

## Factsheet B8: Working and claiming Benefits

### General guidelines for working at the same time as receiving benefits

Technically you are allowed to do some work while receiving benefits, but please be aware that:

- You don't need the permission of the Department of Work and Pensions to start work BUT
  - Starting work is a change of circumstances and you are therefore legally obliged to report it to the Department of Work and Pensions if you are already receiving benefit
  - You must take care to explain what kind of work you are doing, and show that it does not suggest that you might now be capable of tasks that you previously claimed you could not perform – for example, if you need help to get to the toilet you must explain perhaps that you have a personal assistant, or that your employer has designated someone to assist you; if you cannot walk very far, explain what provision has been made for this
- You should also explain your functional difficulties (such as problems with walking, repeating certain tasks or lifting and carrying) to any new or potential prospective employer, as they have a duty of care to you in the workplace.

### Disability Living Allowance and Personal Independence Payment

If you are receiving Disability Living Allowance, you are allowed to work full-time as long as you bear in mind the general guidelines above. The same will apply to the Personal Independence Payment benefit, which replaces Disability Living Allowance for working age claimants.



## **Employment and Support Allowance Permitted Work Rules**

If you are receiving Employment and Support Allowance (once you have passed the Work Capability Assessment) it is acknowledged that doing some work can be therapeutic, and is useful as a 'back to work' strategy. There are limits to how many hours you can work, and any paid work has to be at minimum wage or above.

There are three rules for permitted work:

- Lower Limit - You can earn an additional £20 per week for an unlimited period
- Higher Limit - You can also earn up to £125.50 per week as long as you work no more than 16 hours per week. This used to be limited to one year, but that rule is suspended because of the introduction of Universal Credit, which has no permitted work rules.
- Supported - You could only extend the higher rate for more than the one year limit if you were supported/ supervised by an organisation authorised to do so, or if you had been placed in the Support Group for Employment and Support Allowance. This rule has also been suspended.

You may also do any amount of voluntary work, although you do need to take care you meet the basic guidelines at the top of this page; anyone working regular hours on regular days for over 16 hours work is likely to be considered capable of doing this on a paid basis.

You may be asked to attend a Work Capability Assessment while you are in a period of agreed permitted work.



## Tax Credits

Tax credits are means-tested or income-related tax-free payments. There are two kinds of tax credits: child tax credit and working tax credit. Child tax credit is for anyone responsible for children, whether they are working or not. Working tax credit is for people in low paid work, whether or not they have children. If you are in low paid work and have children, you will receive both.

Tax credits will be replaced by Universal Credit, but in the meantime you can see how much you might be entitled to at: [www.gov.uk/tax-credits-calculator](http://www.gov.uk/tax-credits-calculator)

HMRC has created some useful YouTube videos to help you understand tax credits:

- How to manage your tax credits  
<https://www.youtube.com/watch?v=wQOmyzw0KGw>
- Tax credits renewals <https://www.youtube.com/watch?v=WI5x2RwjKj4>
- Tax credits checks <https://www.youtube.com/watch?v=pIKkkeGhdxI>

## Universal Credit

A new benefit called Universal Credit will be introduced at some point between now and 2023, and (among other things) this will replace Employment and Support Allowance for people who receive it on a means-tested basis. There are many people who will need to be transferred to Universal Credit, so you may continue to receive your current benefits until 2023. Please see our page on Universal Credit for more detailed information: <https://equallives.org.uk/info-and-advice/welfare-and-benefits/overview-of-benefits-and-how-to-claim/universal-credit/>



If you are moved on to Universal Credit, the rules for working will change. The permitted work rules will disappear, so that anyone on means-tested benefits will be able to keep more of their earnings.

If you are working within the above guidelines and face any challenge about keeping your benefits, please contact our information and advice service.

If you require further information or would like this factsheet in an alternative format you can contact us by calling: 01508 491210, by emailing: [info@equallives.org.uk](mailto:info@equallives.org.uk), or by writing to: Equal Lives, 15 Manor Farm Barns, Fox Road, Framingham Pigot, Norfolk, NR14 7PZ.

