



UNIVERSAL CREDIT FOR CARERS

A BRIEFING FROM CPAG'S EARLY WARNING SYSTEM

April 2022

The Early Warning System collects evidence from advice workers about issues in the benefits system.

This month, we have heard a lot about carers and universal credit:

- Missing carer elements
- Getting carer's allowance – and a UC overpayment

Carer's allowance but no carer element

Every universal credit (UC) claimant who receives carer's allowance should have a carer element included in their UC award. However, this doesn't appear to happen automatically.

We have been hearing about claimants who have gone for months or even years with no carer element, even though their UC entitlement is reduced by £1 for every £1 they receive from carer's allowance. A UC claimant who misses out on the carer element loses out on £168.81 a month.

As soon as this error is spotted, a decision-maker should add a carer element to the UC award, effective from the assessment period when the carer's allowance started. This applies even if a claimant failed to mention their carer's allowance to UC earlier. The relevant rules are in [paragraphs 21 and 31 of Schedule 1 to the Universal Credit \(etc\) \(Decisions and Appeals\) Regulations 2013](#).

Unfortunately, we hear that this often does not happen.

A claimant with a disabled child asked for a carer element to be applied to her UC for the previous four months, to the start date of her carer's allowance award. She was told on her UC journal that this was not possible, and that the element could only be added from the assessment period when she made her request. The issue was eventually resolved after her adviser quoted the law.

Recommendations:

- Update internal guidance (for example, [ADM Chapter F6](#)) so that decision-makers are clear about the effective date of a supersession in these cases

- Identify a way to award the carer element of UC automatically to claimants who are entitled to carer’s allowance, using information about carer’s allowance held by other parts of the Department for Work and Pensions.

Overpayments and back pay

When somebody is already getting UC and a decision is made that they are also entitled to carer’s allowance, they will generally get:

1. A lump sum of carer’s allowance, covering the period from their claim start date, and
2. A notice that they have been overpaid UC for the same period.

This happens because the back-paid carer’s allowances triggers a revision of their former UC entitlement. The two things will generally arrive in this order, meaning that the claimant might assume the carer’s allowance back-pay is theirs to spend, only to be told later that they need to pay some of it back to the DWP.

This needlessly brings claimants within the remit of DWP Debt Management. It increases the department’s workload (and DWP debt figures) and leads to deductions which claimants can scarcely afford. It is in contrast with the DWP’s approach elsewhere in the benefits system, where overpayments are routinely offset against back pay before the claimant receives anything.

Recommendations:

- Introduce a new step in the payment process, to ensure that backdated carer’s allowance is not issued to a claimant until any universal credit overpayment has been offset
- Ensure that the calculation of the relevant universal credit overpayment always factors in a carer element (see above)

† An earlier version of this briefing was shared with the DWP’s Operational Stakeholder Engagement Forum in March 2022.

About CPAG

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn’t have to be like this. We use our understanding of what causes poverty and the impact it has on children’s lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families’ rights.

About the Early Warning System

Our Early Warning System helps us get a better understanding of how changes to the social security system are affecting the lives of children and families. We gather information from advisers about the experience of children and families. This intelligence informs much of our policy, research and campaigning work, and also feeds into the advice we give frontline advisers.