

Wordshop Benefits Update

June 2022

Pensions, tax & benefits

- On 26 May 2022, the Chancellor announced an additional £15bn package of measures to help households with the rise in the cost of living. This means almost eight million of the most vulnerable households will receive £1,200 in support, with all domestic electricity customers receiving at least £400 (doubling the £200 of support announced earlier this year and paid as a grant rather than a loan). These payments will be made directly to eligible people across the UK, so claimants don't need to take any action. The package of support will be partially funded by a windfall tax on oil and gas companies.
- The Department for Work & Pensions (DWP) is resuming the programme to move all benefit claimants over to Universal Credit by 2024. This follows a pause to the process during the pandemic when staff were focused on supporting the surge of new claimants to Universal Credit.
- The DWP has launched a new campaign to encourage pensioners, and their friends and family, to check eligibility for Pension Credit. Pension Credit gives pensioners a vital financial boost that can be worth over £3,300 a year if they are on a low income. Even a small award can provide access to a wide range of other benefits – such as help with housing costs, council tax or heating bills. For those over 75, this includes continued entitlement to a free TV licence. More than 1.4 million pensioners in Britain claim Pension Credit but new figures show that up to £1.7bn is being left unclaimed. Pension Credit tops up a person's income to a minimum of £182.60 per week for single pensioners or £278.70 for couples.
- The way to contact DWP's Bereavement Services has changed and you will now be able access the following bereavement services through a single phone number **0800 151 2012**:
 - Report a death, provide information and find out what support is available following a bereavement
 - Make a new or manage an existing claim for Bereavement Benefit or Bereavement Support Payment
 - Make a new or manage an existing claim for Funeral Expenses Payments
 - Request State Pension updates following the death of a spouse or civil partner.

General

- The Child Maintenance Service (CMS) has launched a new online service to support separated parents understand their options around making financial arrangements for their children. It has replaced Child Maintenance Options in England, Scotland and Wales and is available at <https://child-maintenance.service.gov.uk/apply/>. The digital and telephony services have been streamlined so customers can now make their application in one sitting as there is no longer a need to arrange a call-back. The new service is also quicker to use, taking only 15–20 minutes as opposed to 45 minutes previously. Customers in Northern Ireland must still use Child Maintenance Choices.
- NHS prescription charges have been frozen for the first time in 12 years to help with the cost of living. Single prescription charges, which the Department of Health said would normally rise ‘in line with inflation’, will remain at £9.35 until next year. Charges for a three-month and 12-month prescription prepayment certificate (PPC) will remain at £30.25 and £108.10 respectively. In addition to the freeze on charges, the NHS low-income scheme offers help with prescription payments, with free prescriptions for eligible people in certain groups such as pensioners, students and those who receive State benefits or live in care homes. The Government recently proposed increasing the age for free prescriptions from 60 to be in line with the State Pension Age – 66 for men and women – but no decisions have been made on this.
- A new £1 coin, designed by artist Michael Armitage, will enter circulation in 2023 to mark the coin’s 40th anniversary. The new design will celebrate the culture, creativity, heritage and history of the UK in the 21st century. The design will become the standard circulating £1 coin and will include the current world-leading high security features to protect against counterfeiting. This is the first time that the new 12-sided £1 coin has been redesigned since its introduction in 2017.
- In the Queen’s Speech last month, the Government confirmed it will bring forward legislation to protect ‘cash withdrawal and deposit facilities’ across the UK. More than half a million people were left with no access to bank services after half of Britain’s branches and nearly a quarter of free-to-use cash machines closed in the past two years. Millions of people across the UK still rely on cash, particularly those in vulnerable groups. Details will be available when the Financial Services and Markets Bill is formally introduced.

- Meanwhile, the Renters Reform Bill aims improve the lives of millions of renters by driving up standards in the private and socially rented sector. It will extend the Decent Homes Standard to the private rented sector for the first time, giving all renters the legal right to a safe and warm home. It will also ban Section 21 ‘no fault’ evictions – that allow rogue landlords to terminate tenancies without giving any reason – but also strengthen landlords’ legitimate grounds for taking back their property.
- The Government’s ban on charging ground rent on leases in England and Wales comes into force on 30 June 2022. Sometimes worth hundreds of pounds a year, these charges can be set to escalate regularly, with a significant financial burden for leaseholders. From 30 June 2022, anyone buying a home on a new long lease will now be freed from these annual costs. In preparation, many landlords have already reduced ground rent to zero for homebuyers starting a new lease with them. Anyone preparing to sign a new lease on a home in the next month should speak to their landlord to ensure their ground rent rate reflects the upcoming changes. Thousands of existing leaseholders have already seen a reduction in their inflated ground rent costs, with the Competition Market Authority (CMA) securing commitments from major homebuilders to stop doubling ground charges every year for leaseholders.
- The Royal Mail raised the price of its postage stamps on 4 April 2022, citing the impact of rising inflation amid declining letter usage as the reason. A first-class stamp now costs 95p (an increase of 10p) and a second-class stamp is 68p (up 2p from 66p).