
Changes to welfare benefit regulations – how do they affect payment for involvement?

May 2013

The Welfare Reform Act 2012 introduced a number of changes to the welfare benefits system. This update provides an overview of the main changes relevant to public involvement in research.

Please note: it is very important that people receiving welfare benefits get personalised advice about their own individual circumstances before getting involved and accepting any payments for involvement in research. The rules and regulations can be very complex and affect individuals differently depending on which benefits they are receiving.

1. Universal Credit

A new welfare benefit, Universal Credit, which replaces working age benefits, will have a phased introduction starting with new claimants in the north west of England in April 2013, followed by new claimants in the rest of the country from October 2013. It is expected all working age claimants will have switched over to the benefit by 2017.

The guidance for implementing this benefit is available from the Department of Work and Pensions website www.dwp.gov.uk/publications/specialist-guides/advice-for-decision-making/ (see relevant chapters below).

The guidance includes a description of 'service user activity' which is inclusive of people getting actively involved in research. For these purposes, a service user is a person who has used, is using, may potentially use or is otherwise affected by (for example, a carer) health, social care and social housing services.

If people receiving Universal Credit accept a fee for active involvement in research, it will be classed as earned income and will be taken into account when calculating their entitlement to Universal Credit **but:**

- any reimbursed out of pocket expenses will not be treated as earnings and
- they will be able to accept a fee lower than that offered or turn down payment for involvement and their entitlement to Universal Credit will not be affected.

See guidance chapter H3: Universal Credit – employed earnings.

As Universal Credit is paid monthly, earnings are assessed monthly. A fee for involvement that is less than the new monthly ‘work allowance’ will not affect Universal Credit. There are different allowances for single people, people with children and people with limited capacity for work set out in guidance chapter E2: Universal Credit – benefit unit, awards and maximum amount.

For people receiving Universal Credit with an element for Standard Mortgage Interest, receiving any earnings at all will mean losing eligibility for mortgage interest. It is therefore important that people receiving Universal Credit with Standard Mortgage Interest are aware of this before they accept any payment for involvement.

If people are still receiving other working age benefits, such as Jobseeker’s Allowance, Income Support or Employment and Support Allowance, these changes do not apply to them and the advice in **Payment for Involvement** (INVOLVE, 2010) about benefit pitfalls should still be followed (see pages 10-11).

2. Council Tax Support

From April 2013, Council Tax Support has replaced Council Tax Benefit. There are different rules for this new scheme for different age groups.

- For people of **working age**, the government has issued guidance, but each local authority can decide on the rules and regulations for their area.
- For people of **pension age**, the government has issued prescribed guidance that must be followed by local authorities.

Therefore, if people are receiving support for council tax from their local council, it is important to check the local regulations before they choose to accept a payment for involvement in research. It may be possible for any earnings to be averaged over a month period, so that Council Tax Support is not reduced by occasional involvement.

Many thanks to Judy Scott for information and advice on the benefit changes.

INVOLVE (2010) **Payment for Involvement: A guide for making payments to members of the public actively involved in NHS, public health and social care research** available at www.invo.org.uk/posttypepublication/payment-for-involvement/