



Children looked after away from home by the local authority – impact on family benefits and tax credits

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Child Poverty Action Group works on behalf of the one in four children in Scotland 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.

Introduction

Your benefit and tax credit entitlement changes if your child is no longer living with you because s/he is 'looked after away from home' (sometimes called 'looked after and accommodated') under the Children (Scotland) Act 1995 – eg, s/he goes to stay in a residential unit or secure accommodation, or s/he has been placed with foster carers. You may have agreed to this or it may be because of a legal order. In this leaflet we use the term 'looked after away from home' to describe this situation. The information in this leaflet does not apply if the residential accommodation has been provided solely:

- because of the child's disability; or
- because the child's health would be significantly impaired if the accommodation were not provided.

Table 1 shows what should happen when a child becomes looked after away from home. Table 2 shows what should happen if a child is still looked after away from home but starts coming home for some of the time.

Universal credit

Universal credit (UC) has started to replace means-tested benefits and tax credits. Eventually the following benefits and tax credits will be replaced by universal credit:

- Income support
- Income-based JSA
- Income-related employment and support allowance
- Housing benefit
- Working tax credit
- Child tax credit

UC is being 'rolled out' gradually – you may have to claim UC if you have previously been getting one of the benefits it is replacing (eg, income support or tax credits) and you have to make a new claim for benefits.

Table 1

This table explains what happens to your benefits and tax credits, and what you should do, if your child is looked after away from home by the local authority.

Benefit/tax credit	Impact	What you should do
Child benefit	Stops after child has been looked after away from home for eight weeks in a row.	Notify Child Benefit Office if child is looked after away from home for eight weeks. The local authority can use Form CH 193 to notify the Child Benefit Office when a child becomes looked after away from home, but it is still the claimant's responsibility to do so.
Universal credit	The child element, including any disabled child addition, in your UC stops when your child is looked after away from home. If you are getting any childcare costs for the child this will stop. Your 'work allowance' (the amount you are allowed to earn before your universal credit starts being affected) may also change. If you are in rented accommodation, the	Notify the DWP immediately

	housing costs element will be calculated as if the child were still living with you for the first six months of the child being looked after away from home.	
Tax credits	You stop counting as responsible for the child as soon as s/he is looked after away from home. This means, for example, that your child tax credit for that child should stop immediately and your working tax credit may also be affected.	If claiming tax credits notify Tax Credit Office immediately.
Income support (IS) and jobseeker's allowance (JSA)	Child stops counting as part of your household as soon as s/he is looked after away from home. If you are claiming IS as a lone parent you will no longer be able to do so if you are not caring for a child aged under five. If you are still getting amounts in your IS/JSA for the child, these will stop.	If claiming IS or JSA, notify DWP immediately.
Housing benefit (HB)	Child stops counting as part of your household as soon as s/he is looked after away from home. This means that your HB 'applicable amount' no longer includes amounts for the child. If the local housing allowance applies to you (private-rented sector) this may change because you are treated as needing fewer rooms. If you are under pension credit age and living in the social rented sector and your child no longer counts as occupying your home, you may be treated as needing fewer bedrooms and be subject to the bedroom tax.	If claiming HB tell your local authority housing benefit office immediately.
Disability living allowance (DLA) - payment	If child is living with a foster carer both DLA components continue to be paid. If child is in a residential unit/school the care component stops after four weeks.	If child getting DLA care component, notify the DLA Unit immediately.

<p>Disability living allowance (DLA) – appointeeship (who receives the payment)</p>	<p>Appointeeship should stop if child expected to be looked after away from home for more than 12 weeks.</p>	<p>Notify the DLA Unit.</p>
<p>Carer’s allowance (CA)</p>	<p>CA stops if you are no longer caring for your disabled child for 35 hours or more a week, or because the care component has stopped being paid. If you get a carer premium/ addition/element in a means-tested benefit other than universal credit this will stop eight weeks after entitlement to CA stops. If you get the carer element in universal credit this will stop when you no longer have caring responsibilities for your child.</p>	<p>If you are claiming CA for your child, notify Carer’s Allowance Unit immediately. If you get any means-tested benefits tell the DWP that your carer’s allowance has stopped.</p>

Table 2

This table explains what happens to your benefits and tax credits, and what you should do, if your child is still looked after by the local authority but starts coming home for some of the time.

Benefit/tax credit	Impact	What you should do
Child benefit	<p>Child benefit is payable for any week when the child comes home:</p> <ul style="list-style-type: none"> • for seven nights in a row, or • for any nights following on from the first seven, or • on a regular basis for at least two consecutive nights every week. 	<p>Notify Child Benefit Office of any nights child spends at home.</p> <p>Reclaim if you no longer get any child benefit.</p>
Universal credit	<p>When your child come home, your UC should be adjusted to include the child element even if the child is still 'looked after' by the local authority. However, if s/he is only coming home for short periods your UC may not increase because of the way the UC 'assessment periods' work.</p>	<p>Notify the DWP each time your child comes home.</p>
Tax credits	<p>Tax credits are not paid for days your child spends at home while s/he is still formally looked after away from home.</p>	
Income support (IS) and jobseeker's allowance (JSA)	<p>If you have continued to get a personal allowance for another child in the family while your child has been looked after away from home, you can get an increase for the days your child spends at home.</p>	<p>If you are still getting personal allowance/ premiums for a child or children in IS/JSA, notify the DWP of any nights your child spends at home.</p>
Housing benefit	<p>If your child comes home for part of the week, the local authority can calculate your HB as if s/he is home for the whole week if it is</p>	<p>Notify HB office of any nights child spends at home.</p>

	<p>reasonable to do so, taking into account the nature and frequency of visits. This means that your HB 'applicable amount' can be increased to include the amount for your child and your child can be counted as part of your household for the 'size criteria' (for local housing allowance and for the bedroom tax).</p>	
<p>Disability living allowance (DLA)</p>	<p>If the care component has stopped because your child is in residential care it can be paid for any days the child is at home. The day s/he comes home and the day s/he goes back count as days at home.</p>	<p>Notify DLA Unit of any days the child spends at home.</p>
<p>Carer's allowance (CA)</p>	<p>If your child is disabled and gets DLA care component (middle or highest rate) you may be able to get carer's allowance if your child starts coming home for some of the time and you are caring for her/him for 35 hours or more a week (Sunday to Saturday). The hours do not have to be spread across the whole week and can include time spent preparing for a visit and clearing up afterwards.</p>	<p>Re-claim CA if your child comes home and you spend 35 hours a week (Sunday to Saturday) or more caring for her/him. If you are getting any means-tested benefits, or if you might be entitled to these because you are receiving the carer's premium/element, tell the appropriate office that carer's allowance has started.</p>

Further information and advice

Child Poverty Action Group in Scotland

0141 552 0552 advice line for advisers on benefits and tax credits,
Monday to Thursday 10am to 4pm, Friday 10am to 12 noon

Email: advice@cpagscotland.org.uk

Website: www.cpag.org.uk/scotland

For more detailed information about all of the issues covered please see CPAG's *Children's Handbook Scotland*, available free online at <http://scottishhandbooks.cpag.org.uk>

CPAG in Scotland's advice line is only for advisers. If you are having problems with your own benefit or tax credits claim and need advice you should contact your citizen's advice bureau or other local welfare rights service.

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