however that governments have not always adhered closely to the general principle that non-contributory benefits should be less than contributory benefits.

The Non-Contributory Invalidity Pension was later replaced by Severe Disablement Allowance, which, in turn, was replaced in 2001 by non-contributory Incapacity Benefit for people incapacitated early in life who had not had the opportunity to build up a National Insurance record. Non-contributory IB is paid at the same rate as contributory IB. Employment and Support Allowance – which replaced Incapacity Benefit for new claims from October 2008 – also had a non-contributory version for those incapacitated in youth, which is payable at the same rate as the contributory version. As a result of measures in the *Welfare Reform Act 2012*, new claims for ESA under the “youth rules” are no longer possible and all new claimants of non-means-tested ESA must satisfy the relevant National Insurance contribution conditions.

The DWP's September 2010 *Retrospective equality impact assessment* for DLA, Attendance Allowance and Carer's Allowance said that the rate of Carer's Allowance reflected its non-contributory status, but also mentioned the more generous earnings rules for Carer's Allowance claimants and the availability of additional means-tested support:

Carer's Allowance is paid at £53.90 (2010/11 rates) and is subject to income tax. The rate of Carer's Allowance, compared with State Pension and Incapacity Benefit/Employment and Support Allowance, reflected the fact that entitlement does not depend on payment of National Insurance Contributions - the rate was originally aligned with that of a married woman's Retirement Pension based on her husband's contributions. However, the high earnings limit, compared with most other benefits, has helped carers who want to combine their caring responsibilities with part-time employment. Additional help is also available, as described above, for carers on low incomes through the income-related benefits.³⁷

The level of Carer's Allowance was raised by a number of organisations and individuals who gave evidence to the Work and Pensions Committee's 2008 inquiry on *Valuing and Supporting Carers*. The Committee's report noted:

121. Carers UK stated that "carers are insulted by the low level of Carer's Allowance". [Ev 142] At £50.55 (from 7th April 2008; previously £48.65) it is the lowest of all income replacement benefits. Ms Batten of the National Autistic Society said: "Just to demonstrate how inadequate Carer's Allowance is, even if you did the minimum caring hours of 35 hours a week, that is equivalent to £1.44 an hour compared to a minimum wage of £5.52, which really demonstrates how we value that role. So the rate is inadequate, it sends a message to carers about how we value their role." [Q 20]

³⁶ HC Deb 22 January 2007 c1508W

³⁷ DWP, [Attendance Allowance, Disability Living Allowance and Carer's Allowance: Retrospective equality impact assessment](#), September 2010, para 2.14

122. Most submissions argued that the purpose of Carer's Allowance is unclear as it does not provide an income sufficient to live on or prevent poverty (the poorest carers have to claim Income Support with a carer premium for an income replacement benefit), but neither is it a benefit paid in recognition of the role of carers or the costs incurred as it is not paid to all who fulfil a caring role (we address eligibility in the following sections). [Ev 65; Ev 73; Ev 163; Ev 158; Ev 152; Ev 101; Ev 128] Ms Redmond of Carers UK said "It is something that is trapped back in the Seventies as if it is a bit of pin money or something, but it is not a proper income replacement benefit. If we are talking about a flat rate income replacement benefit, it has to be of a decent level that replaces income." [Q 17]³⁸

The Committee did not suggest increasing Carer's Allowance by any specific amount, but it believed that Carer's Allowance as a whole was outdated and recommended that carers' benefits should be "radically overhauled at the earliest opportunity to recognise the contribution carers make and to be more flexible to reflect carers' different circumstances" (see below).³⁹

In his 2010 DWP Working Paper on measuring the take-up of Carer's Allowance, Richard Berthoud summarised some of the arguments put forward in favour of increasing the rate of Carer's Allowance as follows:

- Caring should be treated as an insurable risk, and should be paid at the same rate as other long-term insurance benefits which are currently about £95 for a single person.
- It is argued by some organisations that carers' personal incomes are so low that they are left in poverty, and/or dependent on the incomes of the people they care for.
- Although CA is constructed as an earnings replacement benefits, its objectives are often represented, by policy commentators and by carers themselves, as a payment in recognition of their caring role. It is argued that the social value of the work that informal carers do should be recognised in a higher rate of allowance (Carers UK, Real Change, not Short Change, 2007). This idea is often discussed in the context of the cost that would have to be borne by the state if the informal carer was not available or willing to help the disabled person (NAO, Department for Work and Pensions: supporting carers to care, 2009).⁴⁰

3.3 Carer's Allowance and paid work

Carer's Allowance is, formally, an "income replacement" benefit. It is intended to provide "a measure of income-maintenance" for people unable to do full-time paid work because of their caring responsibilities.⁴¹ It is **not** a payment for care provided or a "carer's wage".

Nevertheless, the rules do allow people in receipt of Carer's Allowance to undertake some paid work. There is no limit on the number of hours

³⁸ [HC 485-I 2007-08](#), 29 August 2008

³⁹ Ibid. para 125

⁴⁰ Richard Berthoud, [The take-up of Carer's Allowance: A feasibility study](#), DWP Working Paper No 84, 2010, p2

⁴¹ HC Deb 27 March 2007 c1502

of paid work a person in receipt of Carer's Allowance can do, provided they are still "regularly and substantially" caring for a disabled person. However, Carer's Allowance may not be payable if earnings exceed a certain amount in any week.

A leaflet produced by the Department for Work and Pensions (DWP) in 2010 explained, in relation to paid work:

Can I still get Carer's Allowance if I work?

You can do some work without losing your benefit. If you earn no more than the 'earnings limit' after taking off the following payments or expenses, you can still get Carer's Allowance:

- Tax and National Insurance contributions.
- Half of any money you pay into a work or personal pension.
- Part of your work costs – for example, special clothes you need for your job.
- Part of the cost for someone (not a close relative) to look after your child, or the person you care for, while you work.

If you earn more than the earnings limit in some weeks, we won't pay Carer's Allowance for those weeks.

If your earnings rise above the earnings limit while you are getting Carer's Allowance, you must let us know.⁴²

The Labour Government increased the Carer's Allowance earnings limit substantially, so that by April 2010 it was £100 a week (after deductions). The 2010 Government raised the limit to £102 a week from April 2014, and to £110 a week from April 2015.⁴³

Organisations still argue however that the rules make it difficult for carers to combine paid work with their caring responsibilities. A particular problem is that a person loses entitlement completely as soon as their earnings exceed the threshold. The "cliff edge" problem has long been a source of complaint for carers and organisations representing them.

Some argue that the Carer's Allowance earnings limit should be increased – or abolished altogether – or that a taper should be introduced, so that the benefit is reduced gradually as income exceeds the limit, rather than being removed in full. In its 2008 report *Valuing and Supporting Carers*, the Work and Pensions Committee recommended (original emphasis):

174. Despite recent increases to the earnings limit, its level still represents a major barrier for carers to combine work and care, and/or progress in employment. We recommend that the Department urgently commissions and publishes a thorough analysis of the costs and benefits of increasing the earnings limit and introducing a taper.

⁴² DWP, [Carer's Allowance](#), CAA5DCS, May 2010

⁴³ See [Appendix 1 of Chapter 60 of the DWP Decision Maker's Guide](#) for changes to the ICAVA earnings limit since 1976

175. The different timetable for Carer's Allowance earnings limit uprating and the uprating of the National Minimum Wage is still a cause of great anxiety for claimants and causes problems for employers. We recommend that the Department finds ways of synchronising the increases in the level of the Carer's Allowance earnings limit with increases in the National Minimum Wage.⁴⁴

In its response published on 19 December 2008, the Labour Government said, in relation to the above recommendations:

42. The Government is keen to help carers to combine some paid work with their caring responsibilities where they are able to do so. However introducing an income taper into Carer's Allowance would make the benefit considerably more complex to administer and much more difficult for carers to understand. It would therefore add an extra burden for carers who already have heavy caring responsibilities as their benefit would need to be reassessed with every change in their income.

43. The Carer's Allowance earnings limit increased by 13% during 2007, and the Government will continue to keep the level of the earnings limit under review, including the most appropriate timescales for uprating.

44. As noted above, the Government intends to look systematically at the support offered to carers through the benefits system as part of its development of the single benefit.⁴⁵

Effect of increases in the National Minimum/Living Wage

The interaction between the [National Minimum Wage \(NMW\)](#) and Carer's Allowance has been a recurring concern. The main concern has been about increases in the NMW pushing people above the Carer's Allowance earnings limit. The introduction of the [National Living Wage](#) for workers aged 25 and over – which could be around £9 an hour by 2020 – may increase the number of carers affected.

The problem of people losing Carer's Allowance because increases in the NMW pushed them above the weekly earnings limit was until a few years ago an annual occurrence. The NMW usually increases from October, and there is no mechanism for automatically adjusting the Carer's Allowance earnings limit to take this into account. The problem was alleviated somewhat from 1 October 2007 – when the earnings limit was increased from £87 to £95 a week, and again from 12 April 2010 – when it was increased to £100 a week.

From 20 May 2014 the earnings limit increased further to £102 a week.⁴⁶

From October 2013, the NMW for people aged 21 or over was £6.31 an hour, so that a person working 16 hours a week at the NMW would have weekly gross earnings of £100.96 – in excess of the earnings limit

⁴⁴ HC 485 2007-08

⁴⁵ [HC 105 2008-09](#)

⁴⁶ See [Appendix 1 of Chapter 60 of the DWP Decision Maker's Guide](#) for changes to the ICAVA earnings limit since 1976

at that time (£100 a week), but under the earnings limit in force from the following May (£102 a week).

From October 2014, the NMW (for those 21 or over) increased to £6.50 an hour – £104 a week for someone working 16 hours. The Carer's Allowance earnings limit was scheduled to increase to £110 a week from April 2015, but in the meantime the £102 a week limit continued to apply. Carer's Allowance claimants whose earnings would have exceeded the limit due to the increase in the NMW could reduce their working hours to retain their benefit, but for some this would have meant losing [Working Tax Credit](#) (which for some groups is only payable if the person works at least 16 hours a week).

However, for Carer's Allowance earnings are measured **after certain allowable expenses**, so that a person working 16 hours at the National Minimum Wage could remain within the earnings limit even if their gross earnings exceeded it. This point was made by the former Minister for Disabled People, Mike Penning, in a written answer in February 2014:

Mr Spellar: To ask the Secretary of State for Work and Pensions if he will uprate the income threshold for carers allowance in line with increases in the minimum wage. [185757]

Mike Penning: The Government keep the earnings limit under review and will consider whether an increase is warranted and affordable.

The earnings rule in carer's allowance allows carers to maintain links with the workplace by allowing recipients to work and earn up to £100 per week, net of allowable expenses. This means that some carers can earn in excess of the limit and still be entitled to carer's allowance.

The increase in the national minimum wage will only affect those carers who claim carer's allowance, work 16 hours a week and do not have allowable expenses to take them below the earnings limit. In these circumstances a carer who is also receiving working tax credit will have any loss of carer's allowance offset by an increase in working tax credit.⁴⁷

National Living Wage

Summer Budget 2015 announced the introduction of a new "National Living Wage" (NLW) for people aged 25 and over, which effectively replaces the National Minimum Wage for workers in that age group. The Government intends for the NLW to reach 60% of median earnings by 2020, which could be around £9 an hour.⁴⁸

It has been suggested that the Carer's Allowance earnings limit should be uprated in line with increases in the National Minimum/Living wage, so that carers affected by increases in the latter do not have to choose between giving up Carer's Allowance and losing Working Tax Credit.⁴⁹ In response to parliamentary questions on this, Ministers have pointed

⁴⁷ HC Deb 5 February 2014 c265W

⁴⁸ See Library briefing CBP-7319, [Economic impacts of the National Living Wage: in brief](#)

⁴⁹ See for example Dr Eilidh Whiteford's contribution to the debate on the National Living Wage; [HC Deb 18 April 2016 c707](#)

to the substantial increase in the earning limit from April 2015. For example, in a written answer on 9 March 2016 DWP Minister Justin Tomlinson said:

The earnings limit for Carer's Allowance which is not linked to the number of hours worked is currently £110 per week (net of certain expenses). It was increased to £110 in April 2015 – an increase of nearly 8%, which far outstripped the growth in earnings.

The Government keeps the earnings limit under review and keeps under consideration whether an increase in the threshold is warranted and affordable.⁵⁰

3.4 Studying and claiming Carer's Allowance

Section 70(3) of the *Social Security Contributions and Benefits Act 1992* provides that a person is not entitled to Carer's Allowance if he/she is in full-time education. Generally, a person will be deemed to be in full-time education if their course is described as full-time by the educational institution, but regulation 5 of the *Social Security (Invalid Care Allowance) Regulations 1976*⁵¹ states that a person is in full-time education if he/she is attending a course at a university, college or other educational establishment for at least 21 hours a week. In calculating the 21 hours only "supervised study" counts. Meal breaks or "unsupervised study" do not count. Supervised study does not necessarily have to be at the institution in the physical presence of a teacher, tutor or lecturer; it includes study the person is directed to undertake as part of the reasonable requirements of the course. Hours of study in excess of the normal requirement count as unsupervised study.⁵²

The rationale for excluding those in full-time education from the Carer's Allowance is the same as that for the so-called "overlapping benefits rule", which applies in certain circumstances when a person is entitled to more than one social security benefit (see above). DWP officials⁵³ have in the past confirmed to the Library that the prohibition on people in full-time education receiving Carer's Allowance is an extension of this principle. The assumption is that people in full-time education are already being maintained via mainstream student support, and that payment of Carer's Allowance would duplicate provision.

The 21 hour study rule has been criticised by a number of organisations as a barrier to carers wishing to engage in education or training in order to update their skills with a view to entering or returning to the labour market. In its July 2008 report, *Valuing and supporting carers*, the Work and Pensions Committee stated (original emphasis):

163. Carers currently face a stark choice between engaging in education and training without any financial support or living on benefits. Many carers would be able to undertake

⁵⁰ PQ 29988

⁵¹ SI 1976/409 as amended

⁵² For further details see [para 60068 onwards in Chapter 60 of the DWP Decision Maker's Guide](#)

⁵³ DWP Disability and Carers Directorate Benefit Policy Division

education or training in addition to providing in excess of 35 hours of care per week. We recommend that the Department evaluates the effect of lifting the 21 hour study rule for carers on Carer's Allowance to enable carers to engage in education and training as a route into paid employment. We also recommend that the Department evaluates the effect of adding Carer's Allowance to the list of qualifying benefits for reduced education and training fees. ⁵⁴

The Labour Government's response was published on 19 December 2008. In relation to the above recommendations it said:

39. The Government is keen to ensure that carers have access to training opportunities that will enable them to improve their skills in preparation for entry or re-entry to the job market if their caring responsibilities come to an end. Rather than consider piecemeal changes to Carer's Allowance, the Government intends to look specifically at the support offered to carers through the benefits system as part of its development of the single benefit. ⁵⁵

40. The Department for Innovation, Universities and Skills is committed to tackling the many barriers people face to accessing opportunities to get into training and on at work. This includes those with full time caring responsibilities, of whom an estimated 1 in 5 has left or turned down a job because of caring responsibilities.

41. The Department for Innovation, Universities and Skills is introducing a new advisory service - the adult advancement and careers service (aacs) - that will combine skills and training advice with practical guidance for people on how to overcome the barriers they face in getting on in life. The aacs will provide a one-stop-shop for those seeking training and help into work but who also face problems in areas like childcare, money matters, housing and disability issues. The service will be freely available to all, but it is intended that it will provide particular targeted support for groups such as carers, ensuring that they do not miss out on opportunities to achieve their ambitions because of the social contribution they have made. The new service will be operational from autumn 2010. ⁵⁶

The proposed "Adult Advancement Careers Service" was never established, but the 2010 Government launched the [National Careers Service \(NCS\)](#) in April 2012.

⁵⁴ HC 485 2007-08

⁵⁵ In its July 2008 Green Paper, *No one written off: reforming welfare to reward responsibility*, and December 2008 White Paper, *Raising expectations and increasing support*, the Labour Government said that it was attracted to the idea of a single benefit for people of working age that would cover a number of claimant groups; see pp38-42 of Library Research Paper 09/08, [Welfare Reform Bill 2008-09: social security provisions](#)

⁵⁶ HC 105 2008-09

4. Reform proposals

On 29 August 2008 the Work and Pensions Committee published a report, [Valuing and supporting carers \(HC 485 2007-08\)](#) which looked at support for carers in detail. The report argued that the current system of benefits for carers was outdated and recommended the introduction of two distinctive “tiers” of support for carers, offering: (i) income replacement support for carers unable to work, or working only part-time; and (ii) compensation for the additional costs of caring for all carers in intensive caring roles:

198. We endorse the commitment in the 2008 Carers Strategy to review carers' benefits as part of a wider process of welfare reform. We believe that this review should be guided by the principles that carers who are not able to work due to their caring responsibilities should be entitled to an income replacement benefit comparable to other income replacement benefits; and that an additional payment should recognise the additional costs of caring for one or more people.

199. We ask DWP to give urgent and detailed consideration to replacing Carer's Allowance with a two-tiered benefit for carers, and cost our proposals as soon as possible. They would operate as follows:

- ***Carer Support Allowance*, to be paid at the same rate as Jobseekers' Allowance, with the opportunity to earn a modest amount in a paid job (offering reasonable consistency with CA and in line with the permitted earnings rules). As this will be an income replacement benefit we do not think it should be payable in addition to other income replacement benefits; however we do not believe it is necessary, or desirable, to 'means-test' Carer Support Allowance, as carers entitled to receive it will need to be fully occupied by their caring role (for at least 35 hours per week).**
- ***Caring Costs Payment*, available to all carers in intensive caring roles (35+ hours per week, consistent with existing Carer's Allowance), but payable also to those over State Pension age, to compensate them for the additional costs of caring, and/or to enable them to buy in some help, goods or services to ease their caring situation. We recommend that CCP should be set at a level commensurate with other parallel payments in the UK social protection system (such as Child Benefit); this would make it likely that CCP could be set somewhere between £25 (£1,300 p.a.) and £50 per week (£2,600 p.a.).⁵⁷**

Further background to this proposal can be found in [paras 188-197 of the Committee's report](#).

In its [response to the Committee's report](#) in December 2008 the Labour Government accepted the general principle put forward by the

⁵⁷ Original emphasis

Committee that a future system of support for carers should distinguish between income replacement and the extra costs faced by carers. However, it gave no specific timetable, saying that any changes would be looked at as part of its wider welfare reform programme:

51. The Department accepts the Committee's general principle that a future system of support for carers should be able to differentiate between the support that a carer needs because they have no income, and the support that a carer needs because of other costs relating to the caring responsibilities. In the White Paper *Raising expectations and increasing support - reforming welfare for the future* the Department says that it will explore whether a single benefit would be a good way to provide a more adaptive system of support. The needs and circumstances of carers will play a key part in the consideration of options for streamlining the benefit system.

52. But it would not be right to undertake any review of carers' benefits in isolation. Many of the difficulties that carers experience arise from the interactions between different benefits and interactions with different aspects of the wider welfare system.

53. The Government said in *Carers at the heart of 21st century families and communities* that it would be important to look at carers' benefits in the context of wider welfare reform. It remains committed to doing this and recognises the importance of taking a joined-up approach to looking at the future of carers' benefits - across the Department for Work and Pensions and across Government.

No further announcements were made before the 2010 General Election.

Media reports in March 2015 suggested that, as part of an investigation into the options for making further welfare savings, DWP officials had been asked to look into changes to disability and carers' benefits, including abolishing Carer's Allowance and limiting help to carers eligible for Universal Credit (see below).⁵⁸ According to leaked documents seen by the BBC, the DWP estimated that restricting help to carers eligible for UC could save £1 billion a year, and result in 40% of claimants losing out.⁵⁹

In its 2015 Green Budget, the Institute for Fiscal Studies (IFS) estimated that scrapping Carer's Allowance and allowing claimants to claim Universal Credit instead would only save around £300 million a year. The reduction in spending would be relatively small since most claimants would be entitled to claim means-tested support to offset the loss of Carer's Allowance.⁶⁰

Commenting on the BBC report, the IFS said that the discrepancy between the leaked figures and its estimate was likely to be because the

⁵⁸ "[Election 2015: Conservative benefit cut options leaked](#)," BBC News, 28 March 2015

⁵⁹ Ibid.

⁶⁰ "[Options for reducing spending on social security](#)," in *Green Budget 2015*, February 2015, p217

Green Budget figures did not account for non-take-up of means-tested benefits.⁶¹

The BBC report stated however that the Conservatives had insisted that the proposals in the leaked documents were not party policy. It added:

A spokeswoman for Work and Pensions Secretary Iain Duncan Smith said: "This is ill-informed and inaccurate speculation.

"Officials spend a lot of time generating proposals - many not commissioned by politicians.

"It's wrong and misleading to suggest that any of this is part of our plan."

Carers UK issued the following [response](#) to the media reports:

Carers UK responds to leaked plans for welfare cuts

27 March 2015

Responding to reports from the BBC that the DWP has drawn up plans that would see a tightening of eligibility for Carer's Allowance:

Emily Holzhausen, Director of Policy at Carers UK said;

"Carers UK represents all carers providing unpaid support for disabled, ill and frail relatives and friends. The value of their support, overall is worth a staggering £119bn a year yet caring can come at a huge personal cost to carers placing a strain on finances as well as health and wellbeing.

Carer's Allowance is the lowest benefit of its kind paid to people who have largely given up work to care for their relatives who are disabled or chronically sick. To get the benefit they have to be providing at least 35 hours of unpaid care per week.

Our research shows that over one third of carers could not afford to pay utility bills and 45% were cutting back on food.

Carers have made it very clear that they need more financial support not less and this needs to be the priority of any future Government. "

In a joint letter to *The Guardian* on 31 March 2015 in response to the leaked documents, Rosemary O'Neill of the campaigning group [Carer Watch](#) and over 70 other individuals from disability, carers' and other organisations argued that moving carers to Universal Credit would result in an unfair system that gave no recognition of their contribution to society. They believed that governments should accept their responsibility to carers, who deserved a "livable income, a separate benefit which recognises that they are not unemployed or "passive" recipients of benefit." The letter continued:

Those in receipt of carer's allowance cannot be classed as being inactive. Carers are unique within the benefit system in that they have to provide a minimum of 35 hours a week care in order to qualify for carer's allowance. Over 1.5 million carers provide more than 50 hours' a week of care, some providing care 24 hours a day, seven days a week. Carer's allowance cannot therefore be considered as being a "passive" benefit. Caring places physical

⁶¹ Stuart Adam, Andrew Hood, and Robert Joyce, [The search for further benefit cuts](#), IFS Observation, 27 March 2015

and emotional demands on a carer. Unpaid caring entails carrying out the same tasks and duties considered by society to be work when carried out by paid care workers.

Without carers' unpaid contribution to society, this unpaid care would have to be provided by state-funded social care staff at a considerably higher cost to society. Without carers, our NHS and social care systems would collapse. The average carer is saving the nation over £15,260 a year. A full-time carer saves the nation considerably more. CarerWatch believes these proposals indicate a failure on the government's part to recognise that caring is not passive and that carers make a valuable contribution to society (estimated to be worth £119bn a year).⁶²

In the event, the incoming Government did not announce changes to Carer's Allowance, but Summer Budget 2015 set out a package of measures to yield additional welfare savings of £13 billion a year by 2020-21, including limits to Child Tax Credit, a four-year freeze in working-age benefits (rather than a two-year freeze as previously announced), abolition of the Employment and Support Allowance Work-Related Activity Component for new claims from April 2017, and reductions in the household benefit cap.⁶³

⁶² "[Carers deserve a livable income](#)," *Guardian* letters, 31 March 2015. The figure of £119 billion for the economic value of the annual contribution made by carers in the UK originates from a 2011 study commissioned by Carers UK – see University of Leeds and Carers UK, [Valuing Carers 2011: Calculating the value of carers' support](#), May 2011

⁶³ For details see Library briefing CBP-7251, [Welfare Reform and Work Bill](#)

5. Carers and Universal Credit

Universal Credit will provide a single integrated system of in- and out-of-work support for working-age families. Income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit will all be abolished. UC was introduced for a small subset of new claimants in selected "pathfinder" areas starting from April 2013, and is gradually being extended to further areas and to new groups. UC is not expected to be fully introduced until 2021.

Carer's Allowance will remain outside Universal Credit and the maximum amount of UC payable will be reduced pound for pound by any Carer's Allowance a person/family receives. Where a person satisfies the care conditions for Carer's Allowance – ie they are "regularly and substantially" caring for a person receiving a qualifying disability benefit – a "carer element" will be included in the calculation of their UC maximum amount. This mirrors the carer premium/addition currently payable with means-tested benefits, and is worth £150.39 a month (2016-17 rates). A person does not have to be in receipt of Carer's Allowance or have made a claim for it to receive the claimant element – the calculation of the UC award will include the carer element for as long as the person satisfies the care conditions. An award of UC can include the carer element even if Carer's Allowance would not be payable because the person's earnings exceed the Carer's Allowance earnings limit (currently £110 a week, net of certain expenses⁶⁴).

The introduction of Universal Credit is being accompanied by a new "conditionality" regime setting out what people will be required to do in return for receiving it. People who satisfy the conditions for the carer element – ie who have "regular and substantial" caring responsibilities – will be in the "no work-related requirements" group. This means that they will not be expected to look for work or undertake any work-related activities to receive UC.

Further information on how Universal Credit affects carers can be found in:

- DWP, [Universal Credit Policy Briefing Note 7: Carers](#), 12 September 2011
- Entitledto, [Caring overview: Universal Credit for Carers](#)
- Carers UK, [Universal Credit](#)

⁶⁴ See section 3.3 above

6. Carers and the Benefit Cap

The 2010 Government introduced a cap on the total amount of benefit that working-age households can get, from April 2013. This currently includes Carer's Allowance. Measures in the *Welfare Reform and Work Act 2016* will reduce the cap further (although these are not yet in force).

Households where someone is claiming a disability benefit (including PIP, DLA, and the Support Component of Employment and Support Allowance) are **not** subject to the cap.

In a judgment on 26 November 2015, the High Court held that the failure to exempt full-time unpaid carers in receipt of Carer's Allowance from the Benefit Cap constituted unlawful discrimination against disabled people, in breach of Article 14 of the European Convention on Human Rights.⁶⁵

During the Third Reading of the *Welfare Reform and Work Bill 2015-16* in the House of Lords, the Minister for Welfare Reform, Lord Freud, tabled an amendment to exempt all recipients of Carer's Allowance (and Guardian's Allowance) from the Benefit Cap.⁶⁶

The exemption will be introduced by regulations, and until such time as the regulations are in force the existing rules apply. In the meantime, the Government has amended guidance for local authorities on the use of Discretionary Housing Payments "to reflect that those entitled to Carer's Allowance or Universal Credit including the carer element should be considered as a priority group for whom Discretionary Housing Payments are specifically aimed."⁶⁷

Further information can be found in Library briefing CBP-6294, [The Benefit Cap](#). Carers UK also has information on its [Benefit Cap page](#).

⁶⁵ [Hurley & Others v Secretary of State for Work And Pensions, \[2015\] EWHC 3382 \(Admin\)](#)

⁶⁶ HL Deb 9 February 2016 c2121

⁶⁷ PQ HL7443 [on Housing Benefit: Carers], 19 April 2016

7. Further Scottish devolution and Carer's Allowance

On 27 November 2014 the Smith Commission published its report detailing "Heads of Agreement" on further devolution of powers to the Scottish Parliament. The Commission proposed devolving full responsibility for certain benefits, including Disability Living Allowance, Attendance Allowance, Personal Independence Payment, and Carer's Allowance. The [Scotland Act 2016](#) gives effect to the Smith Commission proposals. The Scottish Parliament will have the power to create additional benefits in these areas, replace existing benefits with new benefits or other payments and to determine the structure and value of such provision.

In their 2016 Scottish Parliament election manifestos, the SNP, Scottish Labour, the Scottish Conservatives and the Scottish Liberal Democrats all commit to increasing Carer's Allowance to bring it into line with Jobseeker's Allowance. The SNP also pledges to increase Carer's Allowance for those looking after more than one disabled child, to recognise higher costs.⁶⁸

The Scottish Greens state that they will campaign for a 50% increase in Carer's Allowance payments to £93.15 per week, explore introducing a "Young Carer's Grant", support a redesign of the Carer's Allowance "to value care, tackle financial stress and reduce paperwork" including a lower threshold for hours of care and a top-up for people who care for more than one person, and advocate excluding Carer's Allowance from the means test for local authority non-residential care charges.⁶⁹

⁶⁸ [SNP Manifesto 2016](#), p21; Scottish Labour, [Labour will deliver better support for Scotland's carers](#); [Scottish Conservative and Unionist Party Manifest 2016](#), p21; [Scottish Liberal Democrats Manifest 2016](#), p14

⁶⁹ [Scottish Greens Manifesto 2016](#), p8

8. Key sources

8.1 Information for claimants and advisers

Detailed information on the Carer's Allowance rules can be found in guides such as the Child Poverty Action Group's annual [Welfare Benefits and Tax Credits Handbook](#) and Disability Rights UK's annual [Disability Rights Handbook](#), both of which may be available in public libraries.

Information is also available online:

Disability Rights UK Factsheet F30, [Carer's Allowance](#)

[Carer's Allowance](#), GOV.UK

Carers UK's factsheet, [Carer's Allowance 2016/17](#)

Carers UK, [Carers and the Welfare Reform Act: How carers will be affected by planned changes to benefits](#), May 2013

Carers UK, [State of Caring 2015](#), 19 May 2015

Carers UK, [Carers Rights Guide 2016 – looking after someone](#)

Child Poverty Action Group in Scotland, [Welfare reform and carers](#), March 2014

Commons Library Briefing CBP-7219, [Carers' rights and benefits \(England\)](#), 5 June 2015

DWP, Decision Maker's Guide DMG Volume 10, Chapter 60, [Carer's Allowance](#)

8.2 DWP policy and research publications

Hilary Arksey, Peter Kemp, Caroline Glendinning, Inna Kotchetkova and Rosemary Tozer, [Carers' aspirations and decisions around work and retirement](#), DWP Research Report 290, November 2005

Sarah Vickerstaff, Wendy Loretto, Alisoun Milne, Elaine Alden, Jenny Billings, and Phil White, [Employment support for carers](#), DWP Research Report 597, September 2009

DWP, [Attendance Allowance, Disability Living Allowance and Carer's Allowance: Retrospective equality impact assessment](#), September 2010

Richard Berthoud, [The take-up of Carer's Allowance: A feasibility study](#), DWP Working Paper No 84, 2010

Gary Fry, Benedict Singleton, Sue Yeandle and Lisa Buckner, [Developing a clearer understanding of the Carer's Allowance claimant group](#), DWP Research Report 739, May 2011

Gillian Parker, Anne Corden, Annie Irvine and Caroline Glendinning, [Household finances of Carer's Allowance recipients](#), DWP Research Report 875, July 2014

8.3 Parliamentary and related material

Work and Pensions Committee, [Valuing and supporting carers](#), HC 485 2007-08, 29 August 2008

[Valuing and Supporting Carers: Government Response to the Committee's Fourth Report of Session 2007–08](#), HC 105 2008-09, 19 December 2008

National Audit Office, [Department for Work and Pensions: Supporting Carers to Care](#), HC 130 2008-09, 26 February 2009

Public Accounts Committee, [Supporting Carers to Care](#), HC 549 2008-09, 8 September 2009 (and the [Government's response, printed in Cm 7736](#), December 2009)

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