



Wordshop.

Benefits Update

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Pensions, tax & benefits

- In his Spring budget, the chancellor, Jeremy Hunt, announced the following headline measures:
 - A freeze on fuel duty for another 12 months (cancelling a planned 11p increase for this year and maintaining the 5p cut that was introduced by the then chancellor Rishi Sunak in the 2022 Spring budget)
 - Scrapping the Lifetime Allowance, which had a £1 million limit
 - Increasing the tax-free Annual Allowance from £40,000 to £60,000, and raising the Money Purchase Annual Allowance from £4,000 to £10,000
 - Help for disabled people to access work by allowing them to retain their disability benefits while working
 - Keeping the Energy Price Guarantee at £2,500 for the next three months and ending the premium that over four million households pay on their pre-payment meter, bringing their charges into line with comparable customers who pay by direct debit
 - Extending 30 hours of free childcare to under-threes; this means eligible working parents will be able to claim free childcare all the way through from nine months up to their child starting school
 - Raising the Universal Credit (UC) childcare cost cap in the summer, so that parents on UC who want to move into full-time work will no longer be prevented from doing so because of high childcare costs. In effect, the government will pay more of parents' childcare costs. For those with one child it rises from £646.35 to £951 and for two children the cap is up from £1,108.04 to £1,630, then increasing in line with CPI each year until 2027/28
 - Parents will now also be further supported with upfront childcare costs. This removes any gap in funds which would currently be claimed in arrears and eases parents into the childcare costs payment cycle.
- In April, the National Living Wage will rise by 9.7%, increasing to £10.42 an hour. The minimum hourly rate for 21 to 22-year-olds also rises, going up by £1 to £10.18; and for 18 to 20-year-olds, it increases by 66p to £7.49.
- Bereaved cohabittees with dependent children can now claim additional financial support. Following Parliamentary approval of the draft Bereavement Benefits (Remedial) Order 2022, parents who were not married or in a civil partnership with their late partner can now claim Widowed Parent's Allowance or the higher rate of Bereavement Support Payment. Some people may be eligible for backdated payments if their partner died before the law was changed on 9 February 2023.

- The government has made available an extra £842 million, as part of the Household Support Fund extension, to help the most vulnerable across England pay for household costs such as energy bills or groceries until 31 March 2024. Councils in England have the flexibility to decide how best to spend their allocation to support people in their local area. Devolved administrations have also been allocated funding.
- The government has extended the voluntary National Insurance deadline to 31 July 2023 to give people more time to fill gaps in their National Insurance record and help increase the amount they receive in State Pension. All workers need a 35-year track record to qualify for the full State Pension. The standard cost to make up a year of missing NI contributions is £824.20, although the self-employed pay just £163.80. All voluntary NI payments will be accepted at the existing 2022/23 rates until the new July deadline. Further information and guidance is available on **GOV.UK**
- As part of the government's plan to help Universal Credit (UC) claimants to earn more and increase participation in the labour market, the Administrative Earnings Threshold (AET) has been raised. This means more than 120,000 low-earning UC claimants will move into the Intensive Work Search group, where they will need to keep in regular contact with a dedicated work coach. The AET is a threshold of earnings from employment that determines the level of work coach support that a UC claimant receives.
- The Department for Work and Pensions (DWP) has confirmed it will support proposals to expand pensions auto-enrolment (AE) by abolishing the lower earnings limit for contributions and reducing the age for being automatically enrolled to 18. These were put forward by MP Jonathan Gullis as a private members' bill. The removal of the lower earnings limit would support those with low earnings and multiple jobs by ensuring they are saving from the first pound earned, while lowering the age at which eligible workers must be automatically enrolled into a pension scheme by their employers from 22 to 18 would encourage people to begin to save from the start of their working lives.

General

- The price of a first-class stamp has increased from 3 April, going up by 15p to £1.10. Second-class stamps have also risen, by 7p to 75p. Consumers are paying 64% more for a first-class stamp than five years ago.
- NHS prescription charges are also increasing, going up by 30p to £9.65 from 1 April 2023. The cost of Prescription Prepayment Certificates (PPC) will also be increased, after being frozen for several years. The three-month PPC increases by £1 to £31.25 and 12-month PPC increases by £3.50 to £111.60. The recently introduced HRT PPC (valid for 12 months) will cost £19.30.
- From 4 May 2023, voters in England will need to show photo ID to vote at polling stations in some elections. This will apply to local elections, Police and Crime Commissioner elections, UK parliamentary by-elections and recall petitions. From October 2023 it will also apply to UK General elections. If you don't have an accepted photo ID, you can apply for a free voter ID document, which is known as a Voter Authority Certificate. You can find out how to apply for this certificate on the Electoral Commission's website (www.electoralcommission.org.uk) or request a form from your local council. The deadline to apply for a Voter Authority Certificate for the local elections in England on 4 May 2023 is 5pm on Tuesday 25 April 2023.
- In a previous issue we reported that stamps without a barcode would become invalid for use after 31 January 2023. The Royal Mail has extended this deadline to 31 July 2023. A form for exchange of unused non-coded stamps may be downloaded off the Royal Mail website and obtained from main (not sub) post offices.