

Introduction

From 27 October 2008 Employment and Support Allowance (ESA) replaced Incapacity Benefit (IB) and Income Support (IS) paid on grounds of incapacity. In order to claim this benefit, an Applicant must be at least 16 years old and under the pension age. An Applicant cannot receive ESA whilst in receipt of Statutory Sick Pay.

ESA has 2 components:

1. Contributory Allowance (similar to IB)

The Applicant must have made or been credited sufficient National Insurance contributions to receive this allowance. However, if the Applicant has limited capability for work before 20 (or 25 in some circumstances), they may qualify for this allowance even if they have not made or been credited with sufficient National Insurance contributions (this is called ESA in Youth). This is a non-means tested allowance and paid at the 3 rates set out below. However, it is anticipated that from 1 May 2012, ESA in Youth for new Applicants will be abolished. If Applicants are already in receipt of this when it is abolished, they will continue to receive it for one year.

2. Income Related Allowance (Similar to IS)

This is a means tested benefit. The amount the Applicant receives depends on the Applicant's (and their partner's) income and capital.

Applicants already in receipt of Income Support and/or Incapacity Benefit will continue to receive these benefits for the time being although it is anticipated that they will be transferred to ESA in the future.

Criteria

The Assessment Phase

The first 13 weeks of the claim is the 'Assessment Phase'. During the assessment phase, Applicant's undergo a 'work capability assessment' to determine whether they have limited capability for work. If they do, they are then allocated to one of the following 2 groups depending on their level of disability:

1. The Support Group;
2. The Work Related Activity Group.

During the assessment phase, ESA is paid at the basic rate (see below).

The Work Capability Assessment

This assessment consists of 3 parts:

1. The Limited Capability for Work Test

This is a medical assessment to look at how the Applicant's illness or disability affects their ability to work and carry out day to day activities and is usually carried out by a healthcare professional.

Points are awarded on the basis of the Applicant's limitations. If the total number of points awarded reaches 15 or more, the Applicant is deemed to have limited capability for work and continues to the next stage of assessment. If not, the Applicant can appeal against the decision or claim Jobseeker's Allowance.

2. The Limited Capability for Work Related Activity Test

This test determines whether the Applicant falls within the 'Support Group' or 'Work Related Activity Group'. The Applicant will be provided with a list descriptions relating to severe limitation of physical or mental function. If at least one of them applies to the Applicant, they will fall within the Support Group. If not, the Applicant falls within the Work Related Activity Group.

3. Work-Focused Health-Related Assessment

The Applicant is only required to undertake this part of the assessment if they fall within the Work Related Activity Group. This assessment looks at things the Applicant can do despite their medical condition and reviews any interventions that could assist a move back into the workplace, for example medical treatment or adaptations to the workplace. The Applicant must attend 6 work focused interviews. Failing to meet one of the strict conditions in this group means that their ESA payment may be sanctioned.

Amount

Contribution Allowance ESA is paid at 3 levels:

- **Basic rate** is paid during the assessment phase and at the same rate as Jobseeker's Allowance. If the Applicant qualifies for contribution based ESA, they will receive £71.00 if they are over 25 and £56.25 if they are under 25.
- **Work Related Activity Group** - £99.15 per week.
- **Support Group** - £105.05 per week.

An Applicant may be entitled to additional payments if they qualify for the Income Related Allowance. The amount the Applicant receives depends on their (and that of their partner's) income and capital.

From 30 April 2012, the period for which Contribution Allowance ESA can be paid will be limited in some circumstances.

The changes will limit the amount of time Applicants in the work related Activity Group can receive Contribution based ESA to 365 days and prevent any new claims for ESA on grounds of youth.

Applicants who are not in the Support Group will therefore receive Contribution based ESA for a maximum of 365 days. For Applicants whose Contribution based ESA ends may still be eligible for income Related ESA.

Applicants not in the Support Group who have already received Contribution based ESA for 365 days or more will have their benefits stopped immediately. Time spent in the Support Group is ignored.

Future Changes

From April 2013, the total benefits payments made to many working age households will be 'capped'. There will, however, be limited exceptions, including household in which someone is entitled to working tax credit or receives Disability Living Allowance. ESA will be included in the capped amount.

From October 2013, when Universal Credit is introduced, no new claims for income-related ESA will be allowed (although Contributory ESA should continue). Applicants who are receiving income-related ESA will be transferred to Universal Credit between April 2014 and October 2017.

Further Information

To claim:

Jobcentre Plus - 0800 055 6688
www.jobcentreplus.gov.uk

For help:

The Benefits Enquiry Line - 0800 88 22 00
www.direct.gov.uk

Citizens Advice Bureau - www.citizensadvice.org.uk
www.adviceguide.org.uk

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