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Benefits Update

June 2024

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Pensions, tax & benefits

- Scotland's new 'advanced' tax band came into effect on 6 April 2024. It applies a 45% tax rate on any portion of an individual's annual income between £75,000 and £125,140. The tax band changes also see the top band rate (charged on earnings above £124,140) rise by 1%. Finally, while both the starter and basic rate tax thresholds have increased in line with inflation, the intermediate threshold is frozen at £43,662.
- People claiming universal credit and working fewer than 18 hours a week will be expected to look for more work after a recent change to the welfare system. Claimants previously only had to work 15 hours.
- The government has enhanced the 'check your State pension forecast' service. Once logged in, you'll now be able to see which years have National Insurance gaps, the cost of filling the gaps with voluntary payments and how much it would boost your State pension. You can then choose which years you'd like to fill and pay securely via bank transfer or open banking. You can check your State pension forecast at www.gov.uk/check-state-pension
- Over £42m was repaid to people overtaxed on pension withdrawals from 1 January to 31 March 2024, according to the latest data from HMRC. If you are taking a steady stream of income via drawdown, you shouldn't need to take any action as HMRC should adjust your tax code to ensure you pay the correct amount over the year. However, if you make a single withdrawal, it's important to check you haven't paid more than you should. The process is relatively straightforward and can be done online via www.gov.uk/claim-tax-refund
- The Carer's Leave Act came into force on 6 April. This gives a new entitlement to a week of unpaid leave for unpaid carers who are caring for a dependant with a long-term care need.
- Attendance Allowance, a non-means-tested weekly payment that helps cover the costs of pensioners aged 66+ who need someone to 'attend' to them, has increased as of 6 April in line with inflation. Eligible individuals in Great Britain could receive up to £5,644 a year, but Policy in Practice estimates that up to 1.1 million pensioners are missing out on their chance to claim. Claimants don't need to actually be receiving this help or supervision, what's important is that they are thought to need help due to the severity of their condition. They will need to provide evidence that they could have benefitted from this help for at least six months (or have been told that they have 12 months or less to live). To find out more, visit www.gov.uk/attendance-allowance

- The government has launched a consultation on Personal Independence Payments (PIP) to reform the disability benefit system. The consultation plans to move away from a fixed-cash benefit system towards more tailored support, and includes ideas to remove the PIP assessment altogether for people with certain long-term health conditions or disabilities, including those with terminal illnesses, to reduce bureaucracy and make life easier for those most in need of support.
- The Paternity Leave (Bereavement) Act 2024 has been passed into law to give bereaved partners automatic rights to immediate paternity leave if the mother dies. Previously, individuals could only take statutory paternity leave if they satisfied minimum service requirements, and paternity leave only lasted for a maximum of two weeks.

General

- On 22 May, the prime minister announced there would be a general election on 4 July 2024. Don't forget that voters now need to show photo ID at polling stations.
- Private parking firms have introduced a new code of practice designed to make life easier for motorists. Under the new code, you will be granted a 10-minute grace period at the end of your parking stay. Private car parks will also be required to provide clear signage, and there will be a new appeals charter for those who receive charges with 'mitigating circumstances'. Further information on fines and charges will be published in June.
- Access to Work applications have gone digital and can now be applied for online. The scheme offers support to individuals to help them stay in work if they have a physical or mental health condition or disability.
- Self-driving vehicles are set to be on roads by 2026 as the Automated Vehicles Act has received Royal Assent to become law.
- Consumers are set to benefit from cheaper and more convenient energy deals as part of new measures to create a smart, flexible electricity system to help save money on bills. New proposals will introduce minimum product standards for energy smart appliances to give consumers the confidence to take up smart devices and make it easier for them to benefit from cheaper bills. The plans will also address the issue of some tariffs only working with certain brands of appliance, ensuring that EV smart charge points and smart heat pumps can work with any supplier or tariff.
- The zero-emission vehicle mandate, the government's pathway towards all new cars and vans being zero emission by 2035, is now law. By 2030, 80% of new cars and 70% of new vans sold in Great Britain will now be zero emission, increasing to 100% by 2035.
- A ban on smoking for future generations, which would make it illegal for anyone born in 2009 or later to buy tobacco products in the UK, has passed its first parliamentary hurdle to becoming law. The House of Commons recently voted in favour of the plan by 383 votes to 67. It will now be considered and potentially amended by MPs before being put forward to the House of Lords.
- Cat owners are being urged to have their pets microchipped ahead of new legislation coming into force on 10 June. Owners who fail to comply with the new rules by the deadline could face a fine of up to £500.