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# Benefits Update

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7 Tilton Court, Digby Road,  
Sherborne, Dorset DT9 3NL  
E: [hello@wordshop.co.uk](mailto:hello@wordshop.co.uk)  
[www.wordshop.co.uk](http://www.wordshop.co.uk)

# Pensions, tax & benefits

- With energy costs on the increase, the Government announced a new 'Energy Price Guarantee', effective from 1 October, which means a typical UK household will pay no more than £2,500 a year on their energy bill for the next two years. This is automatic and applies to all households. This will save the average household at least £1,000 a year based on current energy prices from October. This is in addition to the £400 energy bills discount for all UK households announced earlier this year – an automatic, non-repayable discount to energy bills that will be applied in six instalments between October 2022 and March 2023 to help households through winter. Other announced Government support includes:
  - £150 council tax rebate for council tax bands A-D in England
  - £650 Cost of Living Payment for households in receipt of a means-tested benefit, payable in two instalments
  - £300 Pensioner Cost of Living Payment that will be paid alongside Winter Fuel Payment
  - £150 Disability Cost of Living Payment for those receiving an eligible UK disability benefit.
- The Chancellor unveiled his Growth Plan on 23 September, aimed at tackling high energy costs and inflation and delivering higher productivity and wages. The headline features are:
  - Reversing the temporary 1.25% rise in National Insurance contributions introduced in April and cancelling the social care levy that was due to be introduced as a new tax from April next year (this means that pensioners will no longer be required to pay this tax from next year)
  - Cancelling a planned increase in corporation tax rise, keeping it at 19%
  - Cutting the basic rate of income tax to 19% in April 2023 – one year earlier than planned
  - Doubling the Stamp Duty nil rate band from £125,000 to £250,000 with immediate effect, while first-time buyers now pay no stamp duty up to £425,000 (and raising the value of the property on which first-time buyers can claim relief from £500,000 to £625,000).
- Universal Credit claimants who work less than 12 hours a week (rising to 15 hours a week from January 2023) face having their benefits cut if they do not agree to work longer hours. Anyone who works fewer than 12 (15) hours per week on the National Living Wage will have to attend coaching sessions at job centres and prove they are trying to increase their earnings. The changes will apply in England, Scotland and Wales, and certain groups will remain exempt from sanctions, including people who are unable to work because of long-term sickness or a disability.

Meanwhile, jobseekers over the age of 50 will also be given extra time with jobcentre work coaches, to help them return to the jobs market. Rising economic inactivity in the over 50s is believed to be contributing to shortages in the jobs market, driving up inflation and limiting growth.

- A brand new type of pension scheme officially opened for business on 1 August 2022. Collective Defined Contribution pension schemes, or CDCs for short, will offer an alternative to the UK's two primary pension scheme models, Defined Contribution (DC) and Defined Benefit (DB). CDC blends some of the desirable elements of DB schemes, such as clearer target outcomes for the saver, and of DC, such as predictable contributions for the employer and member. The Department for Work & Pensions (DWP) plans to consult later this year on a package of prospective design principles and approaches to accommodate new types of CDC schemes.
- On 12 September, the telephone number to call to make a New Style Employment and Support Allowance new claim changed. The number to call is 0800 055 6688 and the line is open from 8am to 5pm Monday to Friday. This is a shared line, with New Style Employment and Support Allowance joining New Style Job Seekers Allowance and Maternity Allowance new claims. Once connected to the line, callers will be given all three options to choose from. From 12 September, any calls made to the old number (0800 328 5644) will get a recorded message directing them to the new line.
- A new service, which is run by DWP, allows internet service providers to verify – with customers' permission – whether they are in receipt of a relevant benefit and therefore eligible for extra financial support. The Government has called on all broadband providers to offer and promote social tariffs – discounted broadband and mobile deals for people on Universal Credit and other benefits. Customers on social tariffs could, in some cases, save over £100 a year. The new system will simplify the process of getting a social tariff by removing the need for customers to prove their entitlement to broadband providers as regularly as every month.
- The DWP has received an unprecedented number of claims for Pension Credit, following its campaign earlier this year to boost awareness of this top-up to the State Pension. Once an application has been received, a claim decision will be sent out in the post within six weeks, but the DWP wants to reassure people that successful claims will be backdated to the date the application was made.
- Adult Disability Payment (ADP) is the replacement for Personal Independence Payment (PIP) for customers living in Scotland. It was launched in three trial areas in March, and has now been launched nationally across the whole of Scotland from 29 August 2022. All customers living in Scotland making new claims will now claim ADP instead of PIP.

# General

- The Government plans to provide £60 million from January to March next year to help bus operators to cap single adult fares at £2 per journey. The move will help passengers with travel costs for work, education, shopping and medical treatments over the winter months while they are facing pressures from the rising cost of living. Bus fares vary across different parts of the country and between bus operators, and can even reach almost £6 for a single journey in rural areas. The new cap means passengers in those areas could save more than £60 a month if they took four single trips a week.
- People are being warned to look out for fake emails and texts claiming to offer discounts on energy bills. A number of different scams have been circulating, including some that appear to be from the energy regulator Ofgem. The Government's £400 energy discount bill will be available to all households and will be applied automatically, so there is no need to provide your personal details to anyone in order to benefit from it. If you have received an email which you're not quite sure about, forward it to **report@phishing.gov.uk**