

# Welfare benefits and mental illness

This factsheet looks at the different benefits that someone who is unwell may be able to claim. The government is making changes to the welfare benefits system.



KEY POINTS

- You may be able to claim benefits if you are too unwell to work, on a low income or have care or mobility needs.
- We suggest you get your benefits checked if you have a change in circumstances. This will make sure you get what you are entitled to.
- If you have difficulties with benefits you should get advice and support from a welfare rights adviser.

**This factsheet covers:**

1. [How do I check my benefit entitlement?](#)
2. [Universal Credit](#)
3. [Employment and Support Allowance](#)
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This factsheet is correct at the time of publication. You will find more information about the benefits in this factsheet at [www.gov.uk](http://www.gov.uk).

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## 1. How do I check my benefit entitlement?

It is up to you to make sure that you get the benefits that you are entitled to. The Department for Work and Pensions (DWP) and your local council do not have to tell you what you should claim. You can use an online benefits checking tool to see what you may be able to claim. The tool is a guide, it can't tell you if your claim will be successful. The charity Turn2us have an online calculator you can use. You can find their contact details at the end of this factsheet.

A welfare rights adviser may be able to help if you have problems with benefits. This is someone that specialises in benefits. They can check that you are getting everything you are entitled to and help with claims and appeals. You can find a local adviser by contacting a local advice agency such as a Citizens Advice. Contact details for Citizen's Advice are at the end of this factsheet.

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## 2. Universal Credit (UC)

### What is Universal Credit?

Universal Credit (UC) is being introduced across the country to replace some benefits you may already get. You can only get UC in some parts of the country. UC will replace the following benefits.<sup>1</sup>

- Housing Benefit
- Income Support
- Income-based Job Seekers Allowance
- Income related Employment & Support Allowance
- Child Tax Credit
- Working Tax Credit

### Can I claim UC?

You can claim UC if:<sup>2</sup>

- you are aged between 18 and under the pension age. You may be able to claim UC if you are aged 16 or 17,
- you are in Great Britain and not subject to immigration control,
- you are not in education,
- you accept the claimant commitment, and
- your household income is low and you have low savings and capital.<sup>3</sup>

Follow the below link to find out if you can apply for UC in your area.  
[www.gov.uk/guidance/jobcentres-where-you-can-claim-universal-credit](http://www.gov.uk/guidance/jobcentres-where-you-can-claim-universal-credit)

## Can I work and claim UC?

You can get UC if you are in or out of work. You can earn some money without it affecting your UC amount. This is called the 'work allowance'. The amount you can earn before your money is reduced will depend on if you:

- are single,
- are part of a couple,
- have children, and
- get help with your housing costs.

The amount of UC that you get will reduce if you start to earn more money. For every £1 you earn above a certain limit, you will get 65p less UC until 9 April 2017.<sup>4</sup> From 10 April 2017 for every £1 you earn above the limit you will get 63p less UC.<sup>5</sup>

You can get more information about the work allowance in our '**Universal Credit**' factsheet. You can download it for free from [www.rethink.org](http://www.rethink.org) or call 0121 522 7007 and ask for a copy to be sent to you.

## Will my UC stop?

UC is made up of different 'elements' such as housing cost element and child care cost element. Each element has its own conditions. You will be able to continue claiming each element for as long as you meet the conditions.<sup>6</sup>

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## 3. Employment and Support Allowance (ESA)

### What is ESA?

You can claim ESA if you can't work because of illness or disability. ESA looks at how your illness or disability affects your ability to work. ESA has replaced Incapacity Benefit, Income Support, on disability grounds, and Severe Disablement Allowance. The Department for Work and Pension (DWP) will reassess you against ESA rules if you still get any of these benefits. You do not need to do anything until the DWP contact you.

There are two types of ESA. You may get contribution based ESA (CB-ESA) if you have made enough national insurance contributions in the last 2 years. You may claim income related ESA (IR-ESA) if you have not made any national insurance contributions. You cannot get IR-ESA if you have more than £16,000.

### Can I claim ESA?

You will not be able to make a new claim for IR-ESA if you are able to claim Universal Credit. See [Section 2](#) of this factsheet for more information. You can claim ESA if you have an illness or disability and are:<sup>7</sup>

- aged between 16 and under the pension age,

- in Great Britain,
- not getting:
  - Statutory Sick Pay (SSP),
  - Statutory Maternity Pay (SSP),
  - Job Seekers Allowance (JSA),
  - Income Support, or
  - Universal Credit (UC)

When you make a claim you will be paid the assessment rate of ESA. If the DWP find you unfit for work, you will go into the Work Related Activity Group (WRAG) or the Support Group (SG). In the WRAG you will get the basic allowance, which is the same amount as the assessment rate, and you may get the WRAG component. If you are placed in the SG, you will be paid more money on top of your basic allowance.

You will not get the WRAG component if you apply for ESA from April 2017. This means that you will just get the basic rate. You will continue to get the WRAG component if you claimed ESA before April 2017. The government will continue to help you with job preparation and training if you are in the WRAG.<sup>8</sup>

### Can I work and claim ESA?

You can do 'permitted work' and claim ESA. Permitted work means that you will need to follow certain rules to be able to continue with your claim for ESA. You can get ESA if you're employed, self employed or unemployed.

Types of permitted work	I am in the SG. Can I work?	I am in the WRAG. Can I work?
<b>Lower limit:</b> This means that you can work for as many hours as you would like as long as you do not earn over £20 per week.	Yes, you can do lower limit permitted work	Yes, you can do lower limit permitted work
<b>Higher limit:</b> This means that you can earn up to £120.00 per week but must work less than 16 hours per week.	Yes, you can do higher limit permitted work for as long as you would like to.	Yes, you can do higher limit permitted work.

### Will my ESA stop?

#### IR-ESA

You will be able to claim IR-ESA for both the SG and WRAG for as long as you meet the conditions.

#### CB-ESA

You can claim CB-ESA for as long as you meet the conditions for the SG.

You can claim CB-ESA for 12 months for the WRAG.<sup>9</sup> The DWP should contact you before your benefit ends to ask if you want to be considered for IR-ESA. You should contact the DWP before your benefit ends if you do not hear from them. Please read our ESA factsheet for more information if this happens.

You can find more information about:

- Employment and Support Allowance
- Work Capability Assessment

at [www.rethink.org](http://www.rethink.org). Or contact 0121 522 7007 and ask for a copy to be sent to you.

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#### **4. Job Seekers Allowance (JSA)**

##### **What is JSA?**

You can get JSA if you are:

- Unemployed, or
- working less than 16 hours per week, and
- are available and looking for full time work.

JSA can be contribution based (CB) or income related (IR). You will get CB-JSA if you have paid enough national insurance (NI) contributions in the 2 previous tax years. You can claim CB-JSA for up to 6 months.

If you do not meet the NI contributions conditions, you will have to apply for IR-JSA. It is means tested. This means any income and capital or savings worth £6,000 or more will affect the amount of benefit you get. You will not get any IR-JSA if you have capital or savings worth more than £16,000. People in your household can affect the amount of IR-ESA you are entitled to. You will get help with prescription charges if you get IR-JSA.<sup>10</sup>

##### **What is a claimant commitment?**

When you apply for JSA, you have to sign a claimant commitment. This explains what work-related activities that you have to do to get JSA. It will explain what will happen if you do not do what you agreed to do.

You will get a work coach at the job centre. Your work coach will write your claimant commitment with you at a face to face meeting.

Think about how your mental health affects you and how it may affect you being available for work. You can ask for your claimant commitment to suit your needs. This may include pay, hours and travel time as long as they are reasonable. You should include any issues in your claimant commitment.

The JobCentre Plus will ask you to go to a meeting to sign on every 2 weeks. This is when you have to show that you are doing what you agreed to do.

You can ask to speak to the Disability Employment Adviser (DEA) at your local JobCentre Plus. They could help you with your claim and job search.

### **Can I claim JSA?**

You may have to apply for Universal Credit instead of IR-JSA. See section 2 of this factsheet for more information.

You can claim JSA if you are:

- over 18 and under pension age,
- available for full time work,
- actively looking for work,
- not in full-time education,
- agree the claimant commitment, and
- in the UK.<sup>11</sup>

### **The DWP treat you as being unavailable for work if you:**

- get maternity allowance or statutory maternity pay,
- are on paternity leave, shared parental or adoption leave, or
- a prisoner on temporary release.

### **Can I work and claim JSA?**

You can claim JSA if you work less than 16 hours a week. The DWP will deduct any money you earn from your job from your JSA. They can ignore income of up to £5. This means the DWP will not take up to £5 of your earnings into account when they work out how much to pay you.

Sometimes you will be able to get up to £20 disregard. This will depend on the type of job that you do. For IR-JSA, the amount that you get may depend on the type of job that your partner does. You must be looking and available for full-time work.<sup>12</sup>

### **Will my JSA stop?**

You will be able to claim CB-JSA for up to 6 months as long as you meet the JSA criteria. You will be allowed to claim IR-JSA for as long as you meet the JSA criteria. There is no time limit.

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## **5. Income Support (IS)**

### **What is Income Support (IS)?**

IS gives you a basic living expense. It is a means tested benefit. This means your savings, income or the income of other people in your household will affect how much you get. The benefit does not depend on your National Insurance (NI) contributions.

## Can I claim IS?

You can claim income support if you: <sup>13</sup>

- are over 18 and under pension age,
- are in the UK,
- have no income or your income is below your 'applicable amount.' Your applicable amount is the amount of money the law says you need to be able to live,
- are not in full time education,
- are working less than 16 hours per week and your partner is not working more than 24 hours per week,
- household savings or capital are £16,000 or less,
- are not claiming Job Seekers Allowance (JSA) or Employment and Support Allowance (ESA) and your partner is not claiming income related JSA or ESA,
- do not have to work because you are caring for someone, or
- are a lone parent of a child who is under five years old,
- are entitled to SSP, or
- are pregnant and unable to look for work because of pregnancy.

You can claim IS for other reasons but the rules are complicated. Speak to a welfare rights adviser if you think you should be claiming IS rather than ESA or JSA.

## Can I work and claim IS?

You can claim IS if you are working less than 16 hours a week and your partner is working less than 24 hours a week.

## Will my IS stop?

You will be able to claim IS for as long as you meet the conditions. You may need to claim another qualifying benefit such as Carer's Allowance to get IS. The Department of Works and Pensions (DWP) will stop your IS if they stop this benefit, the qualifying benefit. You may challenge the decision to take away your qualifying benefit. You must claim IS again within 3 months if the DWP give you the qualifying benefit back. The DWP will backdate your IS.<sup>14</sup>

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## 6. Incapacity Benefit (IB)

You can't make a new claim for IB. ESA has replaced it. Some people still get IB. In 2011, the DWP started to reassess everyone who gets IB using the ESA rules.

We can't say when the DWP will reassess you for ESA if you claim IB. The Jobcentre Plus helpline may be able to tell you. The DWP will contact you when they are going to review your IB claim. You do not need to do anything before they contact you.

## 7. Severe Disablement Allowance (SDA)

You can't make a new claim for SDA. The DWP have replaced SDA with Employment & Support Allowance (ESA). The DWP may continue your claim if you got SDA before April 2001.

We can't say when the DWP reassess you for ESA if you claim SDA. The Jobcentre Plus helpline may be able to tell you. The DWP will contact you when they are going to review your SDA claim. You do not need to do anything before they contact you.

## 8. Statutory Sick Pay (SSP)

### What is SSP?

SSP is not really a welfare benefit. Employers will pay their employees SSP if they are too unwell to work.

### Can I claim SSP?

You can't get SSP if you are getting any of the following benefits.<sup>15</sup>

- Employment and Support Allowance
- Incapacity Benefit
- Severe Disability Allowance
- Contribution based Job Seekers Allowance
- Statutory Maternity Pay
- Maternity Allowance
- Statutory Paternity Pay
- Statutory Shared Parental Pay
- Statutory Adoption Pay

You do not need to put in a claim to get SSP. Employers have to pay you SSP for a maximum of 28 weeks if you meet the criteria. This is the law. You get £92.05 per week if you get SSP.<sup>16</sup> Some employers will pay more. This is called contractual sick pay. You should check your employment contract to see what your employer will pay you if you get sick. Your employer will send you a form called an SSP1 when your SSP is about to end. You should claim ESA if you are still too unwell to work when SSP stops.

## 9. Working Tax Credit (WTC)

### What is WTC?

You may be able to claim WTC to top up your wages if you are in paid work but have a low income. WTC is managed by Her Majesty's Revenue & Customs (HMRC). They have a tax credit calculator on their website.



Follow the below link to use the tax credit calculator.

[www.hmrc.gov.uk/taxcredits/payments-entitlement/entitlement/question-how-much.htm](http://www.hmrc.gov.uk/taxcredits/payments-entitlement/entitlement/question-how-much.htm)

### **Can I claim WTC?**

You can claim WTC if you are:<sup>17</sup>

- aged 25 or over and work at least 30 hours per week,
- on a low income, and
- not subject to immigration control.

Or if you are:

- above the age of 60,
- between 16 – 24 years old and you or your partner are working for 16 or more hours per week,
- a single parent responsible for a child,
- a couple, one or both of you are responsible for a child and one of you work at least 16 hours a week and you work at least 24 hours between you,
- a couple, one or both of you are responsible for a child and one of you works at least 16 hours per week because the other person is in hospital, or in prison, or entitled to carer's allowance,
- incapacitated, you usually count as being incapacitated if you get certain benefits. The list is too long to have in this factsheet. The most common incapacity benefits are:
  - Severe Disability Allowance,
  - Disability Living Allowance,
  - Personal Independence Payment, or
  - Contribution based Employment and Support Allowance. But you must have been able to claim for at least 28 weeks.<sup>18</sup>

You may get another part of WTC called the disability element. You can get this if you are disabled and your disability stops you from getting work. To qualify for the disability element you must:<sup>19</sup>

- work at least 16 hours per week,
- be able to show that your disability puts you at a disadvantage of finding work, and
- get a qualifying benefit, these include:
  - Disability Living Allowance (DLA),
  - Personal Independence Payment (PIP),
  - Incapacity Benefit (IB), and
  - Employment and Support Allowance (ESA).

You may find it more difficult to find work if you have a mental illness. You may:<sup>20</sup>

- be receiving treatment or under supervision of a mental health professional,
- get confused or forgetful a lot, or

- have problems making friends or relationships.

You may be able to claim more money if you are employed. This would happen if your earnings drop because of reduced hours, or you have made an SSP or ESA claim. You must tell the HMRC about a change in your income or working hours so they can change the amount that you get.

There is a freeze on benefit and some tax credit amounts for 4 years. Income support, job seekers allowance, employment and support allowance, housing benefit, universal credit and most elements of working tax credit have been frozen. You will not be affected by the freeze if you get the disabled and severely disabled elements of working tax credit.<sup>21</sup>

### **Will my WTC stop?**

You have to re-apply for WTC each year. You can't renew until you have received your renewal pack. HMRC will send you a renewal pack or you can apply online.

You may stop getting WTC if your circumstances change. This will happen if you:

- claim as a single person but you become part of couple,
- claim as a couple but you become single, or
- do not work enough hours to qualify.<sup>22</sup>

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## **10. Personal Independence Payment (PIP)**

### **What is PIP?**

PIP is a benefit for people with physical or mental disabilities who need help with their personal care or help getting around. PIP has replaced disability living allowance (DLA) for people aged 16 and over. You will be assessed using the PIP rules if you already claim DLA and are under 65. The Department of Works and Pensions (DWP) will not ask you to claim PIP if you are over 65 when PIP was introduced. The upper age limit for making a new claim for PIP is 65 or your state pension age, whichever is later. If you are older than this you will need to claim attendance allowance.

You will be reassessed under the PIP rules if you claim DLA. You will be reassessed if:

- your fixed period award for DLA ends, or
- you report a change in your care or mobility needs.

You will be asked to claim PIP if you have an indefinite award of DLA. The DWP can assess anyone for PIP at anytime. Your DLA will stop if you do not claim PIP when asked to.

PIP is not taxable. You do not need to have paid national insurance contributions to qualify.

You will get the full amount of PIP on top of other benefits or tax credits most of the time. But, the amounts may be affected if you get payments for constant attendance allowance or war pensioners mobility supplement.

You should speak to a welfare adviser or call our Advice Service on 0300 5000 927 for more information.

PIP has two components:

- care component, and
- mobility component

You may get payments for both care and mobility components. This will depend on your needs. Each component is paid at 2 different levels. The levels are 'standard' and 'enhanced.' You will get more money if you awarded the enhanced level.

### **Can I claim PIP?**

You can claim PIP if you:

- are between the age of 16 and under pension age,
- have a long term condition or disability, and
- live in Great Britain, and
- are not subject to immigration control

The DWP will award you PIP they think that you have problems with daily living or mobility activities to award you PIP.

### **Can I work and claim PIP?**

PIP is not means tested. This means it doesn't matter how much you or your partner earn or have in savings. You will be able to apply even if you have a high income.

For more information on '**Personal Independence Payment**' visit our website [www.rethink.org](http://www.rethink.org) or call 0121 522 7007 and ask for a copy to be sent to you.

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## **11. Housing Benefit (HB)**

### **What is HB?**

HB is a benefit to help people on a low income to pay rent. You can't use it to pay your mortgage. Your local council will usually pay your housing benefit.

## Can I claim HB?

You can claim HB if you:<sup>23</sup>

- are not excluded from getting housing benefit
- have to pay rent on your normal home,
- don't have savings and capital more than £16,000, and
- are claiming:
  - employment and support allowance,
  - income-related job seekers allowance,
  - income support,
  - guarantee credit of pension credit, or
  - have a low income.

Some people are excluded from being able to claim housing benefit. This list is too long to put include here. However below are the most common exclusion examples.<sup>24</sup>

- You lived in your home before you started renting it.
- You live with your landlord and they are a close relative.

You can sometimes claim HB if you live in a property owned by a close relative as long as they do not live there too. The rules can be complicated. You should speak to a welfare rights adviser if you want to claim HB to live in your relative's property,

## Local Housing Allowance

Local Housing Allowance (LHA) rules are used to work out how much housing benefit you get if you rent from a private landlord. The LHA rates depend on how old you are, what area you live in, the number of people in your household and the size of the property. This can range from a single room in a shared house up to a property with 4 bedrooms.

LHA rates for the size of accommodation should be available from the local council. This could help you to work out how much housing benefit you would get if you moved to a new address. Follow the link to see LHA rates: <https://lha-direct.voa.gov.uk/Search.aspx>.

The amount of housing benefit you get can go up if you:<sup>25</sup>

- have evidence that you need overnight care,
- are getting that care, and
- need an extra room in your property.

You may be able to claim HB for a property with an extra room. This may be if you have a non-resident carer that needs to stay overnight a lot of the time.

Single people under the age of 35 without children have a LHA of one bedroom in shared accommodation. Some people will be allowed more than this. For example, people who qualify for a severe disability premium.<sup>26</sup>

The LHA rules will be different for you if you are exempt. Below are the exemptions.

- You live in supported housing provided by a housing association, local authority registered charity or voluntary organisation and get a package of care or support from your landlord. Or from somebody else on behalf of your landlord.<sup>27</sup> You will not be exempt when the rules change. But this will not happen until at least 2019. See the Local Housing Allowance section of this factsheet for more information.
- Your private tenancy began before January 1989.<sup>28</sup>
- You have been claiming housing benefit continuously since 1<sup>st</sup> January 1996 and you have not moved address.<sup>29</sup>
- Your home is a resettlement hostel.<sup>30</sup>
- You need an extra bedroom for a carer who does not live with you but who provides you with overnight care.<sup>31</sup>
- You are under 22 and have been in the care of a local authority.<sup>32</sup>
- You are 25 or over and have lived in a hostel for homeless people or a hostel that provides rehabilitation and resettlement within the community for at least three months. You must have received resettlement support to help you live in the community.<sup>33</sup>

### **Renting council or housing association property**

Housing benefit will normally cover all your rent if:

- your only income is from means tested benefits, and
- you live in a property owned by the local authority or housing association.

You may only get part of the rent paid if you have other income. You are responsible for paying the rest of the rent.

Below are some times when you may get less housing benefit.

- Part of your rent pays for bills or services that are not covered by HB. This could include electricity, water charges, meals, or laundry services.<sup>34</sup>
- You have a non-dependant living with you. A non-dependant is someone who should pay towards the rent. Non-dependents may be:<sup>35</sup>
  - an adult child,
  - friend, or
  - relative.

Non-dependant deductions are not made if the person living with you is:<sup>36</sup>

- under 18,
- under 25 and on income support, income-based job seekers allowance (JSA) or assessment-phase income-based employment and support allowance,

- under 25 and entitled to universal credit. Unless they have earnings,
- on pension credit,
- get a Work-Based Learning for young people allowance,
- have been in an NHS hospital for over 52 weeks,
- have their normal home elsewhere,
- are a prisoner,
- a member of the armed forces away on operations, or
- a full time student

Non-dependant deductions are not made if you or your partner is:<sup>37</sup>

- certified as severely sight impaired or blind by a consultant ophthalmologist,
- getting disability living allowance care component at the middle or highest rate,
- getting personal independence payment daily living component,
- getting armed forces independence payment,
- getting attendance allowance or constant attendance allowance, or
- getting pension credit.

### **Bedroom Tax**

You will lose some of your housing benefit if you have more bedrooms in your property than you need. This is known as bedroom tax or under-occupying your property.

Your housing benefit will be reduced by:

- 14% if you have 1 spare bedroom, or
- 25% if you have 2 or more spare bedrooms.

There are some exceptions which allow you to keep 1 extra bedroom without under-occupying your property.

### What if I need the extra bedroom for a carer to stay in?

You may be able to keep 1 extra bedroom if you, your partner, or your child<sup>38</sup> need overnight care from a carer.

You can keep the bedroom if:

- you or your partner claim:
  - attendance allowance,
  - the care component of Disability Living Allowance at the middle or higher rate, or
  - the daily living component of Personal Independence Payment, or
  - Armed Forces Independence Payment.

You can still claim the extra bedroom even if you are not claiming any of the above benefits. But you will have to prove that the overnight carer is

needed. You can do this with any certificates, evidence or documents you have. The carer must actually provide overnight care, and stay in the bedroom regularly to claim the exemption.

#### What if I need the extra bedroom because I cannot share one with my partner because of my/their disability?<sup>39, 40</sup>

If you cannot share a bedroom with your partner, because of your disability or theirs, then you may be able to keep 1 extra bedroom without the tax.

You can keep the bedroom if:

- you or your partner claim:
  - Attendance allowance at the higher rate,
  - the care component of disability living allowance at the middle or higher rate, or
  - the daily living component of Personal Independence Payment, or
  - Armed Forces Independence Payment.

In this case you or your partner must claim one of the above benefits, and prove that you cannot share a room with each other.

#### What can I do if I am affected by the bedroom tax?

You have some options to think about if you are affected by the bedroom tax. You could:

- Move house
- Take in a lodger
- Apply for discretionary housing payments from your local council
- Increase your work hours
- Get a benefits check to make sure you are getting everything you are entitled to
- Pay the difference out of your benefits or other income if you can afford to do this

#### **Shared Ownership Scheme**

Shared ownership means that you buy a share of your home through a shared ownership scheme but still pay rent. You can get housing benefit during this time. You may be able to get help with mortgage interest through the support for mortgage interest scheme.<sup>41</sup>

#### **Discretionary Housing Payment (DHP)**

To qualify for DHP you must get housing benefit or council tax benefit. DHP is not a benefit. This means that you do not have a right to claim it. Your local authority can give you a DHP if they believe that you need extra money to help with housing costs.<sup>42</sup> DHP's are limited so there is no guarantee that you will get one. Contact your local authority to apply for DHP.

## When will HB stop?

You will be able to keep claiming HB for as long as you need to as long as you meet the conditions.

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## 12. Support for Mortgage Interest (SMI)

Support for Mortgage Interest (SMI) is support with the interest on your mortgage. SMI is changing to a loan on 6<sup>th</sup> April 2018.<sup>43</sup> Before this it was paid as part of your benefit payments.

You can claim SMI if you live in a mortgaged property and claim:

- Income-related Employment Support Allowance,
- Income Support,
- Income-based Jobseekers Allowance, or
- Pension credit.<sup>44</sup>

Universal Credit (UC) will include extra payments to meet mortgage interest costs if you are not working and you live in a UC area.<sup>45</sup> This will also be paid as a loan from 6<sup>th</sup> April 2018.<sup>46</sup>

You will have to wait 39 weeks after you apply to get your first payment. The DWP will pay your mortgage lender. There is no waiting time if you are claiming pension credit.<sup>47</sup>

SMI will only help with the interest portion of a mortgage up to the value of £200,000. You will only be able to claim up to £100,000 if you get Pension Credit. SMI will not help pay back the amount you borrowed. The rate that SMI is paid at is currently 2.61%. You can find out how much the rate is at any time by checking the support for mortgage interest webpage [www.gov.uk/support-for-mortgage-interest/what-youll-get](http://www.gov.uk/support-for-mortgage-interest/what-youll-get).

You will have to do the following if you do not have an interest-only mortgage and you would like SMI payments.

- Pay your mortgage payments to make sure that you do not go into arrears.
- Come to an arrangement with your lender such as switching to an interest-only mortgage.

Contact the Jobcentre Plus or the Pension Service to apply for SMI or ask more questions. Their details are in the useful contacts section of this factsheet.

## When will SMI stop?

Before 6<sup>th</sup> April 2018, SMI was paid as an amount in your benefits, rather than a loan. You could claim these payments for up to 2 years if you got income-related job seekers allowance and started the claim after 4 January 2009. There was no time limit if you claimed before that date or



received income support, pension credit, income-related employment and support allowance or UC.<sup>48</sup>

From 6th April 2018 SMI will change to a repayable loan, with interest and administration charges added on top. This will affect both new and existing claimants. There is no time limit for how long you can get an SMI loan for.<sup>49</sup>

The loan will be repaid when you sell your property or will be recovered from your estate when you die.<sup>50</sup> You can also make voluntary repayments of over £100 at any time.<sup>51</sup>

If you return to work, you may be able to get financial help from the Mortgage Interest Run On scheme (MIRO). You can do this if your benefits stop because you work more hours or earn more money. It applies to the following benefits.

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance

MIRO lasts for four weeks. You will get the same amount you did from Support for Mortgage Interest. MIRO's are paid directly to you instead of to your lender.<sup>52</sup>

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### **13. Council Tax Support and Discounts**

You may be entitled to help with these payments if you have to pay council tax and are on a low income or claim benefits. Your local authority runs these schemes. There are 3 schemes for reducing council tax. You can get help from the 3 schemes if you are eligible.

- The Council Tax Reduction Scheme
- The Discount Scheme
- The Disability Reduction Scheme

The local authority can decide you do not need to pay council tax, this is called exemption.

#### **Exemption due to severe mental impairment**

The council tax rules say that a person is exempt from council tax if they have a 'severe mental impairment'. It says that 'a person is severely mentally impaired if they have a severe impairment of intelligence and social functioning which appears to be permanent'.<sup>53</sup>

To get this you need a doctor to sign a medical certificate that says you are severely mentally impaired and get one of the following benefits.

- DLA with the middle or highest rate care component

- Personal Independence Payment Daily Living Component (standard or enhanced rate)
- Attendance Allowance
- Severe Disablement Allowance
- Employment and Support Allowance
- Incapacity Benefit
- Income Support or Jobseekers Allowance with a disability premium
- Working Tax Credit with the disability element

### **Council tax reduction scheme**

The council tax reduction scheme replaced the national Council Tax Benefit on 1st April 2013. Council tax support is managed by your local authority through their local scheme. The reduction may cover some, or all, of your council tax bill. This will depend on your household income.

How much help you can get with your council tax will depend on your local scheme. But, the government has reduced the money available to local authorities by 10%. This may mean that many working age people will have to pay towards their council tax to make up the difference.<sup>54</sup>

It is important to make sure that your council tax bill is correct. You may be able to get your bill reduced if you live alone or you are very unwell. You should contact your local Citizens Advice for more information about the scheme in your area.

### **Discount scheme**

You should get a single person's discount on your council tax bill if you are the only adult living in a property. This will reduce the bill by 25%. You will get this discount if the other people you live with do not have to pay council tax. This might be if they are students or exempt due to a severe mental impairment.<sup>55</sup>

### **Disability Reduction scheme**

You may be able to get the council tax bill reduced if you or a person that lives with you needs extra space because of a disability. This reduction would be down to the next band. For example, you would be charged the band B rate if your property is in band C.

To qualify for the disabled band reduction you would have to show that the property is the main home for at least one disabled person. This doesn't have to be the person responsible for paying the Council Tax.<sup>56</sup>

The property must have an extra room to meet the needs of the disabled person. If the room is not a kitchen or bathroom it must be needed by the disabled person. Otherwise you need an extra space to allow for wheelchair use.<sup>57</sup>

## Paul's story

Paul lives with his wife and 9 year old child. He has Post Traumatic Stress Disorder (PTSD) and has flashbacks. He is very restless and can't sleep at night which can disturb his families' work and school life. He goes to art therapy every week. Paul uses a spare room in his house to paint and sculpt which he finds calming. The room has everything he needs to do his art, somewhere to rest and an en-suite bathroom. He can try to relax when he can't sleep or is feeling unwell without disturbing his family. The house is in Council Tax band C and costs £1202.95 per year, but as the Local Authority agreed that Paul qualifies for the council tax reduction scheme, his bill is reduced to the band B rate of £1052.57

You should contact the local authority that issues your council tax bill if you think you should qualify for a band reduction.

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## 14. The Social Fund

You could get help with one off payments or occasional payments if you are on a low income and meet conditions. The social fund may be able to give you:

- a maternity grant,
- money to help with funeral payments,
- cold weather payments, or
- a budgeting loan.

You will not have to payback this money. But money for funeral payments can be taken back from the estate of the person who has died.

The social fund can give you a budgeting loan. Budgeting loans are for help with essential one off big payments that are difficult to plan for such as a broken boiler. You have to pay back a budgeting loan to the social fund, but they are interest-free. Budgeting loans are available until the DWP replaces them with 'budgeting advances' under Universal Credit.

The Citizens Advice website gives more detailed information about The Social Fund which you can see in our further reading section.

Since April 2013 crisis loans and community care grants are no longer available.

Crisis loans have been replaced by a short term advance. You may get this if you have to wait to get your benefits payments. This means that the DWP will loan you some money. The short-term advance will have to be paid back, just like a crisis loan.

Community care grants have not been replaced. Local authorities have been given the option to set up schemes to replace 'community care

grants' if they would like to. Some local authorities may not set up schemes at all.

You will need to contact your local authority for more information. You may also be able to get help from a grants charity such as 'Turn2us.' Their contact information is at the end of the factsheet.

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FURTHER  
READING

### **“Help for people on a low income - the Social Fund and other welfare schemes”**

Citizens Advice wrote this information for people who need some financial support.

**Website:** [www.citizensadvice.org.uk/benefits/help-if-on-a-low-income/help-for-people-on-a-low-income-the-social-fund-and-other-welfare-schemes/#h-help-for-one-off-expenses-the-social-fund](http://www.citizensadvice.org.uk/benefits/help-if-on-a-low-income/help-for-people-on-a-low-income-the-social-fund-and-other-welfare-schemes/#h-help-for-one-off-expenses-the-social-fund)



USEFUL  
CONTACTS

### **Citizens Advice**

Give free, independent, about your rights and responsibilities.

**Telephone:** 03444 111 444

**Website:** [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

### **National Jobcentre Enquiry Line**

Monday to Friday, 8am to 6pm

For Job Seekers Allowance, Employment and Support Allowance, Income Support and Incapacity Benefit call:

**Telephone:** 0345 604 3719

**Textphone:** 0345 608 8551

For Universal credit call:

**Telephone:** 0345 600 0723

**Textphone:** 0345 600 0743

### **Job Centre Plus new claims line**

For new benefit claims call:

**Telephone:** 0800 055 6688

**Textphone:** 0800 023 4888

### **Job Centre Plus existing claims line**

Monday to Friday, 8am to 6pm

Report a change in circumstances or discuss a claim that you have already made.

**For Job Seeker's Allowance, Income support, Incapacity Benefit, Employment and Support Allowance call:**

**Telephone:** 0345 608 8545

**Textphone:** 0345 608 8551

**For Universal Credit call:**

**Telephone:** 0345 600 0723

**Textphone:** 0345 600 0743

**Disability Living Allowance (DLA)**

Monday to Friday, 8am to 6pm

If you were born on or before 8 April 1948 call:

**Telephone:** 0345 605 6055

**Textphone:** 0345 604 5312

If you were born after 8 April 1948 call:

**Telephone:** 0345 712 3456

**Textphone:** 0345 722 4433

**Personal Independence Payment (PIP)**

Monday to Friday, 8am to 6pm

**Telephone:** 0345 850 3322

**Textphone:** 0345 601 6677

**Tax Credits General Enquiries**

Monday to Friday 8am – 8pm. Saturday 8am – 4pm

General enquiries, make a new tax credit claim, tell HMRC about changes to your circumstances or making a complaint.

**Telephone:** 0345 300 3900

**Textphone:** 0345 300 3909

**Website:** [www.gov.uk/government/organisations/hm-revenue-customs/contact/tax-credits-enquiries](http://www.gov.uk/government/organisations/hm-revenue-customs/contact/tax-credits-enquiries)

**Independent Review Service**

Resolves social fund disputes.

**Address:** 16A Grantham Road, Eastleigh, SO50 5LT

**Email:** [info@irs-review.org.uk](mailto:info@irs-review.org.uk)

**Website:** [www.irs-review.org.uk](http://www.irs-review.org.uk)

**Turn2us**

helps people in financial hardship to gain access to welfare benefits, charitable grants and support services.

**Website:** [www.turn2us.org.uk](http://www.turn2us.org.uk)

## Age UK

Information and advice for the elderly about many issues including benefits.

**Telephone:** 0800 169 2081

**Website:** [www.ageuk.org.uk](http://www.ageuk.org.uk)



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## Rethink Mental Illness Advice Service

Phone 0300 5000 927

Monday to Friday, 9:30am to 4pm  
(excluding bank holidays)

Email [advice@rethink.org](mailto:advice@rethink.org)

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### Did this help?

We'd love to know if this information helped you.

Drop us a line at: [feedback@rethink.org](mailto:feedback@rethink.org)

or write to us at Rethink Mental Illness:

RAIS  
PO Box 17106  
Birmingham B9 9LL

or call us on 0300 5000 927.

We're open 9:30am to 4pm  
Monday to Friday (excluding bank holidays)



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