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# Benefits Update

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# Pensions, tax & benefits

- The chancellor cut National Insurance by 2% in the last spring Budget before the next general election, reducing the rate paid by employees from 10% to 8%, and from 8% to 6% for the self-employed. He also extended eligibility for child benefit, with people earning up to £60,000 getting benefits in full and the threshold for them to be withdrawn entirely raised to £80,000.

In other measures announced in the Budget:

- the Household Support Fund, which helps people struggling with cost-of-living pressures, will continue for another six months
  - a freeze on alcohol duty, which had been due to end in August, will be extended until February 2025
  - a new tax on vaping products will be introduced from October 2026
  - tobacco duty will go up £2.00 per 100 cigarettes to ensure vaping remains cheaper
  - fuel duty is frozen again, with the 5p cut in fuel duty on petrol and diesel, due to end in March, kept for another year
  - tax breaks for owners of holiday let properties will be scrapped.
- Individuals who take out a Universal Credit budgeting advance will now have 24 months to repay this loan instead of 12. The longer repayment window will help to reduce financial pressures on low-income households on Universal Credit.
  - From September 2024, 15 hours of free childcare will be extended to children in England between the ages of nine and 23 months old. Applications to access this free childcare will be available from 12 May, and parents who individually earn at least £182 a week on average, but less than £100,000 per year, will be eligible. Places will be available for September in every area of the country, but a significant minority of childcare providers hold waiting lists over six months, so parents are encouraged to act now to secure their place for September if they have a preferred provider.
  - The Department for Work and Pensions (DWP) has published guidance setting out a staged timetable for pension schemes to connect to the pensions dashboards ecosystem. The guidance is not mandatory, but the DWP has encouraged trustees to follow the dates unless there are exceptional circumstances. The first staging dates would be 30 April 2025 for FCA-regulated personal pension or stakeholder schemes with more than 5,000 members; and defined contribution (DC) master trusts with more than 20,000 members. You can read more about the guidance and staged timetable here: [www.gov.uk/government/publications/pensions-dashboards-guidance-on-connection-the-staged-timetable](https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-connection-the-staged-timetable)

- A landmark report, published by the Parliamentary and Health Service Ombudsman (PHSO) has said that Waspi women (Women Against State Pension Inequality) should be compensated for failings by the DWP to communicate State pension age changes properly. The report stated that affected women, born in the 1950s, should be offered an apology and payouts of between £1,000 and £2,950. The government has said it will consider the ombudsman's report and respond to the recommendations formally in due course.
- The majority of councils will increase council tax by 4.99% during April – the maximum amount permitted by the government.
- The DWP is set to issue an increase for all components of the Personal Independence Payment from April. The benefit will increase in line with September's 6.7% rate of inflation and is provided to those who have either a health condition or disability that affects their day-to-day life.
- It's estimated that around 808,000 households in England, Scotland and Wales have overpaid council tax. Research by Money Saving Expert has indicated that approximately £141 million has been overpaid, most commonly when individuals have moved out of an area after already paying some or all of the council tax owed in advance. More information on what to do if you think you may be due a refund can be found here: [www.moneysavingexpert.com/news/2024/03/households-owed-council-tax](http://www.moneysavingexpert.com/news/2024/03/households-owed-council-tax)
- Carer's Allowance claims in Scotland are now being transferred to Carer Support Payment. Carer Support Payment is money to help you if you're a carer; you could get paid £76.75 a week if you're eligible. Claimants living in Scotland who currently get Carer's Allowance do not need to take any action. Their claims will be transferred to Carer Support Payment between February 2024 and spring 2025. Further information is available on **GOV.UK** and Social Security Scotland's website **mygov.scot**
- Couples who are married or in civil partnerships could be due a financial boost by sharing unused tax allowances. The Marriage Allowance saves couples money by allowing the lower or non-earner to reduce the amount of tax their partner pays by transferring up to £1,260 of their personal allowance to their husband, wife or civil partner. You can find out in 30 seconds if you are eligible by using the online Marriage Allowance calculator: [www.tax.service.gov.uk/marriage-allowance-application/benefit-calculator](http://www.tax.service.gov.uk/marriage-allowance-application/benefit-calculator)

# General

- The price of postage stamps has increased by 10p. It's now £1.35 for a first-class stamp and 85p for a second-class stamp. This is the fourth increase in two years.
- Passport application fees are set to rise by around 7% on 11 April. It's the second year in a row that fees have increased, following a 9% rise in February 2023.
- Holidaymakers are being warned not to get caught out by the 'passport 10-year rule' which can ruin any EU travel plans. UK travellers used to be able to carry up to nine months from an old passport onto a new one, but EU countries will no longer accept passports issued more than 10 years ago. Passports can be renewed online or by using a paper application form from certain Post Offices. It normally takes up to three weeks to renew a passport but can sometimes take longer if more information is needed.
- The provider of international driving permits (IDPs) is changing. From 1 April, IDPs will be exclusively available from participating PayPoint stores across the UK. An IDP is not usually required for the majority of popular holiday destinations abroad. However, there are over 140 countries, including Turkey, Mexico, Canada and Australia, where an IDP is recommended or required if you're planning to drive. There are three types of IDP and which one you need will depend on which country you're visiting. You can check if you need an IDP for the country you are visiting at [www.gov.uk/driving-abroad/international-driving-permit](https://www.gov.uk/driving-abroad/international-driving-permit)
- Voters in England and Wales will need to show photo ID at polling stations at the upcoming May 2024 local elections. Citizens without a suitable photo ID can apply for a free voter ID document, known as a Voter Authority Certificate, and must apply by 24 April. For more information, go to [www.gov.uk/apply-for-photo-id-voter-authority-certificate](https://www.gov.uk/apply-for-photo-id-voter-authority-certificate)
- Payments are now being made to dentists to incentivise them to see new NHS patients. The payment is part of government plans to make dentistry more accessible and hopes to deliver an additional 2.5 million appointments.
- The government has made it easier to access a Debt Relief Order (DRO) by removing the £90 administration fee. A DRO can help with debts you cannot pay, with some restrictions, and you can apply through an approved debt adviser if you meet certain eligibility criteria. You can find out more about DROs and the criteria required to access them by searching 'Debt Relief Order' on the **GOV.uk** website.

- The £20 application fee for child maintenance through the Child Maintenance Service has now been removed to make support more accessible for families in need. Parents can apply through the **GOV.uk** website.
- The government's Support with Employee Health and Disability service is now live. The service supports employers and managers through common health and disability scenarios and offers legal obligations and step-by-step guidance on how to manage complex situations. You can use the service here: **[www.support-with-employee-health-and-disability.dwp.gov.uk](http://www.support-with-employee-health-and-disability.dwp.gov.uk)**
- Companies in charge of maintaining the UK's internet and phone infrastructure have agreed to new measures to protect vulnerable customers as their landlines are upgraded to a new digital network. Seven network operators – including Openreach, CityFibre and Community Fibre – have signed up to new protections which will ensure the two million people who rely on personal alarms to call for help are not left without a working device during the migration.
- Parents who have experienced a loss of pregnancy before 24 weeks can now apply for a baby loss certificate, should they wish to have their grief formally recognised. The introduction of the certificate forms part of the government's long-term plan for women's health, called the Women's Health Strategy.
- The government has now launched its new Disability Action Plan, which sets out 32 practical actions to transform the everyday lives of disabled people. Actions include a new fund to support disabled people who want to be elected to public office, an online information hub for local authorities on creating accessible playgrounds and a new working group to educate businesses on the legal rights of assistance dog owners. More information on the plan can be found on **GOV.uk**
- From 6 April, employees will be able to make a statutory request to make a permanent change to their contract from their first day of employment. Contractual changes are wide-ranging and can include job sharing, compressed hours, flexi-time and annualised hours.