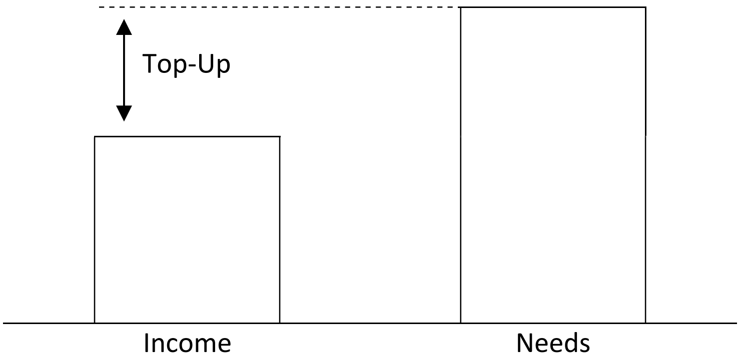
The Top-Up Means-Test

Income and Needs for PC, iESA, IS, iJSA & HB

The top-up means test works by balancing your existing income against a hypothetical figure to meet your weekly living costs.



There are two versions of the test. One version, used by the Department for Work and Pensions to work out Pension Credit, iESA, Income Support and iJSA only takes you and your partner into account. A different version, used by local councils to work out some Housing Benefit claims includes amounts for you, your partner and your children.

Income

✓= Counts X = Disregarded.	
16-19 Bursary Fund Payments	X
Attendance Allowance	X
Bereavement Support Payment	X
Boarders and Lodgers	See p166
Carer's Allowance	✓
Charitable Payments	X
Child Benefit	X
Child Minding Income	See p166
Children Act Payments under ss 17, 23 or24	X
Direct Payments from Social Services	X
Disability Living Allowance	X

Earnings	See p165
ESA - Contribution Based	✓
Fostering Allowances	X
Guardian’s Allowance	✓
Incapacity Benefit	✓
Independent Living Fund etc.	X
Industrial Injuries Benefits	✓
Interest on Savings and Capital	X
Jobseeker’s Allowance - Contribution Based	✓
Maintenance – for children	X
Maintenance – for you – for DWP benefit calculations	✓
Maintenance – for you – for HB calculations	See p166
Maternity Allowance	✓
Mortgage/Payment Protection	X
Nazi Compensation Payments	-£10
Non-Dependant’s Board	X
Payment in Kind	X
Pensions - Private and Work-Related	✓
Personal Independence Payment	X
State Pension	✓
Severe Disablement Allowance	✓
Statutory Pay - for DWP benefit calculations	✓
Statutory Pay - for HB calculations	= Earnings
Tariff Income from Savings. KI-11	✓
Temporary Care Payments from Health or Social Services	X
Volunteer Expenses	X
War Pension	-£10
Widowed Parent’s Allowance – for DWP benefit calculations	-£10
Widowed Parent’s Allowance – for HB calculations	-£15
Anything Else - for iESA, IS, iJSA calculations	✓
Anything Else – for Pension Credit calculations	X

Earnings and Disregards

Your earnings are your income from work. The top-up means test uses your gross earnings less tax and NI, reasonable self-employment expenses and half of your pension contribution. The highest of the following weekly disregards is deducted from your net earnings:

- For iESA calculations and HB calculations for ESA claimants - All of your earnings from permitted work KI-7 are disregarded
- For HB calculations – £25.00 is disregarded if you are a lone parent
- £20.00 is disregarded if
  - For DWP benefit calculations, you are a lone parent,
  - you get DLA, PIP or AA,
  - you are blind,
  - you meet the rules for Carer's Allowance,
  - you are the partner of an iESA claimant,
- £10.00 is disregarded if you are a member of a couple, whether one or both of you are working
- £ 5.00 is disregarded if you are a single person

HB Full-time Worker's Earnings Disregard - An extra £17.10 of your earnings is disregarded if:

- You are aged 25 or over and work for 30 or more hours per week
- You work for an average of 16 hours or more each week and
  - You have a child, or
  - your HB calculation includes a Disability Premium or a Support Component; or you are in the Work-Related Activity Group

HB Childcare Earnings Disregard - If you pay for work-related childcare for a child aged under 15 (16 if s/he has a disability) your costs are deducted from your earnings up to a maximum of £175pw for one child, or £300pw for two or more children.

The disregard is allowed for lone parents who work 16 or more hours per week; couples both working 16 or more hours; or, couples where one member is one working and the other:

- Is in prison
- Is in hospital
- Is incapable of work KI-7
- Has limited capability for work KI-7

Other Income Disregards

Income from Boarders and Lodgers - If you receive income from a lodger £20.00 is disregarded. If you receive income from a boarder, £20.00 plus half the rest is disregarded. Some food must be provided to a boarder.

Child Minding Earnings - Two thirds of your earnings from childminding are disregarded. The remaining third, less tax, NI contributions and half of any contribution towards personal pension scheme, will count as net profit from self-employment and so you will also get earnings disregards listed above.

Spousal Maintenance Payments – For HB - If you are over Pension Age KI-8 and have a child or QYP, £15 of your spousal maintenance is disregarded.

Tariff Income and Savings KI-11

If you are under Pension Age you cannot get iESA, IS, iJSA, or HB if you have savings of more than £16,000.

Savings between £6,000 and £16,000 give you a ‘tariff income’ of £1 per week for each extra £250.

Your savings are always rounded up to the next £250.

Pension Credit has no savings limit.

If you are over Pension Age, you cannot claim Housing Benefit if you have savings of more than £16,000 unless you get also Guarantee Credit from Pension Credit.

Savings over £10,000 give you a ‘tariff income’ of £1pw for each extra £500. Your savings are always rounded up to the next £500.

Needs

Your needs level is known as your applicable amount for IS, iJSA, iESA, or HB; or your appropriate minimum guarantee for PC.

It is individually worked out for you and your partner, and is made up of up to three parts:

- Personal Allowances, (known in Pension Credit as Standard Minimum Guarantees) are meant to match ordinary living costs.
- Premiums and Components are meant to meet the extra needs of carers and people who are ill or disabled.

In Housing Benefit your needs level includes amounts for children.

Pension Credit awards can include amounts for children.

Personal Allowances

Single Claimants	
Single aged 16 – 24 (For IS, iJSA & iESA assessment phase)	£72.90
Single aged 16 – 24 (For iESA after assessment phase)	£92.05
Single aged 25 – Pension Age	£92.05
Single aged over Pension Age	£227.10
For HB - Single - born before 1st April 1955	£244.40
Lone Parents	
Lone parent under 18.	£72.90
Lone parent 18 – Pension Age	£92.05
Couples	
Couples one or both aged 18 – Pension Age	£144.65
Couples both aged over Pension Age	£346.60
For HB – Couples – one/both born before 1st April 1955	£366.00
Children and Qualifying Young Persons	
For PC – Eldest child or QYP - Born before 6th April 2017	£78.10
For PC – Standard rate	£67.42
For HB	£84.66

Premiums and Components

Work-Related Activity Component - £36.55

Allowed in iESA claims made before 3rd April 2017 and you are in the ESA Work-Related Activity Group (LCW but not LCWRA)

Support Component - £48.50

Allowed in iESA claims if you are in the ESA Support Group (LCWRA)

Disability Premium - Single £43.20 Couple £61.65

Allowed in Income Support or Jobseeker's Allowance claims if you or your partner get DLA or PIP.

Severe Disability Premium - £82.90

Allowed if:

- You get PIP Daily Living Component, or Attendance Allowance or the middle or high rates of DLA Care Component, *and*
- No one gets Carer's Allowance or Universal Credit Carer Element for looking after you, *and*
- You have no *non-dependants* KI-2 living with you. Non-dependants are ignored if they also get PIP, Attendance Allowance or DLA or if they are blind

If you have a partner, they must also get PIP Daily Living Component, AA or the middle or high rates of DLA Care Component, or they must be registered blind. If you both meet all three rules, two Severe Disability Premiums are allowed.

Enhanced Disability Premium - Single £21.20, Couple £30.25 – Not Pension Credit

Allowed if you or your partner get high rate of DLA Care Component; or high rate of PIP Daily Living Component; or, for iESA, you are in the Support Group.

Carer's Premium - £46.40

Allowed if you or your partner meet the rules for Carer's Allowance. If you and your partner are both carers (for different people) two Carer's Premiums are allowed.

For Pension Credit – Disabled Child Addition – £36.54 or £114.12

Allowed at the high rate for each:

- Child who gets the high rate of DLA care component.
- Qualifying Young Person who gets the high rate of PIP Daily Living Component.
- Child or QYP who is certified as *severely sight impaired or blind*.

Allowed at the low rate for each child or Qualifying Young Person who gets any other rate of DLA or PIP.

For Housing Benefit - Family Premium - £19.48

Allowed if you claimed before 1 May 2016 and you have a child or Qualifying Young Person. Only one Family Premium is allowed, regardless of how many children you have. If you are a lone parent who has claimed continuously since 5 April 1998 a higher rate of £22.20 is used.

For Housing Benefit - Disabled Child Premium - £81.37

Allowed for each child or Qualifying Young Person who gets DLA or PIP; or who is blind.

For Housing Benefit - Enhanced Disability Premium (Child) - £32.75

Allowed for each child who gets the high rate of DLA care component, or each Qualifying Young Person who gets the high rate of PIP Daily Living Component.