

Housing Benefit Circular

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

HB A6/2017

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit staff
ACTION	For information
SUBJECT	The Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017

Guidance Manual

The information in this circular does affect the content of the HB Guidance Manual. Please annotate this circular number against BP1 *paragraph P1.180* and BW2 *paragraph W2.500*

Queries

extra copies of this circular/copies of previous circulars can be found at <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars>

- about the
 - **technical content of this circular**,
housing.benefitenquiries@dwp.gsi.gov.uk
 - **distribution of this circular**, contact
housing.correspondenceandpgs@dwp.gsi.gov.uk

Crown Copyright 2017

Recipients may freely reproduce this circular.

Contents

The Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017

	Para
Introduction	1
Background.....	4
Bereavement Support Payment.....	7
Outline of changes to Housing Benefit regulations	
Working age claimants.....	15
Pension Credit age claimants.....	18
Arrears payments.....	19
Obtaining details about a Bereavement Support Payment claim.....	20

The Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017

Introduction

1. This circular provides information about the Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017 (SI 2017/422).
2. This order makes amendments to:
 - The Housing Benefit Regulations 2006; and
 - The Housing Benefit (persons who have attained the qualifying age for State Pension Credit) Regulations 2006 ('the HB(SPC) Regulations')to add disregards for payments made under the new Bereavement Support Payment.
3. The changes will come into force from 6 April 2017.

Background

4. Bereavement Support Payment (BSP) is a new payment for people whose spouse or civil partner dies on or after 6 April 2017 and replaces all the existing social security benefits for the bereaved (Bereavement Allowance, Widow's Pension, Widowed Mother's Allowance, Widowed Parent's Allowance and Bereavement Payment).
5. However, people whose spouse or civil partner dies before 6 April 2017 will have to make a claim for one of the current bereavement benefits, as appropriate, even if the claim is made after that date.
6. Those claimants already receiving one of the current bereavement benefits will continue to receive them while they satisfy its entitlement conditions.

Bereavement Support Payment

7. Unlike the current bereavement benefits, which can be paid for as long as the applicant satisfies the conditions for entitlement, BSP is only payable for a maximum period of up to 18 months from the date the spouse or civil partner died.
8. If the person claims within three months of the death of their spouse or civil partner, the period starts on the date of death and continues for 18 months.
9. If the person claims more than three months after the death, the period starts three months before the claim is made and ends 18 months after the date of death.

10. If the claim is made 21 months after the date of death, the payment period only lasts for one month.
11. BSP will only be paid to people who were under pension age at the time their spouse died. Once they reach pension age further entitlement will cease even if this happens within 18 months of the date of death.
12. There are two rates of BSP, a standard rate and a higher rate. The payments are comprised of an initial lump sum and up to 18 monthly payments. The higher rate is paid to pregnant women and people with dependent children. The standard rate is paid to people without dependent children.
13. For the higher rate, the initial lump sum will be £3,500 and the monthly payments £350.
14. For the standard rate, the initial lump sum will be £2,500 and the monthly payments will be £100.

Outline of changes to HB regulations

Working age claimants

15. For working age claimants, the initial lump sum payment of £3,500 or £2,500, should be treated as capital and disregarded for 52 weeks from the date of payment.
16. If the initial payment includes any arrears of BSP, these should be treated as capital and disregarded for 52 weeks from the date of payment. See also paragraph 20.
17. The monthly payments should be treated as unearned income and disregarded as income for one month from the date of payment. Any unspent money at the end of the month should be treated as capital but not disregarded.

Example 1: Lump sum and monthly payment

A working age claimant with two dependent children, claims BSP on 1 May 2017, following the death of their spouse on 20 April 2017. Their initial lump sum payment of £3,500 is made on 15 May 2017 and should be disregarded for 52 weeks from 15 May 2017 and will cease to be disregarded from 15 May 2018.

Their first monthly payment of £350 is made on 20 May 2017 as unearned income and disregarded for one month from 20 May. At the end of that month period on 20 June any money not spent is treated as capital and not disregarded.

Pension Credit age claimants

18. For claimants receiving HB (SPC), payments of BSP are not prescribed as income and so do not fall to be taken into account as income. In addition, the initial lump sum payment is also disregarded as capital for a period of 52 weeks from the date of receipt.

Arrears payments

19. Where an arrears payment of BSP is made, the payment is disregarded as capital for a period of one year from the date of receipt.

Example 2:

Claimant applies for BSP 6 months after the death of their partner. They receive the initial lump sum, plus 3 months arrears of monthly BSP.

The initial lump sum should be disregarded as capital. The arrears payment is also treated as capital and disregarded for one year from the date of payment.

Obtaining details about a BSP claim

20. Information about whether BSP is in payment will not initially be available on the Customer Information System (CIS). The BSP award notice will include a message informing the claimant that it is their responsibility to declare that they have made a claim or been awarded BSP and to provide information about their payments. From summer 2017 CIS will be updated to include a flag indicating that BSP had been awarded. Details of the BSP award can then be obtained from the BSP team in Dover which will avoid the need to contact the claimant for further information.