

# **PERMITTED WORK**

## **PROCEDURAL INFORMATION FOR DISABILITY ORGANISATIONS**

### **Summary**

1. This information pack is designed to inform disability organisations of the new permitted work rules for people receiving an incapacity benefit and sets out the Department for Work and Pensions (DWP) staff procedures. This version (November 2002) has been updated to reflect changes and feedback received. These include:

- details of the revised earnings limit from October 2004;
  - information on the effect of the National Minimum Wage;
  - clarification of Supported Permitted Work;
  - more information on the impact of permitted work on income related benefits; and
- copies of forms and draft letters which have been amended.
- 

### **Contents**

	Paragraph
Introduction	2
Transitional protection	6
Permitted work customer mailshot 2002	7
Permitted work customer mailshot 2003	9
Other work	10
Medical testing	11
Categories of permitted work	12
PWHL and PWHLs fixed periods	26
Permitted work notification procedure	28
How breaks in claim affect permitted work	48
Earnings and hours limits	52
National Minimum Wage	58
Queries	62
Appendix 1 - Letters & Forms	
Appendix 2 – Frequently Asked Questions	

## **Introduction**

2. The permitted work rules have been developed to support the Government's commitment to removing barriers to work for people with long term health problems who want to take steps back to work. They strengthen the aim of work as a stepping stone off benefit and into employment. They remove the requirement that the work must be therapeutic.
3. The new rules took effect on 8 April 2002 and apply to people who are getting one of the following benefits because of illness or disability:-

- Incapacity Benefit
- Severe Disablement Allowance
- National Insurance Credits
- Income Support, Housing Benefit and Council Tax Benefit

They also allow people to earn small amounts to help them maintain contact with the labour market and for social inclusion purposes.

4. The new rules allow customers to do any of the following:-
  - a) i work for less than 16 hours a week, on average, and earn no more than £78.00 a week from 1 October 2004 for 26 weeks. DWP staff refer to this as Permitted Work Higher Limit (PWHL); and
    - ii) extend this for a further 26 weeks if an officer of, or a person providing services to the Department for Work and Pensions agrees that an extension will help increase their capacity towards work of 16 hours or more a week. This person could be a Job Broker, a Disability Employment Adviser or a Personal Adviser; and
    - iii) do subsequent periods of PWHL, for 52 weeks, once a 52 week gap period has been served after the previous period of PWHL. DWP staff refer to this as Permitted Work Higher Limit Subsequent (PWHLs)
  - b) work and earn no more than £20 a week, at any time, for as long as they are on benefit. DWP staff refer to this as Permitted Work Lower Limit (PWLL);
  - c) do supported permitted work and earn no more than £78.00 a week (£72.00 prior to 1 October 2004) for as long as they are on benefit. More details are at paragraph 13. DWP staff refer to this as Supported Permitted Work (SPW).
5. Customers can only do one category of permitted work at any one time.

## **Transitional Protection**

6. All customers doing therapeutic work on 7 April 2002 may be able to carry on doing it until 6 April 2003. Similarly, anyone who stops therapeutic work on or after 11 February 2002, and starts again within 8 weeks may be able to do it until 6 April 2003. If a customer wishes to continue work after 6 April 2003 they will need to move to the permitted work rules.

## **Customer Mailshot 2002**

7. A mailshot was sent to all incapacity benefits customers over a 2-week period from 4 March 2002 to tell them about the new rules. It also asked those customers who have been doing therapeutic work on or after 11 February 2002, which had been agreed by the office that pays their benefit, to return a form confirming that they were still doing the work.
8. The information collected allowed the DWP to identify those people who can continue to do therapeutic work until 6 April 2003.

## **Customer Mailshot 2003**

9. A further mailshot will be sent to all customers doing therapeutic work in February 2003. This will tell them that therapeutic work is coming to an end and that they can consider doing permitted work from 7 April 2003.

## **Other Work**

10. The changes do not affect incapacity benefits customers who are doing work:-
  - on a voluntary basis; or
  - as a councillor; or
  - for one day a week as a member of an appeal tribunal with a disability qualification; or
  - as a DLAAB member for one day a week.; or
  - which is part of a hospital treatment programme and is done under medical supervision while the customer is an in-patient or is regularly attending as an out-patient

## **Medical Testing**

11. Customers no longer need their doctor's approval before telling the DWP about permitted work. And it should be stressed that they do not have to undergo a medical test just because they are doing permitted work. However, any medical test that may be due at the time they tell us about permitted or during a period of permitted work will go ahead as planned.

## **Categories of permitted work**

### **Permitted Work Lower Limit (PWLL)**

12. A customer can work and earn no more than £20 a week, at any time, for as long as they are on benefit. Normally the customer's employer should pay an hourly rate of at least the National Minimum Wage (see paragraphs 59 – 61).

### Supported Permitted Work (SPW)

13. A customer can work and earn no more than £78.00 a week (£72.00 prior to 1 October 2004) for as long as they are on benefit. Earnings may affect the amount of Income Support/Housing Benefit/Council tax benefit paid to the customer (see paragraph 57). The work must be supervised by someone who is working for a local or public authority or voluntary organisation, whose job it is to provide or find work for people with disabilities. For example this could be work done in the community, in a sheltered workshop or for a Social Firm. Normally the customer's employer should pay an hourly rate of at least the National Minimum Wage (see paragraphs 59 – 61).
14. SPW is intended to help those people whose disabilities restrict their work capacity to less than 16 hours a week, but is still more than the few hours covered by PWLL.
15. The support and supervision of the person in the workplace should come from an agency other than the NDDP PA, Jobbroker or DEA. However, in some circumstances the placement and supervision may be from different people within the same organisation.
16. This support must be ongoing and regular although the frequency of contact between support worker and customer may vary depending on the needs of the customer. However, it is not sufficient that the only support is provided by the employer, for example, in the form of a buddy or mentor in the workplace.
17. The overarching criteria for people covered by the supported permitted work arrangements are that:-
  - the work must be:
    - supported or supervised by a person employed by a public or local authority or voluntary organisation engaged in the provision or procurement of work for persons who have disabilities, or
    - part of a sheltered employment scheme where the supervision is integral to the provision of sheltered work ;
  - the support and supervision must come from an external agency, not just from natural supports in the workplace;
  - the support is ongoing and regular although the frequency of contact may vary (from daily to once a quarter, for example). The means of contact can fluctuate – either face-to-face or by telephone.
18. The hours restrictions above do not apply to a customer who is doing work which is part of a hospital treatment programme and is done under medical supervision while the customer is an in-patient or is regularly attending as an out-patient

### Permitted Work Higher Limit (PWHL)

19. A customer can work for less than 16 hours a week, on average, and earn no more than £78.00 a week (£72.00 prior to 1 October 2004) for a fixed 26 week period starting from the date that work begins. Normally the customer's employer should pay an hourly rate of at least the National Minimum Wage (see paragraphs 59 – 61).
20. This fixed period can be extended for a further 26 weeks if there is appropriate evidence to show that by undertaking a further period of work the customer is likely to improve their capacity to engage in full-time work.

### Appropriate Evidence

21. Before a customer can work in a PWHL extension period they must provide appropriate evidence that, by undertaking further work they are likely to improve their capacity to engage in full-time work. This could be:-
- evidence from an officer of, or a person providing a service to the Secretary of State who is authorised by the Secretary of State for that purpose; and
  - evidence (if any) from any other person (including the person doing the work).
22. A person providing services to the Secretary of State will normally be a Job Broker, a Disability Employment Adviser or a Jobcentre Plus Personal Adviser. Evidence will normally be in the form of a signed tear off to the letter sent to the customer towards the end of the PWHL period. Paragraph 43 discusses this procedure in more detail.
23. If there is no evidence from an officer of, or a person providing services to the Secretary of State that the customer is working towards full time work, the case will be referred to the Decision Maker at the office which pays the customer's benefit. They will then consider whether there is appropriate evidence. For example, whether the customer has:-
- increased their hours; or
  - learnt new skills; or
  - taken part in a work placement programme; or
  - a strong chance of moving to work of 16 hours or more after 52 weeks.

This list is illustrative and not intended to be comprehensive.

### Frequency of applications for permitted work [Permitted Work Higher Limit Subsequent (PWHLS)]

24. A person trying some permitted work under the new rules may not reach a successful outcome at their first attempt. Therefore a customer will be able to try PWHL any number of times while they are getting an incapacity benefit. But if they have previously completed a PWHL period there must be a gap of at least 52 weeks between the end of one PWHL period and the beginning of the next. The customer can still earn up to £20 a week or do supported permitted work in the gap period.

25. Before a customer begins a subsequent period, there must be appropriate evidence that by undertaking the work they are likely to improve their capacity to engage in full-time work. Appropriate evidence is discussed at paragraphs 21 to 23. Each subsequent period will last for 52 weeks from the date work started. There will be no requirement to apply for an extension after 26 weeks.

### **PWHL and PWHLs Fixed Periods**

26. Permitted work will be allowed for a continuous fixed period commencing with the date the person first started work. A customer can change jobs within the fixed period of work. However, they should notify the DWP of any change of employment. A customer may also have more than one job but the total hours and earnings must not exceed the set limits.

27. A fixed period cannot be lengthened for any reason, even if the job ends or the customer goes on holiday or on sick leave.

### **Permitted Work Notification Procedures**

28. Customers will be encouraged to tell the DWP about the work when they start. However, the new rules allow people to start work before they have informed the Department. This is to ensure that people do not lose a job because they do not have time to tell the Department; for example some one is offered a job on Friday to start the following Monday.

29. For PWHL and PWHLs, customers must give written notification of the work within 42 days of starting.

30. For PWLL and SPW, a customer's permitted work is treated in the same way as any other change of circumstances and should be notified as soon as possible. At the latest, the Department must be told before the work ceases.

31. Form PW1 has been developed for customers to tell the DWP about permitted work. They can get a copy from their local benefits office.

32. Customers wanting to do SPW should ask their professional support worker to complete part 3 of form PW1.

33. Once the Department has received the completed PW1 they will be able to decide which category of permitted work applies. Staff should action cases quickly so as not to put at risk an offer of employment.

34. If the work falls within one of the permitted work categories, the customer will be sent notification letter D/LPW1. A copy is attached at Appendix 1.

35. If the work does not fall within the permitted work rules, they will be informed in letter D/LPW2. A copy is attached at Appendix 1. If the work does not fall within the permitted work rules and the work has already started, the case will be referred to the Decision Maker for an outcome decision on the period of work.

### Extending the PWHL period

36. At week 20 of the PWHL period the customer will be sent form PW6 setting out their options at week 26. A copy is attached at Appendix 1.
37. At week 26 a customer can :-
- request an extension to PWHL; or
  - stop claiming benefit; or
  - stop work; or
  - notify DWP that they want to do PWLL or SPW
38. Customers wishing to extend their PWHL period must provide the appropriate evidence that a further period of work is likely to improve their capacity to engage in work of 16 hours or more. Appropriate evidence is discussed at paragraphs 21 to 23.
39. The customer will ask the Job Broker, Disability Employment Adviser or Personal Adviser to complete part 1 of the PW6 to indicate that they are working with the customer and that a further period of work is likely to improve their capacity to engage in work of 16 hours or more.
40. If the DWP agrees that there is appropriate evidence to allow an extension to the PWHL, the customer will be sent a letter D/LPW4 which tells them when the extension period will come to an end.
41. Customers who return the PW6 to say that they want to do SPW or PWLL will be sent a new form PW1 to complete. If this is not returned, customers will be asked again about their work plans with letter D/LPW8. A copy of this is attached at Appendix 1.
42. Customers who fail to reply to the PW6 within 14 days, will be sent a reminder letter D/LPW6 and a further reminder D/LPW7 if there is still no response. Benefit cannot be paid past week 26 if the DWP does not receive notification of work plans at the end of the 26 week period.

### PWHL extension period coming to an end

43. At week 46 of an extension period, customers are sent a form PW7 telling them that their PWHL extension period is coming to an end. A copy is attached at Appendix 1. The letter also tells them about their work options from week 52. They are to:-
- carry on working and stop claiming benefit; or
  - do PWLL or SPW; or
  - stop working
44. When PW7 is returned DWP staff will action as per the customer notification. Customers wanting to do PWLL or SPW will be sent a form PW1 to complete.

45. Customers who fail to reply to the PW7 within 14 days will be sent a reminder letter D/LPW6 and a further reminder D/LPW7 if there is still no response. Benefit cannot be paid past week 52 if the DWP does not receive notification of work plans at the end of the 52 week period.

#### PWHL (Subsequent)

46. Customers who have completed a PWHL period and remain in the same period of incapacity for work will be sent a letter at week 46 of their 52 week gap period. This will remind the customer that they are coming to the end of their gap period and that they can do another fixed period of work from the relevant date. People wanting to do a subsequent period of PWHL should complete form PW52. A copy of this is attached at Appendix 1.

#### Review of PWLL or SPW

47. Customers doing SPW or PWLL will have their circumstances reviewed every two years using form PW8 or PW9. Copies are attached at Appendix 1.

### **How breaks in claim affect PWHL and PWHLs**

48. Customers who stop claiming benefit while in a PWHL or PWHLs period will return to that same cycle of permitted work, provided they reclaim benefit within 8 weeks.

#### **Example 1**

Customer starts permitted work	06/05/2002
Permitted work period	06/05/2002 to 03/11/2002
Customers IB claims terminates	28/07/2002
Customer reclaims from	09/09/2002
Permitted work accepted from	07/10/2002
Remaining permitted work period	09/09/2002 to 03/11/2002

49. In the above example, the customer reclaimed benefit within 8 weeks or less. Therefore, they return to the same PWHL period they were in before they left benefit.

50. Customers who stop claiming benefit for a spell of more than 8 weeks and notify a further period of work will qualify for a new PWHL 26 week period.

#### **Example 2**

Customer starts permitted work	06/05/2002
Permitted work period	06/05/2002 to 03/11/2002
Customers IB claims terminates	28/07/2002
Customer reclaims from	07/10/2002
Permitted work accepted from	13/10/2002
New 26 week permitted work period	13/10/2002 to 12/04/2003

51. In the above example the customer stopped claiming benefit for a spell of more than 8 weeks. When reclaiming benefit the customer qualifies for a fresh 26 week PWHL period.

## **Earnings and Hours Limits**

52. Earnings are calculated in the same way as they were for therapeutic work.

Normally, the national minimum wage will apply. Usually there will be no requirement to verify earnings. However, the customer will be contacted if there are discrepancies and may be asked to provide wage slips. Any cases that present special difficulties will be referred to the Decision Maker. Normally the customer's employer should pay an hourly rate of at least the National Minimum Wage (see paragraphs 59 – 61).

53. Earnings from self employment should be considered on the individual facts of each case. If a self-employed person does not derive a regular income from their work the Decision Maker can look at their income over a period of time to obtain the most accurate equivalent weekly income

54. When considering PWHL / PWHLS permitted work may only be disregarded if a person works for less than 16 hours a week. It is the average number of hours worked which is important. Even if someone works for 16 hours or more in a week they are not treated as capable of work in that week if the average number of hours which they normally work is less than 16. If they work for 16 hours or more in a week the decision maker should consider the average hours:

- if the person has a normal work cycle, over the period of that cycle;
- otherwise, over the week in question and the four weeks before it.

55. Only the hours actually worked (as opposed to the hours someone is contracted to work) and weeks in which they actually do any work (as opposed to weeks of sickness or holiday) should count.

56. People receiving Income Support (IS) on the basis of incapacity can do permitted work and earn up to £78.00 a week (£72 prior to 1 October 2004) without their incapacity status being affected. Provided that the work is accepted as permitted work their incapacity status is not affected and **entitlement** to IS will similarly not be affected.

57. However the amount of earnings will affect the amount of IS **payable**. An amount of earnings can be disregarded (ignored) each week, when calculating the amount of Income Support to which a person is entitled. People receiving the Disability Premium (DP) as part of their IS, are entitled to a disregard of £20.00 per week. For others, the standard disregards are £5.00 per week for a single person, and £10.00 per week where the customer has a partner. Earnings over the disregard will reduce the amount of IS payable on a penny for penny basis. Additionally the amount of earnings can affect any Housing Benefit or Council Tax Benefit in payment.

58. An internal form is used to exchange information about permitted work between the Incapacity Benefit and Income Support sections within the DWP. Customers

should advise their Local Authority about permitted work if they are getting Housing Benefit or Council Tax Benefit as they would any other earnings.

### **National Minimum Wage (NMW)**

59. The national minimum wage legislation applies to all doing permitted work who are “workers” under the National Minimum Wage Act 1999.. This is no different from the previous arrangements for people undertaking therapeutic work.
60. Customers applying for permitted work where their earnings are less than the National Minimum should be advised of their rights under the NMW legislation.
61. Exceptionally, some customers may be undertaking therapeutic activities for which they are not defined as “workers” and would not fall within the scope of the NMW. Any organisation who is considering paying less than the NMW or needs guidance as to whether someone is a worker for the purposes of the NMW Act should seek advice from the NMW helpline 0845 6000 678 (Mon - Fri 8am - 6pm) or visit their site on the internet at <http://www.tiger.gov.uk/nmw/emp/index.htm>.

## **Appendix 1**

### **New and revised versions of PW forms**

#### **Contents**

<b>PW6</b>	<b>Replaces letter D/LPW3</b>
<b>PW7</b>	<b>Replaces letter D/LPW5</b>
<b>PW8</b>	<b>Review form for customer doing PWLL</b>
<b>PW9</b>	<b>Review form for customer doing SPW</b>
<b>PW52</b>	<b>Notification of work – PWHLS</b>

#### **Draft letters contain revised wording**

<b>D/LPW1</b>	<b>Notification that work falls within permitted work rules</b>
---------------	---

- D/LPW2**      **Notification that work does not fall within permitted work rules**
- DL/PW4**      **Letter to notify customer of extension to their PWHL period**

**New letter introduced**

- D/LPW9**      **PWHL extension or PWHLS conditions not satisfied**

**DL/PW1**

**Letter to notify customer that work falls within permitted work rules**

---

**About your work**

Dear ( )

Thank you for telling us about your work. From the information you have given us I am pleased to tell you that the work falls within the permitted work rules.

(a)

[a.1 You told us that you will start work from (b), if this date changes you must tell us.

a.2 You told us that you started work on (b)]

(c)

c.1 This means you can work and earn no more than £(d) a week for an unlimited period, without your (e) being affected.

You may be able to increase your hours to less than 16 and earn no more than £(f) a week, but you should tell us about this before you change your hours or earnings.

c.2 This means you can work for less than 16 hours a week, on average, and earn no more than £(f) a week for a fixed period of 26 weeks from (b) without your (e) being affected. This fixed period will end on (g). It will not be altered for any reason, for example holidays or spells of sickness.

You may be able to continue with permitted work for a further 26 weeks after (g), if an officer of, or person providing services to, the Department for Work and Pensions agrees that a further period of permitted work will help you towards work of 16 hours or more a week. This person could be for example a Job Broker, a Disability Employment Adviser or a Personal Adviser. They can provide you with the support needed to find and sustain work, and give you advice on any training requirements you may need.

We will get in touch with you nearer the end of your 26 week fixed period to give you more information about the choices available to you.

c.3 This means you can earn no more than £(f) a week for an unlimited period, with the ongoing support of someone who is employed by a public or local authority, or a voluntary organisation, whose job it is to arrange work for people with disabilities, without your (e) being affected. This includes work done in the community or in a sheltered workshop and also includes work as part of a hospital treatment programme. You must tell us if the support of your care worker stops.

c.4 As your claim to benefit is not more than 8 weeks since the end of your previous claim, you remain in the fixed period of permitted work which began on (b), and ends on (g). It will not be altered for any reason, for example holidays or spells of sickness. You can work for less than 16 hours a week, on average, and earn no more than (f) a week until (g).

You may be able to continue with permitted work for a further 26 weeks after (g), if an officer of, or person providing services to, the Department for Work and Pensions agrees that a further period of permitted work will help you towards work of 16 hours or more a week. This person could be for example a Job Broker, a Disability Employment Adviser or a Personal Adviser. They can provide you with the support needed to find and sustain work, and give you advice on any training requirements you may need.

(h)

h.1 We will get in touch with you nearer the end of your fixed period to give you more information about the choices available to you.

h.2 We are enclosing additional information about the choices available to you from (g).

### **How your earnings may affect your benefit**

Permitted work will not affect your Incapacity Benefit, Severe Disablement Allowance or your right to National Insurance Credits.

It will affect your Income Support, Housing Benefit or Council Tax Benefit if your earnings are more than your earnings disregard. You should ask the office that deals with your benefit for more information about how earnings affect your benefit.

If you start permitted work, you may be liable to pay tax on your extra income. You should notify your local Tax Office/Inland Revenue Enquiry Centre as soon as you start work. You should give full details of your income so that they can calculate any tax due and arrange, as far as possible, that you pay the correct amount of tax during the tax year.

### **Changes you must tell us about**

You must tell us if:-

- your earnings change
- your hours of work increase
- you change employer
- you stop work.

### **More information**

If you have any worries or questions about this letter or your claim in general, please get in touch with us. Our phone number and address are at the top of this letter.

If you need to get in touch with us, please remember to tell us the reference number shown at the top of this letter. If you write to us, you can get an envelope from the post office, it will not need a stamp.

For more information about the Job Broker service you can contact New Deal for Disabled People on 0800 137 177. Lines are open from 7.00am to 11.00pm 7 days a week. People with speech or

hearing problems using a textphone can dial 0800 435 550. Or visit their website. The address is [www.newdeal.gov.uk](http://www.newdeal.gov.uk).

Yours sincerely

for Manager

**LO notes for DL/PW1**

- (a) insert correct option
- (b) date permitted work period begins (first day of employment)
- (c) insert correct option
- (d) PWLL earnings limit
- (e) name of benefit ( IB, SDA or NI credits)
- (f) PWHL or SPW earnings limit
- (g) last day of PWHL period
- (h) insert correct option

**DL/PW2**

**Letter to notify customer that work does not fall within permitted work rules**

---

**About your work**

Dear ( )

We have looked at the information you have given us about the work you want to do from (a) and I am sorry to tell you that it does not fall within the permitted work rules.

This is because (b)

b.1 you have said you will work for 16 hours or more a week.

b.2 you expect to earn more than £(c) a week.

b.3 you have said you will work for 16 hours or more a week and earn more than £(c).

b.4 your last period of permitted work ended on (d) and there has not been a gap of at least 52 weeks between the end of that period and the date you wish to begin work.

This means that you may start the work but if you do, you will not be entitled to (e).

If you start the work, you must tell us. You may be able to get Disabled Persons Tax Credit or Working Families Tax Credit.

If you want to find out more information about the work you can do while continuing to get your (e), please get in touch with us.

## More information

If you have any worries or questions about this letter or your claim in general, please get in touch with us. Our phone number and address are at the top of this letter.

If you need to get in touch with us, please remember to tell us the reference number shown at the top of this letter. If you write to us, you can get an envelope from the post office it will not need a stamp.

## Help you may be able to get if you work for 16 hours or more

You may be able to get **Working Families Tax Credit (WFTC)**. This provides regular tax-free payments for working people with children.

You can get Working Families Tax Credit if:-

- you have at least one child under 16 (or under 19 in full-time education)
- you or your partner work at least 16 hours a week
- you, or you and your partner together have £8,000 or less in savings.

We use partner to mean a person you are married to, or a person you live with as if you are married to them.

You may also be able to get **Disabled Person's Tax Credit (DPTC)**. This is a tax-free, income related tax credit for people aged 16 or over who:-

- are disabled or recovering from an illness
- are working 16 hours a week or more on average
- have what is known as a qualifying benefit. Short-term Incapacity Benefit at the higher rate, Long-term Incapacity Benefit or Severe Disablement Allowance count as qualifying benefits.
- You, or you and your partner together, have £16,000 or less in savings.

For additional qualifying conditions, contact the office that deals with your benefit.

If you want to claim Working Families Tax Credit or Disabled Persons Tax Credit, you can get a claim pack from any Inland Revenue Enquiry Centre or Social Security/Job Centre Plus Office.

Alternatively, you can phone the Tax Credit Helpline on 0845 609 5000 for WFTC claim packs, or 0845 605 5858 for DPTC claim packs. All calls are charged at local rates.

You can find out more about benefit for people on low incomes from leaflet **FB4 Help while you are working**.

### LO notes for DL/PW2

- (a) requested start date of permitted work
- (b) insert correct option
- (c) PWHL earnings limit
- (d) last date of previous spell of permitted work
- (e) name of benefit (IB, SDA or NI credits)

DL/PW9

**Letter to notify customer that 26 week extension or PWHL subsequent period has not been allowed**

Dear ( )

**About your work**

We have looked at the information you have given us (a)  
[a.1 to request an extension to your permitted work period  
a.2 to request a further period of permitted work], and I am sorry to tell you it that does not fall within  
the permitted work rules.

This is because (b)

**(b) will be a free text field for the DM to give reason.**

This means you may (c)

[c.1 start the work, you must tell us if you do as you will not be entitled to (d).

c.2 continue to work but if you do you will not be entitled to(d)].

(e) you must return your order book, do not cash any more orders.

### **Help you may be able to get if you work for 16 hours or more a week**

You may be able to get **Working Families' Tax Credit (WFTC)**. This provides regular tax-free payments for working people with children.

You can get Working Families' Tax Credit if

- you have at least one child under 16 (or under 19 in full-time education)
- you or your partner work at least 16 hours a week
- you, or you and your partner together, have £8,000 or less in savings.

We use partner to mean a person you are married to, or a person you live with as if you are married to them.

You may be able to get **Disabled Person's Tax Credit (DPTC)**. This is a tax-free, income related tax credit for people aged 16 or over who

- are disabled or recovering from an illness
- are working 16 hours a week or more on average
- have what is known as a qualifying benefit. Short-Term Incapacity Benefit at the higher rate, Long-term Incapacity Benefit or Severe Disablement Allowance count as qualifying benefits.
- You, or you and your partner together, have £16,000 or less in savings.

For additional qualifying conditions, contact the office that deals with your benefit.

If you want to claim Working Families Tax Credit or Disabled Persons Tax Credit, you can get a claim pack from any Inland Revenue Enquiry Centre or Benefit Office. Alternatively, you can phone the Tax Credit Helpline on 0845 609 5000 for WFTC claim packs, or 0845 605 5858 for DPTC claim packs.

All calls are charged at local rates.

You can find out more about benefit for people on low incomes from leaflet **FB4 Help while you are working**.

### **More information**

If you have any worries or questions about this letter or your claim in general, please get in touch with us. Our phone number and address are at the top of this letter.

If you need to get in touch with us, please remember to tell us the reference number shown at the top of this letter. If you write to us, you can get an envelope from the post office, it will not need a stamp.

### **LO notes for DL/PW9**

- (a) insert correct option
- (b) free text insert reason
- (c) insert correct option
- (d) name of benefit (IB, SDA or NI credits)
- (e) use if customer paid by order book

D/LPW4

## Letter to notify customer of extension to their PWHL period

---

(a)

(b)

About your work

Dear (a)

Thank you for telling us you wanted to extend your period of permitted work. From the information you have given us I am please to tell you that the work falls within the permitted work rules.

Your permitted work period has been extended to (c). This means you can continue to work for less than 16 hours a week, on average and earn no more than £(d) a week, without your (e) being affected. This fixed period will not be altered for any reason for example holidays or spells of sickness.

If you get Income Support, Housing Benefit or Council Tax Benefit it will reduce if your average earnings are more than a set amount each week. **Please tell the office that deals with these benefits about your permitted work and any change in your circumstances.**

We will get in touch with you nearer the end of this fixed period to give you more information about the choices available to you.

Changes you must tell us about

You must tell us if:-

- your earnings change
- your hours of work increase
- you change employer
- you stop work

More information

If you have any worries or questions about this letter or your claim in general, please get in touch with us. Our phone number and address are at the top of this letter.

If you need to get in touch with us, please remember to tell us the reference number shown at the top of this letter. If you write to us, you can get an envelope from the post office, it will not need a stamp.

**LO notes for D/LPW4**

- (a) customers name
- (b) customers NI number
- (c) last date of 52 week period
- (d) PWHL earnings limit
- (e) name of benefit

## APPENDIX 2

### Frequently Asked Questions (FAQ)

- Q1). Is a customer who has had 28 weeks Statutory Sick Pay (SSP) and is still working for the same employer allowed to start permitted work from the outset of a claim?
- A) Yes, as long as the customer's work falls within the permitted work rules.**
- Q2). If a customer is doing Supported Permitted Work (SPW) and the support ceases are they able to continue with permitted work?
- A) Yes, if the work falls into another category i.e. PWLL or PWHL. The customer will need to complete a further PW1 and we will inform the customer whether the work fits into another category of permitted work.**
- Q3). Can customers change categories of work? For example if someone is on PWHL and then evidence is received that they should be SPW what action should take place?
- A) As the customer is only allowed to do one category of permitted work at any one time, the customer will need to complete details on form PW1. If the conditions for SPW are satisfied the PWHL will be closed and SPW category opened from date that they began being supported in the workplace.**
- Q4). Does the fact that the customer is undertaking permitted work throw any doubt on their incapacity?
- A) There is no longer a requirement that the work undertaken should be classed as being therapeutic; therefore the fact that a customer is trying to work should not in itself cast doubt on his/her incapacity. Permitted work allows customers to test their own capacity for doing some work.**
- Q5). Why do you need to collect a description of the job and duties if you are not looking at the customer's incapacity for Personal Capability Assessment (PCA) purposes?
- A) This information is required for fraud purposes. If an allegation of fraudulent work is received, the fraud section can determine whether the alleged work is in fact the declared permitted work or not. The information will also be used for Departmental research purposes when assessing the effectiveness of this change.**
- Q6). What happens if the customer applies for PWHL and does not start work or starts work on a different date?
- A) The PWHL fixed period starts from the first day of work. Therefore it is important that a customer notifies any change to the date that work was expected to start as this will be the new start date for the PWHL fixed period. It is also important that a customer notifies if work does not start, so that a PWHL fixed period does not begin.**
- Q7). Does the 52 weeks gap period always start from the day following the last day of the 52 weeks PWHL period?

- A) **No, the 52 week gap starts after any period of PWHL. Therefore, it can also start from the day after the last day of the PWHL 26 week period if the customer is not granted or does not want an extension.**
- Q8). If a customer is earning under £20 and is also supported, which category should they fall into?
- A) **The customer should be put in the SPW category. This is so the customer can earn more than £20 in any one week (but no more than £78.00) without the need to consider an overpayment. If the earnings rise above £20.00 permanently, it will not then be necessary to move them from PWLL into SPW.**
- Q 9 Can Income Tax and National Insurance contributions be deducted to bring earnings under the permitted work limits?
- A) **Reasonable expenses directly incurred because of the work may be taken into account when calculating the earnings limit for permitted work. This will include deductions made for income tax and National Insurance contributions.**