

SECRET

Prime Number 2
An interesting
little note.

DHS
22/10.

FROM: M GIBSON

DATE: 20 October 1986

1. MISS NOBLE
2. CHIEF SECRETARY

cc Mr F E R Butler
Miss Peirson
Mr Turnbull
Mr Tyrie

UNPLEDGED BENEFITS AND HOUSING BENEFIT

You asked to be reminded of which benefits are unpledged and how much could be saved by not uprating them.

2. This was one of the measures we considered with DHSS officials as a possibility for inclusion in the £500 million savings packages, so we have a note to hand on it. This is attached at annex A. The saving on the actual RPI and RPI less housing figures to determine the 1987 uprating (2.1 and 2 per cent) is £330 million, less than the £350 million shown, which was based on a higher RPI assumption. The supplementary allowance element is £130 million and the housing benefit element £40 million. The other main components are child benefit £85 million, unemployment benefit £30 million, mobility allowance £10 million, and the rest £30 million.

2. You can see from the list of pledged and unpledged benefits at annex B that supplementary pension is in fact a pledged benefit, although there is no statutory price indexation.

3. The argument against not uprating the unpledged benefits is the obvious political one that, with the possible exception of child benefit, the bulk of expenditure on unpledged benefits goes to the poor or unemployed.

Housing Benefit

4. You also asked to be reminded about the growth in expenditure on housing benefit. In 1984-85 prices expenditure has risen from £1300 million in 1978-79 to £2900 million in 1985-86, an increase of over 120 per cent. The main reasons for the growth in expenditure can be summarised as follows;

SECRET

(a) rents have risen faster than prices over the period, with local authority rents rising by 41% and private rents by 32% relative to the GDP deflator. This accounts for over £0.7 billion of the £1.6 billion increase in housing benefit expenditure;

(b) average benefit per recipient rose faster than can be explained by rent increases alone, accounting for a further £1 billion of the increase in expenditure. One explanation is a structural shift in the composition of recipients away from pensioners towards the unemployed who tend to receive more housing benefit per head. Another possibility is collusion between landlord and tenant, although there is little hard evidence to support this (see below);

(c) unemployment increased significantly over the period, accounting for a further £0.2 billion;

(d) take up has increased, particularly among one parent families and the sick and disabled, accounting for almost £0.4 billion. A likely explanation is the increased publicity of benefits, often sponsored by local authorities, and the general growth of a 'benefit culture'.

5. Finally, you asked about abuse of the housing benefit system by private landlords raising rents to unreasonable levels, possibly in collusion with tenants. The housing benefit regulations enable local authorities to limit the level of rent eligible for benefit if the accommodation is unreasonably large or the rent unreasonably high, provided it is reasonable to expect a claimant to look for alternative cheaper accommodation. It is also possible for local authorities in England and Wales to apply to the rent officer for registration of a fair rent on any accommodation subject to a regulated tenancy. From April 1988 there will be a reserve power for the Secretary of State to limit the level of rent eligible for benefit.

SECRET

6. DHSS receive anecdotal information about housing benefit fraud and are aware that some local authorities are more vigorous than others in the application of powers open to them. But hard evidence is more difficult to obtain. Our economists have recently been analysing trends in rent allowance expenditure. If collusion between landlord and tenant has been taking place, average benefit for certificated cases, who receive their housing costs in full, would be expected to have risen faster than average benefit for standard cases, who generally receive only 60% of their housing costs. This has not been the case; over the last three years, average rent allowance for certificated cases rose by 52%, while for standard cases it rose by 55%.

M.G.S.

M GIBSON

Reasoning but
not conclusive.

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PES BRIEFING FORM

1. BENEFIT UNEMPLOYMENT BENEFIT, SICKNESS BENEFIT, MATERNITY ALLOWANCE, MOBILITY ALLOWANCE, FIS, CHILD BENEFIT, SUPPLEMENTARY ALLOWANCE, HOUSING BENEFIT

2. PROPOSAL No uprating of unpledged benefits

3. SAVINGS/COSTS (BENEFIT ONLY)
(-) (+)

£ million cash

	1987-88	1988-89	1989-90
net figures*	-350 -330	-350 -330	-350 -330 *

Transitional protection (where appropriate) N/A

* plus non-PE savings of £20 million in 1987/88

* on actual RPI
5 RPI less
housing

4. OPERATIONAL IMPLICATIONS

a simplification in 1987 of the uprating operation

5. PROPOSED START DATE April 1987

6. LEGISLATION Primary

Affirmative regs. ✓

Negative regs.

None

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- . GAINERS/LOSERS claimants would lose a 2½% increase to their benefit.
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8 . ARGUMENTS FOR PROPOSAL

Savings

9 . ARGUMENTS AGAINST PROPOSAL

Would reduce the value of low income as well as high income families. Would meet huge opposition.

SECRET

SOCIAL SECURITY BENEFITS: UPDATING

		1984-85			1984-85			
<u>PLEGDED</u>		<u>UPDATING PRACTICE</u>	<u>EXPENDITURE</u>	<u>UNPLEGDED</u>	<u>UPDATING PRACTICE</u>	<u>EXPENDITURE</u>		
			£m			£m		
Statutory Price Indexation	1. Retirement Pension	C	RPI	15397	12. Unemployment Benefit	C	RPI	1597
	2. Widows Pensions	"	"	794	13. Sickness Benefit	"	"	268
	3. Invalidity Benefit	"	"	2074	14. Maternity Allowance	"	"	157
	4. Industrial Disablement Benefit	"	"	382	15. Guardians Allowance	"	"	
	5. Industrial Death Benefit	"	"	56	16. Child's Special Allowance	"	"	} 2
	6. Attendance Allowance	N	"	568	17. Child Dependency Additions to contributory and non-contributory benefits	C&N	"	[166]
	7. Invalid Care/Allowance	"	"	11				
	8. Severe Disablement Allowance	"	"	232				
	<u>Total</u>			<u>19514</u>	<u>Total</u>			<u>2024</u>
No Statutory Price Indexation	9. Non-contributory Retirement Pension	N	RPI	40	18. Christmas Bonus	C&N	None	110
	10. War Pensions	"	"	544	19. Death Grant	C	None	17
	11. Supplementary Pension	"	Rossi etc	871	20. Mobility Allowance	N	RPI	361
					21. Supplementary Allowance	"	Rossi etc	5496
					22. Child Benefit	"	RPI	4272
					23. One Parent Benefit	"	"	122
					24. Family Income Supplement	"	"	131
					25. Maternity Grant	"	None	18
				26. Housing Benefit	"	Rossi etc	2778	
	<u>Total</u>			<u>1455</u>	<u>Total</u>			<u>13305</u>
	Grand Total			20969	Grand Total			15329

C = CONTRIBUTORY NC = NON CONTRIBUTORY

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11/10/84

Full

SOCIAL SECURITY

General Record

- (i) Expenditure on social security is expected to be about £43 billion this year.
- (ii) Between November 1978 and November 1985 retirement pensions have risen by 5 per cent in real terms.
- (iii) Supplementary benefits have risen by about 6 per cent in real terms. Rates for children under five years have increased by about 29 per cent *in real terms*
- (iv) We are spending 55 per cent more in real terms on benefits for long term sick and disabled people and nearly 4 times as much on mobility allowance (in real terms).
- (v) Social Security Act 1986 gives effect to fundamental reforms with specific objectives to:
 - **Target** help more effectively on areas of greatest need.
 - **Simplify** the system
 - **Widen** choice in pension provision and put pensions on a sound basis for future
 - **Tackle** worst effects of **poverty** and **unemployment** traps
 - **Create** a soundly based system that the country can afford.

Particular points

- (i) The increase of 40 pence a week for single pensioners and 65 pence a week for married couples follows increases of £2.50 and £4 a week respectively last November.
- (ii) The increases in July were interim payments. In fact pensioners will be getting three increases in the period between November 1985 and April 1987 (inclusive).
- (iii) Government's priority is to give greater help to those families in greatest need. We have given more help with family income supplement, and the family credit scheme will help 200,000 more working families - some by over £5 a week.

Government record on help for the poor

This Government have:

- (i) Protected and increased the value of nearly all the major social security benefits.
- (ii) Introduced numerous improvements in specific benefits:
 - Reduced qualification period for **Long term supplementary benefit scale rate** from two years to one.
 - Extended the **long term rate** to **unemployed men over 60.**
 - Provided bigger **earnings disregards** to lone parents.
 - Extended **invalid care allowance** to married women.
 - Introduced **severe disablement allowance.**
 - Introduced higher **capital limits** in supplementary benefit.
- (iii) Increased **personal income tax allowances** by 22 per cent in real terms and taken 1½ million people out of tax altogether.
- (iv) **Reduced national insurance contributions** for lower paid employees and their employers.
- (v) Increased take-home pay in real terms for a family with two children on three-quarters average earnings by 13 per cent compared with only 2 per cent between 1974 and 1979.
- (vi) Inflation reduced from 10% to 3%.

Single payments

- (i) Single payments have risen in number from 0.8 million in 1981 to over 4 million in 1985; the cost increased from £45 million in 1981 to £300 million in 1985 - over five-fold in real terms.
- (ii) Growth in single payments in recent years is much greater than growth in numbers claiming supplementary benefit. Comparing 1985 with 1981 the number of single payments was nearly 5 times higher while the number of claimants was only 1¹/₃ times higher than 1981.

(iii) The changes will:

- restore proper financial control over system.
- Provide more reasonable statement of what is the State's responsibility to guarantee for claimants, while giving protection to elderly, chronically sick and disabled people.
- Provide a fairer balance between claimants and others on low incomes who have to manage without single payments.
- Produce clearer, more easily operated rules which enable staff to process claims more quickly.

Housing benefit

- (i) Cost of housing benefit has gone up from £1.2 billion in 1979-80 to £4.6 billion in 1984-85. Recipients up from 5½ million to 7½ million over same period; around one household in three now gets housing benefit.
- (ii) Housing benefit goes further up the income scale than any other income-related benefit - up to average earnings in some cases.
- (iii) Present system inequitable - eg better treatment for those out of work than in. New scheme will mean equal treatment.
- (iv) Plan to pay only 80 per cent of rates will require local councils to be more accountable to their electorate.
- (v) Planned savings of £450m represents only one-sixth of the increase between 1979 and 1984 - only half of what Labour saved in 1976 by changing the basis of pension calculation.

17 October 1986

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cc MEA
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press
PJH
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SOCIAL SECURITY BENEFIT (UPRATING): STATEMENT

With permission, Mr Speaker, I should like to make a statement about the next uprating of Social Security benefits, which will take place in the week beginning 6 April 1987.

2. This will be the third increase over 16 months and covers the eight months from January to September 1986. It will complete the process of transition to the new timetable for benefit upratings which, in future, will take place annually in April. This will ensure that pensioners and other beneficiaries receive increases in their resources at the same time as most other financial changes take place.

3. The Government is pledged to increase pensions and other linked long term benefits in line with the rise in prices. The Retail Price Index published last Friday showed a rise between January and September 1986 of 2.1 per cent. Accordingly the retirement pension for a married couple will rise from £61.95 to £63.25 an increase of £1.30 a week and for a single person the pension will go up from £38.70 to £39.50 an increase of 80p per week. Widows' pensions and invalidity benefit will also be increased by the same percentage as will public sector pensions.

4. In the 16 months of the transitional period the pension for a couple will have risen by £5.95 a week as a result of the three upratings and that for a single person by £3.70 a week.

- 2 -

5 Turning to benefits for families the Government has made it clear that in considering the uprating of child benefit account must be taken of priorities within the social security budget - every 10p increase costs over £50 million a year. We have decided that child benefit will go up from £7.10 to £7.25 a week which is fully in line with the increase in prices. The Government also remains committed to the protection of low income families with children. The prescribed amounts in Family Income Supplement will therefore rise by between 2.1 and 2.3 per cent depending on the age of the child. This increase will ensure that low income working families with older children on FIS have seen the real value of their benefit increased by some 20 per cent since 1978.

6 Over the eight months period for this uprating the Retail Price Index excluding housing costs rose by 2 per cent, almost the same as for the RPI. The short term rate of supplementary benefit will therefore increase from £48.40 for a couple to £49.35 a rise of 95p. There will be corresponding increases in the other scale rates. Additional requirements in the supplementary benefit scheme will be increased in line with appropriate elements of the Retail Price Index. The cost of fuel and light has remained stable and so there will be no change in heating additions. But dietary additions will be increased - by 10p a week for someone receiving the higher rate of addition.

- 3 -

7 As in July I have decided to link the increase in the basic needs allowance for Housing Benefit to the cash increase in the basic retirement pension and in child benefit. This will ensure that virtually all pensioners do not lose housing benefit as a result of the increase in retirement pensions. It will also minimise the operational problems for local authorities next April. Full details of the increases in the housing benefit needs allowance and non dependent deductions together with the other benefit changes are set out in a schedule which I have placed in the Vote Office.

8 I am also proposing to adjust the rent "taper" for relatively better off housing benefit recipients - those with incomes above the needs allowance - from 29 per cent to 33 per cent. Those at supplementary benefit level and some way above it will not be affected. This change is subject to consultation with the relevant organisations. The amount of earned income which is ignored in the housing benefit calculation will be held steady for the second uprating in succession. This will ensure that those on low earnings continue to benefit from last April's tax reductions.

9 Benefits payable to sick and disabled people including sickness benefit, invalidity benefit, severe disablement allowance and invalid care allowance will all rise by 2.1 per cent. So too will attendance allowance and mobility allowance. I am also taking the opportunity to make a further change. Funeral expenses will be paid in respect of war pensioners who die as a result of their accepted disablement whether the funeral is arranged privately or by the War Pensioners Welfare Service.

- 4 -

10 The House will shortly have an opportunity of debating these changes. I should add that they will apply in Northern Ireland as in the rest of the United Kingdom.

11 Mr Speaker, the changes I have just announced will add over £700 million to the social security budget next year on top of the £420 million from the July uprating. Since 1978/79, spending on pensions has grown in real terms by over 25 per cent at an additional cost of £4 billion a year. About £1³/₄ billion of this reflects an increase of 850,000 in the number of pensioners; the remainder represents a real improvement in the value of the pension.

12 The new rates will mean that the retirement pension has more than doubled in cash terms since November 1978; and that we have protected the position of other beneficiaries, including low income families with children, and the sick and disabled.

SCHEDULE OF MAIN PROPOSED CHANGES
IN
SOCIAL SECURITY BENEFIT RATES

from the pay-day in week commencing 6th April 1987

(weekly rates unless otherwise shown)	Old Rates 1986	New Rates 1987
ATTENDANCE ALLOWANCE		
higher rate	30.95	31.60
lower rate	20.65	21.10
CHILD BENEFIT - each child	7.10	7.25
CHILD'S SPECIAL ALLOWANCE	8.05	8.05
DEPENDENCY ADDITIONS		
Adult Dependency Additions		
For spouse or person looking after children, with :-		
retirement pension on own insurance, invalidity pension, unemployability supplement and, if beneficiary over pension age, unemployment benefit	23.25	23.75
non-contributory retirement pension, invalid care and severe disablement allowance	13.90	14.20
sickness benefit if beneficiary over pension age	22.25	22.70
unemployment benefit:		
standard rate	19.00	19.40
3/4 rate	14.25	14.55
1/2 rate	9.50	9.70
maternity allowance/sickness benefit		
standard rate	18.20	18.60
3/4 rate	13.65	13.95
1/2 rate	9.10	9.30

NOTE: 1/2 and 3/4 rates for existing cases only

Child Dependency Additions
For each child with:-

retirement pension, widows benefit, invalidity benefit, invalid care and severe disablement allowance, higher rate industrial death benefit, unemployability supplement and sickness or unemployment benefit if beneficiary over pension age	8.05	8.05
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EARNINGS RULES

Retirement Pension	75.00	75.00
Invalid Care Allowance	12.00	12.00
Unemployment Benefit subsidiary occupation (daily rate)	2.00	2.00
Therapeutic earnings limit	25.50	26.00
Industrial Injuries Unemployability Supplement permitted earnings level (annual amount)	1326.00	1352.00
War Pensioners' Unemployability Supplement permitted earnings level	25.50	26.00

Adult dependant's benefit with:-

Sickness Benefit if claimant is under pension age	18.20	18.60
over pension age	22.25	22.70
Maternity Allowance	18.20	18.60
Unemployment Benefit if claimant is under pension age	19.00	19.40
over pension age	23.25	23.75

Retirement Pension, Invalidity Pension,
Severe Disablement Allowance,
Unemployability Supplement where
dependant is :-

living with the claimant	30.80	31.45
living with the claimant and still qualifies for the tapered earnings rule	45.09	45.09

Retirement Pension, Invalidity Pension
and Unemployability Supplement where
dependant not living with claimant

23.25	23.75
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Severe Disablement Allowance where
dependant not living with claimant

13.90	14.20
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Invalid care allowance
(wife or female housekeeper)

13.90	14.20
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Child dependency additions
level at which child additions
payable with long-term benefits are
affected by earnings of claimant's
spouse or partner

first child	85.00	85.00
each subsequent child	10.00	10.00

FAMILY INCOME SUPPLEMENT

Prescribed amount for one-child family,
where child is aged

under 11	98.60	100.70
11-15	99.60	101.75
16 and over	100.60	102.80

Increase for each additional child

11-15	12.65	12.95
16 and over	13.65	14.00

Maximum amount for one-child family
where child is aged

under 11	25.30	25.85
11-15	25.80	26.40
16 and over	26.30	26.90

Increase for each additional child

under 11	2.55	2.60
11-15	3.05	3.15
16 and over	3.55	3.65

GUARDIAN'S ALLOWANCE - each child

8.05	8.05
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HOSPITAL DOWNRATING

20% rate	7.75	7.90
40% rate	15.50	15.80
60% rate	23.25	23.70

Reduction where wife has pension on
her own insurance (Cat A)

23.20	23.65
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Resettlement benefit

62.00	64.00
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HOUSING BENEFIT

Needs allowances		
single person	48.10	48.90
couple/single parent	70.85	72.15
single handicapped person	53.65	54.50
couple (1 handicapped) or handicapped single parent	76.40	77.75
couple (both handicapped)	79.00	80.45
pensioner addition	.85	.85
dependent child addition	14.60	14.75

Non-dependant deductions

Rate rebates

aged 18 to pension age, and not on Supplementary Benefit or Youth Training Scheme nor qualifying for modified deduction after 56 days	2.60	2.70
of pension age, or over 25 and on Supplementary Benefit or qualifying for modified deduction after 56 days	1.10	1.15
age 16-17 and not on Supplementary Benefit, Youth training scheme or Severe disablement allowance, or 16-24 and qualifying for modified deduction after 56 days	1.10	1.15

Rent rebates and allowances

aged 18 to pension age and not on Supplementary Benefit or a Youth Training Scheme nor qualifying for modified deduction after 56 days	7.80	8.05
of pension age, or over 25 and on supplementary benefit or qualifying for modified deduction after 56 days	2.80	2.90
aged 16-17 and not on Supplementary Benefit, Youth training scheme or 16-24 and qualifying for modified deduction after 56 days	2.80	2.90

Disregards for

Claimant's earnings	17.30	17.30
partner's earnings	5.00	5.00
various pensions etc.	4.00	4.00
maintenance of non-grant aided students (maximum)	23.85	24.35

Deductions for amenities

all fuel	8.80	8.80
heating	6.70	6.70
hot water	.80	.80
lighting	.50	.50
cooking	.80	.80

Expenses allowed for sub-tenants

furnished letting	3.00	3.00
unfurnished letting	1.50	1.50
garage or outbuilding	.40	.40

INDUSTRIAL DEATH BENEFIT

Widow's pension		
first 26 weeks	54.20	55.35
higher permanent rate	39.25	40.05
lower permanent rate	11.61	11.85
Child dependency addition	8.05	8.05

INDUSTRIAL DISABLEMENT PENSION

18 and over, or under 18 with dependants		
100%	63.20	64.50
90%	56.88	58.05
80%	50.56	51.60
70%	44.24	45.15
60%	37.50	38.70
50%	31.60	32.25
40%	25.28	25.80
30%	18.96	19.35
20%	12.64	12.90

under 18

100%	38.70	39.50
90%	34.83	35.55
80%	30.96	31.60
70%	27.09	27.65
60%	23.22	23.70
50%	19.35	19.75
40%	15.48	15.80
30%	11.61	11.85
20%	7.74	7.90
Maximum life gratuity (lump sum)	4200.00	4290.00
Unemployability Supplement plus where appropriate an increase for early incapacity	38.70	39.50
higher rate	8.15	8.30
middle rate	5.20	5.30
lower rate	2.60	2.65
Adult dependency addition	23.25	23.75
Child dependency addition	8.05	8.05
Maximum special hardship allowance	25.28	25.80
Constant attendance allowance		
normal maximum	25.30	25.80
part-time rate	12.65	12.90
intermediate rate	37.95	38.70
exceptional rate	50.60	51.60
Exceptionally severe disablement allowance	25.30	25.80
INVALID CARE ALLOWANCE	23.25	23.75
Adult dependency addition	13.90	14.20
INVALIDITY BENEFIT		
Invalidity pension	38.70	39.50
Invalidity allowance		
higher rate	8.15	8.30
middle rate	5.20	5.30
lower rate	2.60	2.65

MATERNITY BENEFIT

Maternity Allowance		
full rate	29.45	30.05
adult dependency addition	18.20	18.60
3/4 rate	22.09	22.54
adult dependency addition	13.65	13.95
1/2 rate	14.73	15.03
adult dependency addition	9.10	9.30

NOTE: 1/2 and 3/4 rates for existing cases only

MOBILITY ALLOWANCE 21.65 22.10

ONE PARENT BENEFIT 4.60 4.70

PNEUMOCONIOSIS, BYSSINOSIS, WORKMAN'S
COMPENSATION AND OTHER SCHEMES

Major incapacity allowance (maximum) and allowance for total disablement	63.20	64.50
partial disablement allowance	23.25	23.75
Unemployability supplement plus where appropriate increases for early incapacity	38.70	39.50
higher rate	8.15	8.30
middle rate	5.20	5.30
lower rate	2.60	2.65
Constant attendance allowance		
normal maximum rate	25.30	25.80
part-time rate	12.65	12.90
intermediate rate	37.95	38.70
exceptional rate	50.60	51.60
Exceptionably severe disablement allowance	25.30	25.80
Lesser incapacity allowance		
(maximum)	23.25	23.75
based on loss of earnings of over	30.95	31.60

RETIREMENT PENSION

on own insurance - Category A or B	38.70	39.50
on spouse's insurance - Cat B(lower)	23.25	23.75
non-contributory - Cat C or D	23.25	23.75
- Cat C(lower)	13.90	14.20
additional pension, guaranteed minimum pension and graduated retirement benefit		increased by 2.1%
Graduated Retirement Benefit (Unit)	5.06p	5.17p
increments to basic and additional pension, guaranteed minimum pension, and graduated retirement benefit		increased by 2.1%
maximum amount of additional pension (also paid with widows' and invalidity benefits)	24.03	24.53
addition for over 80's	.25	.25

SEVERE DISABLEMENT ALLOWANCE

	23.25	23.75
adult dependency addition	13.90	14.20

SICKNESS BENEFIT

over pension age		
single rate	37.05	37.85
adult dependency addition	22.25	22.70
under pension age		
full rate	29.45	30.05
adult dependency addition	18.20	18.60
3/4 rate	22.09	22.54
adult dependency addition	13.65	13.95
1/2 rate	14.73	15.03
adult dependency addition	9.10	9.30

NOTE: 1/2 and 3/4 rates for existing cases only

SUPPLEMENTARY BENEFIT

Scale rates

ordinary rates		
single householder	29.80	30.40
couple	48.40	49.35
non-householder 18 or over	23.85	24.35
non-householder 16-17	18.40	18.75
long-term rates		
single person living alone	37.90	38.65
couple	60.65	61.85
non-householder 18 or over	30.35	30.95
non householder 16-17	23.25	23.70
dependent children		
over 18	23.85	24.35
16-17	18.40	18.75
11-15	15.30	15.60
under 11	10.20	10.40
Board and lodging		
personal expenses: short term		
single	9.80	10.00
couple	19.60	20.00
personal expenses: long-term		
single	10.95	11.15
couple	21.90	22.30
personal expenses: dependants		
18 and over	9.80	10.00
16-17	5.90	6.00
11-15	5.05	5.15
under 11	3.30	3.35
Allowances for personal expenses for claimants in:-		
private and voluntary residential and nursing homes	9.05	9.25
re-establishment centres	9.95	10.15
resettlement units	7.60	7.75
hospital and local authority accommodation	7.75	7.90
the Polish Home Ilford Park	10.95	11.15

Additional heating additions (including age-related heating additions)		
higher rate	5.55	5.55
lower rate	2.20	2.20
Central heating		
higher rate	4.40	4.40
lower rate	2.20	2.20
Estate rate heating		
higher rate	8.80	8.80
lower rate	4.40	4.40
Special dietary additions		
lower rate	1.60	1.65
higher rate	3.70	3.80
haemodialysis rate	10.65	10.85
Blind person	1.25	1.25
Over age 80.	.25	.25
Laundry costs	.55	.55
Extra bath	.30	.30
Housing costs		
Reduction for non-dependants		
age 18 to pension age and not on Supplementary Benefit, a Youth Training Scheme nor qualifying for modified deduction after 56 days	7.80	8.05
of pension age or over 25 and on Supplementary Benefit or qualifying for modified deduction after 56 days	2.80	2.90
age 16-17 and not on Supplementary benefit, a youth training scheme or Severe disablement allowance, or 16-24 and qualifying for modified deduction after 56 days	2.80	2.90
non-householder rent addition	3.90	4.05
maintenance and insurance all'ce	1.85	1.95

Capital limits for			
receipt of Supplementary Benefit		3000.00	3000.00
single payments and related items		500.00	500.00
interest on loans for major repairs and improvements		500.00	500.00
lower rate voluntary unemployment deductions		100.00	100.00
Other limits for			
expenses on starting work		35.00	35.00
religious requirements - funerals		75.00	75.00
single payment for repairs and maintenance		325.00	325.00
Deductions for direct payment			
fuel bills	5% rate	1.50	1.55
	10% rate	3.00	3.05
housing costs		1.50	1.55
Earnings disregard - £4, and in the case of single parents half the difference between £4 and £20		4.00	4.00

UNEMPLOYMENT BENEFIT

over pension age			
single rate		38.70	39.50
adult dependency addition		23.25	23.75
under pension age			
full rate		30.80	31.45
adult dependency addition		19.00	19.40
3/4 rate		23.10	23.59
adult dependency addition		14.25	14.55
1/2 rate		15.40	15.73
adult dependency addition		9.50	9.70
NOTE: 1/2 and 3/4 rates for existing cases only			
occupational pension abatement		35.00	35.00

WAR PENSIONS

Disablement pension (100% rates)		
private or equivalent	63.20	64.50
officer (£ per annum)	3295.00	3343.00
Age allowances		
40%-50%	4.40	4.50
over 50% but not over 70%	6.85	7.00
over 70% but not over 90%	9.85	10.05
over 90%	13.70	14.00
Disablement gratuity (£ per annum)		
specified minor injury	4200.00	4290.00
unspecified minor injury	2310.00	2359.50
Unemployability allowance		
personal allowance	41.10	41.95
adult dependency addition	23.25	23.75
addition for each child	8.05	8.05
Invalidity allowance		
higher rate	8.15	8.30
middle rate	5.20	5.30
lower rate	2.60	2.65
Constant attendance allowance		
normal maximum rate	25.30	25.80
part-time rate	12.65	12.90
intermediate rate	37.95	38.70
exceptional rate	50.60	51.60
Comforts allowance		
higher rate	10.90	11.10
lower rate	5.45	5.55
Mobility supplement	24.05	24.55
Allowance for lowered standard of occupation (maximum)	25.28	25.80
Exceptionally severe disablement allowance	25.30	25.80
Severe disablement occupational allowance	12.65	12.90
Clothing allowance (per annum)		
higher rate	86.00	88.00
lower rate	55.00	56.00
Education allowance (per annum)	120.00	120.00

War widows' pension (private)		
widow	50.30	51.35
childless widow under age 40	11.61	11.85
age allowance		
age 65 to 69	5.40	5.50
age 70 to 79	10.80	11.00
age 80 and over	13.55	13.85
child addition	11.55	11.60
addition for motherless or		
fatherless child	12.60	12.70
Unmarried dependant living as wife	48.25	49.30
Rent allowance (maximum)	19.15	19.55
Adult orphan's pension	38.70	39.50
Widower's pension (maximum)	50.30	51.35

WIDOW'S BENEFIT

Widow's allowance	54.20	55.35
Widowed mother's allowance	38.70	39.50
Widow's pension - standard rate	38.70	39.50
Age-related widow's pension		
age 49	35.99	36.74
48	33.28	33.97
47	30.57	31.21
46	27.86	28.44
45	25.16	25.68
44	22.45	22.91
43	19.74	20.15
42	17.03	17.38
41	14.32	14.62
40	11.61	11.85
Non-contributory widow's pension		
(Cat C) standard rate	23.25	23.75
age 49	21.62	22.09
48	20.00	20.43
47	18.37	18.76
46	16.74	17.10
45	15.11	15.44
44	13.49	13.78
43	11.86	12.11
42	10.23	10.45
41	8.60	8.79
40	6.98	7.13