



## Changes that may affect parents

### Changes from the 1st November 2010

#### Contribution based Job Seekers Allowance

New claimants will need to have paid national insurance contributions on relevant earnings at the lower NI earnings limit (which was £97 for 2010/11) for at least 26 weeks in one of the last two complete years.

At the moment people can qualify having paid the relevant national insurance contributions for around 12 weeks at National minimum Wage level, or less than four weeks at higher-rate level. This is because the condition rule is based on the amount of contributions, not the time over which they are made.

---

### Changes from 1st January 2011

#### Health in pregnancy grant

##### Ceases

This was a one-off payment paid to pregnant women to help prepare for the birth. It was not means tested.

#### Child Trust Fund

##### Ceases

The Child Trust Fund was a savings and investment scheme started in 2002 to encourage parents to save for their child's future.

---

### Changes from 6th April 2011

#### Child Benefit

The rate of Child Benefit will be frozen this is:

Who the allowance is for	Current weekly amount
Eldest or only child	£20.30
Additional children - per child	£13.40



## Housing Benefit

Changes:

- The baby element of family premium will no longer be available
- Local Housing Allowance (LHA) restricted to four-bedroom rate regardless of household size.
- New Maximum Housing Allowance will be based upon property size – £250 for a one bedroom, £290 for two bedrooms, £340 for three bedrooms, and £400 for four bedrooms.
- £15 excess rule will be removed. This is the rule that if the Local Housing Allowance is higher than the rent that a Housing Benefit claimant is paying, they can keep the difference up to a maximum of £15 per week.
- An extra room will be allowed for a non-resident carer in the “size criteria” used to determine LHA.

---

## Sure Start Maternity Grant

This will only be for the first child or each child if multiple birth.

---

## Tax Credits

- There will be some changes to the way Tax Credits are calculated, claimants with incomes over £40,000 will be affected, there will also be a slight increase in the rate at which Tax Credits are withdrawn as a person’s income increases.
- The baby element will be removed from CTC
- If your income rose by £25,000 during the award year this would not affect your award, now they will only ignore increases of up to £10,000.
- An increase in child element rate by £180.
- A reduction in the percentage of childcare costs that parents can claim through the childcare element of Working Tax Credits (WTC) from 80% to 70%.
- Couples with children must work at least 24 hours a week between them, with one working at least 16 hours to qualify for WTC.
- The basic and 30 hour elements of WTC will be frozen for three years.

---

## From autumn 2011

### Savings account for children

The Treasury is to offer a tax-free children’s’ saving account in autumn 2011.

Available in cash or stocks and shares, the “Junior ISA” will be a replacement for the Child Trust Fund. However, the Government will not provide any money to put in the account – the main benefit will be that it is tax free.

---



HM Revenue  
& Customs

### From April 2012

#### Income Support

Change: Existing claimants who are lone parents whose youngest child is aged over five years will be transferred to other benefits. This will mean that lone parents who are able to, will be expected

to work.

#### Tax Credits

- Further changes to the way Tax Credits are calculated so that the credit is withdrawn faster as income rises
- 50+ element removed from Working Tax Credits (WTC)
- If you income falls by up to £2,500 during the tax credit year your award will not be revised to see if you are entitled to more credits.
- You will only be able to backdate new applications and changes of circumstances for up to one month instead of three.
- Increase of child element by £110.

---

### From January 2013

#### Child Benefit

Families will not be entitled to this benefit if there is a high-rate tax payer in the household.

---

### From April 2013

#### Disability Living Allowance

There will be the introduction of “objective assessments” to decide eligibility. The intention is to target support through this benefit on those in most need.

#### Tax Credits

Changes any rise in income of £5,000 or more during the award year will be taken into account. Currently there is a disregard of increases up to £25,000 but this threshold drops to £10,000 in 2011.

#### Universal Credit

The system of working-age benefits and Tax Credits is to be gradually replaced by a Universal Credit. Money has been set aside to fund this.

Along with Universal Credit there will be a cap on the amount of benefits a working age household can receive, capped at the level of the average working family income after tax - with the exception of those households that include a DLA claimant, war widow, or WTC claimant.

This Information is taken from Turn 2 Us. [www.turn2us.org.uk](http://www.turn2us.org.uk).

There are other changes being made to Pension Credit, Pension age and Housing Benefits. [Please visit the website for information.](#)