



# Mental Health and Welfare **Benefits**

## Who is this for?

People affected by mental health problems, all those providing services for people affected by mental health problems, including primary care and voluntary sector staff, welfare rights advisers and Jobcentre Plus staff.

## Key facts

- Benefits issues were mentioned as an issue by 62 per cent of respondents to the Social Exclusion Unit's consultation.
- The number of people claiming Incapacity Benefit for mental health reasons has almost doubled in ten years, from 475,000 in 1995 to 848,000 in 2004.
- Employment tends to lead to improvements in people's mental health; inactivity is associated with worsening mental health.
- Many people with mental health problems have said they lack advice about claiming benefits, and find the current system confusing. This can lead to people running up debts, as they do not claim the benefits to which they are entitled.



## Promoting social inclusion

### What can health and social care staff do?

- Health and social care staff should check that people are receiving the benefits to which they are entitled and, if necessary, encourage them to seek advice from a welfare rights adviser or Jobcentre Plus office.

### What can welfare rights advisers and Jobcentre Plus staff do?

- Welfare rights advisers can help people to claim the benefits to which they are entitled, eg in cases where people do not know which benefits are available or how to fill in the forms. Jobcentre Plus can also provide advice and support with claiming benefits.
- Jobcentre Plus and welfare rights advisers could use outreach and hold regular surgeries in day centres, in-patient wards, etc, to ensure that more people receive information about benefits and employment opportunities.
- Staff should take account of people's wider circumstances, needs and aspirations. A high proportion of people claiming benefits would like to work, and many are capable of gaining employment provided they receive the right support (see also the **Employment** fact sheet).

### What can health and social care staff, and welfare rights advisers or Jobcentre Plus staff do together?

- Health and social care staff could work with benefits advisers to identify how joint working could improve access to benefits. For example, in-patient units could develop protocols with their local Jobcentre Plus office on the action to be taken when people are in hospital and are on the point of discharge.
- Joint training could be used to explain the needs of people with mental health problems (to Jobcentre Plus staff) and the requirements of the benefits system (to health and social care staff).

- In Stafford, a local voluntary organisation, **Making Space – Options**, have agreed a new format for clients’ meetings with Disability Employment Advisers (DEAs) in Jobcentre Plus, based on clients’ feedback, so that people are better able to understand the options open to them (01785 228622 or e-mail [staffordoptions@btconnect.com](mailto:staffordoptions@btconnect.com)).
- **Haringey Citizens’ Advice Bureau** provides benefits advice to Community Mental Health Team clients and psychiatric in-patients in Tottenham, funded jointly by the local authority and Primary Care Trust. 70 per cent of enquiries are about benefits. (0870 126 4030 or e-mail [Cabturnpikelane@aol.com](mailto:Cabturnpikelane@aol.com))
- Staff in an in-patients unit in **Humber Mental Health Trust** have developed close links with Jobcentre Plus, with joint training workshops to discuss problems experienced on both sides. This led to changes in practice, with the development of an ‘admissions pathway’ process in relation to benefits and a nominated member of staff in each agency to work on these issues. This has helped to change attitudes to mental health within the benefits offices. (Yvonne Flynn, 01482 216624 or e-mail [yvonne.flynn@number.nhs.uk](mailto:yvonne.flynn@number.nhs.uk)).
- The Outreach Team from **Southwark Social Security Office Homeless Person’s Unit** works in the psychiatric wards in Guy’s and St Thomas’ hospitals to ensure that patients ready for discharge are advised of their rights, and that their claims for benefit are determined before they leave. This service removes the need for vulnerable individuals to take what can be the first difficult step into the benefit system on their own, without which they might be discharged without any money or chance of accommodation. (0207 902 8628 or e-mail [tamara.kolbi@jobcentreplus.gsi.gov.uk](mailto:tamara.kolbi@jobcentreplus.gsi.gov.uk)).

The Department for Work and Pensions (DWP) has also introduced a number of initiatives to help ease the transition from benefits to work. These include the following:

- **The Linking Rules:** people who leave Incapacity Benefit for work or training, and reclaim the benefit within one year for the same health condition (or two years if they were eligible for the Working Tax Credit disability premium), will **re-qualify for the same level of Incapacity Benefit**. Claimants have to **register** by telephone or in writing within one month of leaving Incapacity Benefit to qualify.

- **Permitted Work Rules:** people claiming Incapacity Benefit can work up to 16 hours a week earning up to £72 (£78 from 1 October 2004) for 26 weeks. This may be extended for a further 26 weeks if an adviser agrees that it will help progress towards work of 16 hours or more a week. People who claim Income Support, Housing Benefit or Council Tax Benefit in addition to Incapacity Benefit will have these benefits reduced to offset additional earnings over £20 per week. There is provision under the permitted work rules for averaging hours over a period to establish whether the hours worked in a week are within the 16 hour limit. There is also scope **for averaging earnings** to establish a weekly amount where they are not paid on a weekly basis.

## Further Information

People who are not working and have mental health problems might be eligible to claim one or more of the following benefits:

- **Incapacity Benefit:** paid to those unable to work because of sickness or disability, who are not receiving Statutory Sick Pay, and have paid sufficient National Insurance contributions. Young people incapacitated before age 20, or before age 25 if they have been in education or training, may be able to obtain Incapacity Benefit without satisfying the contribution conditions providing they have been sick for a continuous period of 28 weeks.
- **Jobseeker's Allowance:** paid to unemployed people who are actively seeking work. People cannot claim Jobseeker's Allowance and Incapacity Benefit at the same time.
- **Income Support:** a means-tested benefit, paid to those under 60 who have a low income and limited savings, and are working for less than 16 hours per week. This can include people on Incapacity Benefit.
- **Severe Disablement Allowance:** Since April 2001, no new claims for Severe Disablement Allowance have been allowed, but people who were receiving it before this date can continue to receive it provided that they remain eligible.

Some benefits are available whether or not people are in work. These include:

- **Housing Benefit:** provides help towards rent (although not mortgages) for people on low incomes, including those claiming Income Support and Incapacity Benefit. The amount depends upon individual circumstances.

- **Council Tax Benefit:** for those on low incomes (including on Income Support and Incapacity Benefit) who can have up to the full cost of their council tax paid for them.
- **Disability Living Allowance:** payable whether someone is in or out of work, if they live on their own or with a carer, and it is not related to income. It is paid to those who have needed help for three months because of severe mental or physical disabilities, and who are likely to need help for a further six months. It is not means tested, and payment is based on individual care and mobility needs.
- The **Working Tax Credit** offers additional support to top-up the wages of people on low incomes working at least 16 hours per week. Some Jobcentre Plus programmes also offer additional financial support for people returning to work. These are discussed in more detail in the **Employment** fact sheet.

Other forms of financial support include:

- **Community Care Grants:** available to people claiming Income Support or Jobseeker's Allowance in certain circumstances. These include moving from residential care to independent living; being rehoused after a period of homelessness; or support for families in exceptional circumstances, such as family breakdown or serious illness. Grants do not have to be paid back.
- **Social Fund Crisis Loans:** these offer financial support in an emergency, when someone does not have enough money to support his or herself and their family, and when this could pose a serious risk to their health. Loans need to be paid back but are interest free.

Other important aspects of the benefit and employment support systems are as follows:

**Personal Capability Assessment:** used to establish entitlement to incapacity benefits. It looks at the effect of an illness or disability on a person's ability to perform everyday activities. Those with the most severe mental health problems are exempt. The Personal Capability Assessment is repeated periodically to check that people are still entitled to claim benefits. People who do not meet the threshold but are not in work may be eligible for Jobseeker's Allowance instead.

**Work-focused interviews:** introduced in Jobcentre Plus offices for everyone making a new claim for Incapacity Benefit. They are used to discuss work options, including the help available from Jobcentre Plus to find work. Work-related activity is not mandatory as a result of the interview. Work-focused interviews are a key part of the Pathways to Work programme, described in the **Employment** fact sheet.

## Volunteering and the benefits system

**Incapacity Benefit** claimants are allowed to do an unlimited amount of voluntary work. Benefit issues might arise when payment is involved or if the activity appears incompatible with the benefits claim – eg if someone claiming Incapacity Benefit because of back pain took a voluntary position that involved heavy lifting.

**Jobseeker's Allowance** – there are no restrictions on the amount of voluntary activity that can be undertaken by Jobseeker's Allowance claimants as long as they continue to satisfy the conditions of entitlement. Volunteers can now give seven days notice (instead of 48 hours) to rearrange or give up a volunteer position in order to take up paid employment. Claimants are still required to be available for an interview at 48 hours' notice.

## Sheltered work

Many Mental Health Trusts and social care services commission or provide sheltered workshops, which have high staffing levels and which typically offer a limited range of unskilled activities and few opportunities for career progression. Payments can be below the national minimum wage levels (recent guidance from the Department for Trade and Industry (DTI) identified the situations where this was possible).

### **EMPLOYMENT AND BENEFITS ADVICE, ENABLE, SHREWSBURY**

The Enable project offers help and support to people with mental health problems to find employment, working with individuals, employers and linking into services like Jobcentre Plus. A key part of their work is providing benefits advice. This involves helping people to understand and apply for the benefits to which they are entitled, and providing support and evidence for Personal Capability Assessments. When people are considering employment, they will discuss the financial support available (such as tax credits) and they will explore options like self-employment. The benefits team works closely with Jobcentre Plus, the local Citizens' Advice Bureau, and independent welfare rights officers.

Contact: Jonathan Allen – on 01743 340035.

**THE SOCIAL EXCLUSION UNIT REPORT ACTION POINTS**

DWP will improve awareness of the continuing needs of Disability Living Allowance (DLA) claimants upon returning to work; and will review and revise DWP communications to ensure that staff and customers are aware of the circumstances in which someone is eligible for DLA, in particular that eligibility does not depend on someone being out of work. (DWP by 2005.)

DWP will consider the feasibility of making the Incapacity Benefit linking rules more flexible, eg by allowing automatic registration and a faster return to work after using the linking rules. (DWP by 2005.)

DWP will continue to monitor the impact of the Housing Benefit/Council Tax Benefit rapid reclaim form, which is designed to encourage more people to make the transition into work, and will keep this under review. (DWP from 2004.)

The evaluation of the Permitted Work Rules will inform their future design. DWP will continue to work to raise awareness of the current arrangements to support people to increase their working hours to 16 hours or more per week, and will keep under review the case for further measures to facilitate this. (Evaluation to be published by the end of 2004.)

DWP will consider whether there are additional channels through the Department of Health or mental health stakeholders for distributing publicity materials which describe benefit rules, employment programmes and how to access them through Jobcentre Plus; and DWP will keep the materials under review to ensure they effectively communicate key messages to disabled people, including people with mental health problems. (DWP with DH by 2005.)

**Useful Contacts and Resources**

See the Department for Work and Pensions web-site ([www.dwp.gov.uk](http://www.dwp.gov.uk)) for advice about benefits, eligibility criteria and downloadable claim forms. Claim forms and general advice are also available from the Benefits Enquiry Line (0800 882200), a confidential telephone service for people with disabilities, their representatives and their carers.

The Inland Revenue are responsible for tax credits, including the Working Tax Credit. Applications for Working Tax Credit can be made via the website [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk).

The Citizens Advice Bureau web-site, [www.adviceguide.org.uk](http://www.adviceguide.org.uk), provides advice on various topics, including benefits. Contact details for local Citizens Advice Bureau can be found in the phone book.

Disability Information and Advice Line (DIAL) services are based throughout the UK and are run by and for disabled people. They provide information and advice on all aspects of living with a disability, including benefits. The web-site contains details of local DIALs ([www.dialuk.info](http://www.dialuk.info)).

The Disability Alliance provides advice about welfare benefits for disabled people and publishes the *Disability Rights Handbook* each year. They also have a telephone helpline (020 7247 8763) for members of the public or for people giving advice to others (available Mondays and Wednesdays 2–4pm) or visit [www.disabilityalliance.org](http://www.disabilityalliance.org).

Advice Now provides information about rights and legal issues, including links to web-sites giving advice on welfare benefits for sick and disabled people. ([www.advicenow.org.uk](http://www.advicenow.org.uk)).

Rightsnet provides information on changes to welfare benefits and tax credits for welfare rights advisers. Rightsnet is run by the London Advice Services Alliance (LASA) see [www.rightsnet.org.uk](http://www.rightsnet.org.uk) for more details.

National Institute for Mental Health in England (NIMHE) has a Knowledge Community where people can exchange information and experiences relating to mental health. This can be found at [kc.nimhe.org.uk](http://kc.nimhe.org.uk).

Scottish Executive – for information on mental health policy and services in Scotland, contact the National Programme for Improving Mental Health and Well-Being (part of the Scottish Executive). Visit [www.show.scot.nhs.uk](http://www.show.scot.nhs.uk)

[www.socialexclusion.gov.uk](http://www.socialexclusion.gov.uk)  
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