

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions
Caxton House, Tothill Street, London SW1H 9NA

HB/CTB A5/2013

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Local Authority (LA) Housing Benefit (HB) Managers
ACTION	For information
SUBJECT	Information for the LAs on the introduction of Armed Forces Independence Payment (AFIP)

Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against:

Part A5, para 5.504 and 5.571

Part BW1, para W1.201 and A1.01

Part BP1 para A1.01

Part BW2, annex B and annex F

Part BP2, para P2.11 and annex F

Part BW3, para W3.140, W3.164, W3.210 and W3.250

Part BP3, para P3.180, P3.210 and P3.250

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
 - **technical content of this circular**, email:
carol.foster-middleton@dwp.gsi.gov.uk

- **information flow content of this circular**, contact Karen Buckley email: hbsdmp.wwe@dwp.gsi.gov.uk
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The Armed Forces and Reserve Forces Compensation Scheme (Consequential Provisions: Subordinate Legislation) Order 2013

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Description of the changes

Background

1. The Ministry of Defence (MOD) is introducing a new benefit called Armed Forces Independence Payment (AFIP). The Service Personnel and Veterans Agency (SPVA) will make the decision on entitlement and the Department for Work and Pensions (DWP) will administer payment and any ongoing maintenance of the claim. The benefit is designed to provide financial support to service personnel and veterans seriously injured as a result of service to cover the extra costs they may have as a result of their injury. It will be introduced from Monday 08 April 2013.
2. Service personnel and veterans who are entitled to a Guaranteed Income Payment (GIP) of 50% or higher through the Armed Forces Compensation Scheme (AFCS) will be eligible for the payments.

What is AFIP?

3. Service Personnel who receive AFIP will not be eligible for Personal Independence Payment (PIP), Disability Living Allowance (DLA) or Attendance Allowance (AA) at the same time. Claimants could however, claim and receive PIP/AA/DLA in advance of any AFIP application or whilst they wait for the outcome of an AFCS decision. Any AFIP payment due will take account of any PIP/DLA/AA already paid for the same period with only any applicable balance paid.
4. AFIP claimants will be eligible to a flat rate payment of £134.40 per week from 08 April 2013 which is equivalent to the amount payable either through;
 - a. DLA higher rates of both components (Care and Mobility) or
 - b. PIP enhanced rates of both components (Daily Living and Mobility)
5. AFIP is awarded for life, is not subject to review or further medical assessments and will not be stopped when the claimant is in hospital (except The Royal Chelsea Hospital), care home or prison. AFIP will be non taxable, non means tested and is payable anywhere in the world.
6. AFIP, like DLA and PIP will provide access to the appropriate Disability Premiums payable with other DWP benefits in Great Britain, as well as access to other schemes such as a Motability Vehicle.
7. Claimants who choose not to apply for AFIP can still apply for DLA, PIP or AA in the usual way. They would have to relinquish any DLA, PIP or AA award if they subsequently chose to claim AFIP.

Who is eligible?

8. Eligibility will be decided by the SPVA.
9. Claimants eligibility comes from being assessed as 50% GIP or higher through the AFCS, since it was introduced in April 2005 and in the future.

National launch

10. SPVA will identify any potential AFIP claimants from existing AFCS live cases, ensure they are aware of AFIP and invite them to apply in advance of April 2013.
11. SPVA will identify any potential AFIP claimants from new claims to AFCS and invite a claim. SPVA will check eligibility and issue a decision notification to the claimant.
12. SPVA will pass a payment instruction to DWP authorising payment of AFIP from a specific date.

Claims process

13. DWP is initially delivering AFIP through a clerical solution, other Information Technology (IT) changes to support delivery, such as those to the Customer Information System (CIS), cannot be made at this time due to short deadlines.
14. This means that AFIP entitlement will not be visible on CIS. AFIP payments will be delivered by a specialist, dedicated DWP AFIP operational team.
15. Where the claimant has agreed that DWP can share data with local authorities (LAs) for benefit purposes, the DWP AFIP operational team propose to send a clerical notification of entitlement to LAs via GCSX email to an established nominated contact.

Income disregard

16. AFIP is fully disregarded as income in the Housing Benefit (HB) calculation (HB regs schedule 5(6) and HB (SPC) regs 29(1)).
17. For claimants of state Pension Credit age, £20.00 can be disregarded from earnings where the claimant or partner is in receipt of AFIP (HB (SPC) regs schedule 4(5)).
18. Similarly, AFIP is fully disregarded when calculating a non-dependant's gross income (HB regs 74(9) and HB (SPC) regs 55(10)).

Premiums

19. AFIP provides a gateway to certain premiums in HB in a similar way to DLA or PIP.

- **Disability Premium** is awarded when AFIP is in payment (HB regs schedule 3(13)).
- **Disabled Child Premium** is awarded when AFIP is in payment in respect of a young person (HB regs schedule 3(16) and HB (SPC) regs schedule 3(8)).
- **Enhanced Disability Premium** is awarded when AFIP is in payment. This premium is applicable to working age claimants and can be paid on top of any other disability premium (HB regs schedule 3(15)). This premium can also be awarded in respect of a young person who is receiving AFIP (HB (SPC) regs schedule 3, 7 (1)).
- **Severe Disability Premium** is awarded when AFIP is in payment (HB regs schedule 3, (14) and HB (SPC) regs schedule 3, (6)).
 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 (CA) for them.
 2. When establishing if the severe disability premium applies, no account shall be taken of a non-dependant who is also receiving AFIP.
- **Carer Premium** is awarded providing the claimant or partner is receiving CA for looking after a person who is in receipt of AFIP (HB regs schedule 3, 7 and HB (SPC) regs schedule 3, (5)).

Capital disregard

20. Any arrears of AFIP are disregarded for one year from the date of receipt (HB regs schedule 6, (9) and HB (SPC) regs schedule 6, (21)).

Non-dependant deductions

21. When the claimant or partner is in receipt of AFIP, no non-dependant deduction will apply where applicable (HB regs 74(6) and HB (SPC) regs 55(6)).

Child care costs disregard

22. When one member of a couple is in remunerative work and the other is incapacitated, child care costs can be deducted. When the non-working partner is in receipt of AFIP, they are treated as incapacitated (HB regs 28 (11) and HB (SPC) regs 31(11)).

Person who requires overnight care

23. When determining the number of bedrooms a person requires for the purposes of housing benefit, an additional room is allowed for a non-resident over-night carer where the claimant or partner is receiving AFIP (HB regs (2) and HB (SPC) regs (2)).

Further Information

24. There is more information for claimants and customer representative groups online at www.veterans-uk.info.
25. Alternatively, they can call the Veterans Helpline on 0800 169 2277 or send an email to: spva-dvs-plg@mod.uk