**HB Memo 2/16**

 **PERSONAL INDEPENDENCE PAYMENT-**

 **IMPACT ON HOUSING BENEFIT**

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 **INTRODUCTION**

1. This memo provides guidance on the Personal Independence Payment (Supplementary Provisions and Consequential Amendments) Regulations (Northern Ireland) 2016 (SR 2016 No. 228) which amends the Housing Benefit Regulations (Northern Ireland) 2006 and the Housing Benefit (Persons who have attained the qualifying age for State Pension Credit) Regulations (Northern Ireland) 2006. The changes take effect on 20.6.16.1

 *1 Personal Independence Payment (Supplementary Provisions and Consequential Amendments)*

 *Regulations (NI) 2016, reg 1*

**BACKGROUND**

1. Personal Independence Payment is a new benefit which will replace Disability Living Allowance for working age claimants. It is an extra costs benefit for people who have a limited or severely limited ability to carry out daily living or mobility activities. Personal Independence Payment is made up of two components, daily living component and/or mobility component. For each component, Personal Independence Payment is payable at the standard or enhanced rate. An award of Personal Independence Payment may include one or both of these components. Personal Independence Payment affects claimants who fall under the working age Housing Benefit Regulations and the State Pension Credit Housing Benefit Regulations.

**HOUSING BENEFIT- PREMIUMS**

1. The award of Personal Independence Payment provides a gateway to certain disability premiums in Housing Benefit in a similar way to Disability Living Allowance.

**Disability premium (working age only)**

1. An award of Personal Independence Payment impacts on the disability premium in the same way as an award of Disability Living Allowance. The disability premium is awarded when Personal Independence Payment daily living and/or mobility is in payment at either the standard or enhanced rate.1 The disability premium also applies when Personal Independence Payment has been suspended due to the claimant or partner being a patient.2

 *1 HB Regs (NI), Sch 4, para 13(1)(a); 2 HB Regs (NI), Sch 4, para 13(1)(a)(iiia)*

**Disabled child premium**

1. The disabled child premium is awarded in respect of a young person for whom the claimant or a partner is responsible for if Personal Independence Payment daily living and/ or mobility is payable at either the standard or enhanced rate to them.1 This premium also applies in circumstances when the child is a patient and Personal Independence Payment has been suspended as a result.

 *1 HB Regs (NI), Sch 4, para 16(d); HB (SPC) Regs (NI), Sch 4, para 8(d)*

**Severe disability premium**

1. An award of a Personal Independence Payment has the same impact on the severe disability premium as an award of the care component of Disability Living Allowance at the middle or highest rate. The severe disability premium is awarded when the daily living component of Personal Independence Payment is payable at either the standard or enhanced rate.1

 *1 HB Regs (NI), Sch 4, para 14(2)(a)(i), (2)(b)(i), (4)(a); HB (SPC) Regs (NI),*

 *Sch 4, para 6(2)(a), (2)(b)(i) & (6)(a)*

1. The rules regarding the severe disability premium remain the same. For example, a single claimant will only be awarded the severe disability premium if they live alone and no one receives Carer’s Allowance for them.
2. For couples, the severe disability premium will only be awarded when both members of the couple are receiving the daily living component of Personal Independence Payment at the standard or enhanced rate and there are no non-dependants. Where one member of the couple is a patient and Personal Independence Payment has been suspended, they should continue to be treated as being in receipt of Personal Independence Payment.
3. When establishing if the severe disability premium applies, no account shall be taken of a non-dependant who is receiving the daily living component of Personal Independence Payment at either the standard or enhanced rate.

**Enhanced disability premium**

1. An award of a Personal Independence Payment has the same impact on the enhanced disability premium as an award of the care component of Disability Living Allowance at the higher rate to the claimant or a member of his family as appropriate.
2. The enhanced disability premium is awarded when the daily living component of Personal Independence Payment is payable at either the standard or enhanced rate. This premium can be paid on top of any other disability premium.1 The premium also applies when the claimant is a patient and Personal Independence Payment has been suspended as a result.

 *1 HB Regs (NI), Sch 4, para 15(1)(c); HB (SPC) Regs (NI), Sch 4, para 7(1)(a)*

**THE EFFECT OF PERSONAL INDEPENDENCE PAYMENT ON HOUSING BENEFIT**

1. The effect of Personal Independence Payment on housing benefit is similar to that of Disability Living Allowance.

**Capital Disregard**

1. Any arrears of Personal Independence Payment daily living and/ or mobility components are disregarded for one year from the date of receipt.1

 *1 HB Regs (NI), Sch 7, para 9(1)(a); HB (SPC) Regs (NI), Sch 7, para 18 & 21(ba)*

**Income**

1. Personal Independence Payment is not taken into account as income in the Housing Benefit calculation.1

 *1 HB Regs (NI), Sch 6, para 7; HB (SPC) Regs (NI), reg 27(1)(h)(ib)*

**Non-dependant deductions**

1. When calculating the gross weekly income of a non-dependant in remunerative work, Personal Independence Payment is fully disregarded.1

 *1 HB Regs (NI), reg 72(9)(a); HB (SPC) Regs (NI), reg 53(10)(a)*

1. No non-dependant deduction shall be made in respect of a non-dependant if the claimant or his partner is in receipt of the daily living component of Personal Independence Payment at the standard or enhanced rate.1

 *1 HB Regs (NI), reg 72(6)(iii); HB (SPC) Regs (NI), reg 53(6)(b)(iii)*

**Persons who requires overnight care**

1. Regulations currently provide that when determining the number of bedrooms a person requires for the purposes of Housing Benefit, an additional room can be allowed for an over-night carer in certain circumstances. One of the conditions for being allowed the additional room is that the person that requires the care is in receipt of Attendance Allowance or the care component of Disability Living Allowance. Personal Independence Payment has been added to this so that if the person receives this and the other conditions of entitlement are satisfied an extra room is allowed in the assessment.1

 *1 HB Regs (NI) & HB (SPC) Regs (NI), reg 2(1) & 14D(3); Sch 2, para 10A & Sch 3 para 2(3)(f)*

**Child care costs deduction**

1. Regulations currently provide that when one member of a couple is in remunerative work and the other is incapacitated, child care costs can be deducted from income (see HB DMG Chapter 14). Regulations have been amended so that when the non-working partner is in receipt of the daily living and/or mobility component of Personal Independence Payment they are treated as incapacitated so that they are entitled to have the allowable child care costs deducted from their income.1

 *1 HB Regs (NI), reg 25(11)(d)(viii); HB (SPC) Regs (NI), reg 29(11)(d)(viii)*

1. Child care costs may be deducted for a disabled child up to the first Monday following their 16th birthday. The definition of a disabled child includes a child who is receiving daily living and/or mobility component of Personal Independence Payment at either rate. This also includes a child who would be receiving Personal Independence Payment if not for the fact they are a hospital in-patient.1

 *1 HB Regs (NI), reg 25(13)(d); HB (SPC) Regs (NI), reg 29(13)(d)*

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