

Version 1.0



FAMILIES AND SOCIAL CARE

SPECIALIST CHILDREN'S SERVICES

GUIDE TO TAX AND BENEFITS WHEN YOU FOSTER A CHILD

Document Owner: Performance and QA Manager (CiC)

Authorised: February 2013
Review Date: February 2016

Date of Equalities Impact Assessment:
Review Date:

GUIDE TO TAX AND BENEFITS WHEN YOU FOSTER A CHILD

1. Introduction
2. Fostering
3. Tax
4. National Insurance Contributions
5. Other type of Local Authority Support and Tax Implications
6. Means-Tested Benefits
7. Continuing Care
8. Other Types of Financial Support
9. Useful Numbers and Links

1. INTRODUCTION

This fact sheet is for people who are fostering or intending to foster a child or young person.

It looks at:-

- Tax
- National Insurance
- Benefits

The fact sheet does not cover the fostering allowances you could be paid for the child/children or young people you look after. Check with your local fostering team for further details of these.

There is a small section at the end of the fact sheet which looks at residence orders, special guardianship, after care support and other forms of cash help that local authorities can provide. Benefits for people who adopt children are covered by an additional fact-sheet "Guide to tax and benefits for adopters".

2. FOSTERING

Some children are placed with family members or friends under what is known as 'kinship care' arrangements. Some of these fall within the definition of fostering, if the child/children are officially looked-after by the local authority. If they are, then the next section is relevant. If the child isn't looked-after, then the support that the local authority provides may fall within the section at the end of this fact-sheet about residence orders etc.

3. TAX

HMRC will treat you as being self-employed for the 'work' you do as a Foster Carer; therefore you would need to register with HMRC on 0845 900 0444 information is also available at:

<http://www.hmrc.gov.uk/sa/register.htm>

Once registered a self assessment form will need to be completed at the end of each financial year.

Foster Care Relief

Since April 2003 the tax system for Foster Carers is called Foster Care Relief. Under this system you are exempt from paying tax on your fostering allowance, up to set limit.

Who does it apply to?

People who are paid to provide foster care to children or young people placed with them by the local authorities or an independent fostering provider. It does not include private fostering arrangements, or adult placement schemes.

How does the relief work?

There are two parts to the relief:

- Exemption – if your total income from foster care is less than the figure that HMRC allows, and
- An optional simplified method of calculating profits if your income from foster care is more than this figure.

What is the exemption?

If your total income from fostering is less than the qualifying amount in a tax year, your fostering income will be exempt (free) from income tax for that year. This means that, for tax purposes, you will be treated as having no profit or loss from foster care for that year.

Exemption only covers income from foster caring, income from other employment or investment income will be taxed in the normal way.

What are my total receipts from foster care?

Your total receipts from foster care are all of the payments (fees, salaries, reward payments, allowances etc) you receive from your local authority or independent fostering provider, including payments that have previously been treated as non-taxable.

What is the qualifying amount?

Your qualifying amount consists of:

- A fixed amount for each household - £10,000. If two or more Carers in the same household receive foster care receipts separately, they share the £10,000 equally. If you are a foster Carer for less than a full year you claim a proportion of this plus.

- An amount per week, for each foster child placed with you: £200 a week for a child aged under 11 and £250 a week for a child aged 11 or older.

The qualifying amount is simply a way of seeing whether you made a profit from providing foster care. It does not affect your personal allowance for tax. If you are exempt, the full amount of your personal allowance see <http://www.hmrc.gov.uk/rates/it.htm> is available to use against other income.

What records will I need to keep?

You will need to keep records for six years.

You will need to keep a record of:

- Your total income for the year from your local authority, HSS trust or independent fostering provider, and
- The number of weeks that you care for each child placed with you in the year. (A week runs from Monday to Sunday. Count any part of a week as a full week) and
- The date of birth of each child.

If you are not exempt and you intend to calculate your actual profit from foster care, rather than using the simplified method (see below), you will need to keep sufficient records to support your figures.

Example 1.

Janet provides foster care for one 14 year old for the whole of the year and for one 8 year old for 10 weeks of the year. The qualifying amount will be made up as follows:-

Fixed amount £10,000
 Child 1 (52 x £250) £13,000
 Child 2 (10 x £200) £2,000
 Total - £25,000

If Janet's total receipt from foster care is less than the qualifying amount, the receipts are exempt from Income Tax.

If Janet's total income from foster care is more than the qualifying amount, she can choose whether to pay tax on the profit method or the simplified method.

Example 2.

Janet's qualifying amount is £25,000 as in example 1. Her total receipts for foster care are £30,000 and her allowable expenses are £15,000. Her taxable income using the two methods will be:

Profit method: £15,000 (£30,000 less allowable expenses £15,000)

Simplified method: £5,000 (£30,000 less the £25,000 qualifying amount).

The qualifying amount is a simple way of establishing whether you have made a profit from providing foster care. It does not affect your personal allowance. Your personal allowance is available to use against your profits from foster care or any other taxable income or chargeable gains. In example 2, Janet can use her personal allowance against her taxable income from foster caring whether she uses the simplified or profit method.

There is a useful help sheet from HMRC: <http://www.hmrc.gov.uk/helpsheets/hs236.pdf>

4. NATIONAL INSURANCE CONTRIBUTIONS

If you have a taxable profit, this is treated as your earnings from self-employment for National Insurance contributions purposes.

Class 2 Contributions

All self-employed people aged 16 and over, but below retirement age must register to pay Class 2 National Insurance contributions.

Class 2 contributions count towards contribution based Employment Support Allowance, Maternity Allowance, Bereavement Benefits and Basic State Pension.

Small earnings exception

If foster caring is your only source of self-employed income and you have no taxable profits you can apply for the small earnings exception. (If you are exempt, under Foster Care Relief, that is you have no taxable profit). You can also apply if your earnings from self-employment are low.

If you get small earnings exception you can choose whether or not to pay Class 2 contributions.

Class 4 Contributions

If you're taxable profits are above a certain level you will have to pay Class 4 contributions.

For current national insurance contribution rates <http://www.hmrc.gov.uk/rates/nic.htm>

If you are exempt you will not have to pay Class 4 contributions.

Home responsibilities protection

Foster Carers who are not making National Insurance contributions need to protect their retirement pension through 'Home Responsibilities Protection'. You can get a form (CF411) from:

<http://search.hmrc.gov.uk/kb5/hmrc/hmrc/results.page?qt=CF411>

5. OTHER TYPE OF LOCAL AUTHORITY SUPPORT AND TAX IMPLICATIONS

Parent and Child schemes:

In parent and child schemes the parent and/or child is in foster care, but the local authority pays an amount which is intended to cover accommodation and care for both parent and child.

HMRC treat both parent and child as being in foster care and you can claim a weekly amount for both parent and child when calculating your qualifying amount.

If you are caring for disabled children, you may incur additional expenditure on the children in your care, different from normal maintenance costs. For example, you may need to buy special equipment for a disabled child. You can add expenditure of this kind to the qualifying amount.

Residence order allowance:

Payments under residence orders are non-taxable where local authorities make them on a discretionary and gratuitous basis. However, payments made under contractual arrangements may be taxable. For example, where a local authority contracts to continue making payments to a foster carer in return for the carer agreeing to take on a new legal responsibility for the child, there will be a legal entitlement to receive the payments. HMRC would generally regard such payments as taxable income. Such payments will fall outside foster care relief, but the simplified arrangements for adult placement care may apply.

Special Guardianship Orders:

From 06/04/10 payments made to Special Guardianship Order (SGO) holders will be treated by HMRC in the same way that they treat residence order allowances. This measure will mean that payments to qualifying guardians will be exempt from income tax.

Qualifying guardians are individuals who care for one or more children placed with them under:

- a special guardianship order; or
- a residence order, where the individual is not the child's parent or step parent.

Qualifying payments are payments:

- by the child's parents or payments by, or on behalf of, the local authority; to a qualifying guardian; and
- which are made in relation to a special guardianship order or a residence order.

Further information can be found from:

<http://www.hmrc.gov.uk/budget2010/bn26.pdf>

5. BENEFITS AND TAX CREDITS FOR FOSTER CARERS

You should tell your local Jobcentre Plus office and HMRC that you are a Foster Carer if you are claiming benefits.

Child Benefit

You can claim Child Benefit for your own children, or other children that live with you, but not foster children.

To claim: contact the Child Benefit Helpdesk on 0845 302 1444 (or 0845 302 1474 for text phone users). Or go to: <http://www.hmrc.gov.uk/childbenefit>

Disability Living Allowance

Disability Living Allowance is a benefit paid to children and adults under 65 who have care or mobility needs as a result of disability or ill-health.

A child in foster care can still get Disability Living Allowance. It is usually paid to an adult with whom the child lives if he or she is under 16.

If you foster a child who is getting Disability Living Allowance contact the Disability Benefit Unit to make sure they know the child is living with you; a letter may be required from the Social Worker to confirm the placement.

If you think your foster child could get Disability Living Allowance, phone the Benefits Enquiry Line 0800 882 200 for a date stamped form. A DLA form can also be downloaded from http://www.dwp.gov.uk/advisers/claimforms/dla1a_child_print.pdf ; beware this form will not be date stamped so if DLA is awarded it will only be paid from the date the form is received at the Disability and Carers Service. A DLA form can also be completed on-line at: <http://www.dwp.gov.uk/eservice>

Disability Living Allowance is paid on top of any benefits, tax credits or other income you may have. It may increase the amounts of some means-tested benefits such as Child Tax Credit, Housing Benefit and Council Tax Benefit (but no increase is paid for a foster child).

Carers Allowance

You can get Carers Allowance if you care for someone who receives the middle rate of the care component of Disability Living Allowance (or Attendance Allowance). This could be an adult, your own child, or a fostered child.

You must:

- care for them for 35 hours a week,
- not be a full-time student, and
- Earn under £100.00 net a week (2012/2013) figures, foster payment are ignored unless there is a taxable profit from these earnings following a self assessment).

You can get a Carers Allowance form from your nearest Jobcentre Plus Office, or by phoning the Carers Allowance Unit (0845 608 4321), or the Benefit Enquiry Line 0800

882200, a form can also be downloaded from:

http://www.dwp.gov.uk/advisers/claimforms/ds7001_print.pdf.

A form can also be completed on-line at <http://www.dwp.gov.uk/carersallowance>

6. MEANS-TESTED BENEFITS

The child you foster will not be counted as part of your household when any means-tested benefits for your family are calculated. Equally, fostering allowances are intended to cover the cost of maintaining a child, so they don't count as income for means-tested benefits.

The following are all means-tested benefits:

Income Support and Jobseeker's Allowance, Housing Benefit and Council Tax Benefit; Fostering Allowances do not count as income for any of these benefits.

The time you spend caring does not count as work for either Income Support or Jobseeker's Allowance, although you will have to show that you are available for work if you want to claim Jobseeker's Allowance.

If you are a single foster parent you will be able to claim Income Support if the foster child is under 16 of age. However, in the weeks when you don't have a child placed with you, you may have to sign-on as unemployed unless you can claim Income Support for some other reason (as a lone parent for example with a child of your own under 7; this is to decrease to 5 years in 2012).

Pension credit

Pension credit is an income related benefit available to people who have reached a qualify age. This is gradually increasing in line with the women's state pension age; <http://pensions-service.direct.gov.uk/en/state-pension-age-calculator/home.asp>.

Pension Credit contains no element for children. People of pension age or over with children should be claiming Child Tax Credit and or Working Tax Credit if you are in "qualifying work" (but see child tax credit and working tax credit section below).

Employment and Support Allowance

This benefit was introduced in October 2009 for disabled people. Fostering allowances are not counted as income for the purposes of paying this benefit.

Child and Work Tax Credit

HMRC assess and administer Child Tax Credit and Working Tax Credit. You can claim Tax Credits by contact the HMRC Tax Credit Helpline on 0345 300 3900 (0345 300 3909 for text phone users). For tax credits purposes, your income from foster caring is your taxable profit. If you get the foster care exemption, your income from foster care will be nil. If you or your partner has any other taxable income, that income will be taken into account for tax credits. You can claim Child Tax Credit for your own children, but not for your foster children.

You can claim Working Tax Credit if you or your partner is 'in qualifying paid work' for:

- at least 24 hours a week if you have a child of your own, or
- 30 hours a week if you do not.

Workers who are a lone parent (with a child of their own) or who have a disability can claim Working Tax Credit if they work at least 16 hours per week.

Example:

Ross and Sally provide foster care for one 14-year-old for the whole of the year and one 8-year-old for 10 weeks of the year. They have one child of their own. Their qualifying amount for foster care tax relief is £25,000. Their income from fostering is £16,000 and Ross has a job which pays £14,000 a year.

As Ross and Sally's total income from foster care is less than the £25,000 figure, they won't have to pay income tax on the fostering income they get.

They can claim Child Tax Credit (as they have one child of their own) and Working Tax Credit (based on their work as Foster Carers or Ross's job) but the tax credits will only be assessed on the £14,000 figure, which means they get a higher rate of payment.

Because fostering is treated as work by HMRC, but not as work by the DWP, some Foster Carers can choose whether to claim Income Support or Working Tax Credit. Get specialist advice via your Social Worker if you think this might apply to you (for example, if you are a single person or couple who are fostering and you have no other employment).

Any payments that you get from the local authority because you have a residence order or special guardian order will be ignored in full when tax credits are calculated.

Foster carers and tax credits: assisted claims service

An 'assisted claims' service for foster carers who wish to claim tax credits, is available from the end of August 2011.

If you identify yourself as a foster carer on contacting the Tax Credits Helpline (0345 300 3900) to make a claim, you should be offered a call back at a convenient time from a specially trained adviser.

This adviser will be able to talk through your circumstances with you and give advice on how to complete your claim form. This process should help avoid typical problems such as whether or not Child Tax Credit can be claimed for children in foster care, and what hours and income should be declared (including how to declare employment status).

When you phone you will need to tell HMRC that you are a foster carer. They will then give you the appropriate help and advice on how to complete your tax credits claim form.

7. CONTINUING CARE

Some young people continue to stay with their foster parents after they become 18. They will be able to claim benefits in their own rights, such as Job Seekers Allowance.

Income support can be claimed if still in non advanced education as they care leavers. Housing Benefit can also be claimed if you have a commercial rent agreement.

If the young person is receiving Income Support (in education), income based JSA or on a training scheme, their presence in your home will not normally affect any Housing or Council Tax Benefit you get until they become 25. However, the income you get from “renting” might affect any means-tested benefits and tax credits that you get and should be declared, even if you are not paying tax on it (but see below).

The foster care relief as described above no longer applies once the young person reaches 18. Payments under the Leaving Care Act for children who have left foster care will fall outside foster care relief.

Once a child is 18 they may transfer to the Adult Placement/ Staying Put Scheme if they continue to be supported by the foster carer. The 18 year old under this scheme will be entitled to Housing Benefit, (please see below)

Adult Placement/Staying Put Carer:

HMRC will treat the ex foster carer under the adult placement arrangements. This means that the taxable profit if your total income from the local authority less the following fixed expenses:

- £400 per week for the first young person who lives with you at any one time, and
- £250 per week for the second and third person at any one time.

If the total of these fixed allowances is more than your income from the local authority, HMRC will treat your taxable profit as nil.

Another option is the “Rent a Room” method. The taxable profit is your total income from the local authority over £4,250. If your receipts are £4,250 or less, your taxable profit is treated as being nil. If your receipts are more than £4,250, you will pay tax on the amount by which they exceed £4,250, with no separate relief for allowable expenses or capital allowances.

If your total receipts are more than £4,250, the Rent a Room method may be less favourable for you.

<http://www.hmrc.gov.uk/helpsheets/2011/hs236.pdf>

8. OTHER TYPES OF FINANCIAL INFORMATION

Residence orders

If informal Carers (sometimes known as Kinship Carers) take out a Residence Order for a child who is not ‘looked-after’, the local authority can pay them a discretionary residence order allowance. The Residence Order Allowance won’t count as income when Child Tax Credits are calculated or if the carer is getting Income Support or Job-Seekers allowance just for themselves. Child Benefit is also payable.

However, if you are still getting Income Support or Job Seekers Allowance under the old rules which includes an amount for the children, most of the Residence Order Allowance payment will count as income. This is also the case if you are not in receipt of Child Tax Credit where it also counts as income for Housing Benefit and Council Tax benefit up to £52.33 (or £115.95 if disabled).

Section 17 Payment.

Local authorities have discretion to provide cash help in exceptional circumstances under Section 17 of the Children Act to help 'children in need'. It can also be used to help families to take in a child without formally fostering them.

Section 17 payments are completely ignored when benefits or tax credits are calculated. A child who is living with someone who gets Section 17 money for them will be treated as part of that person's family for benefit purposes. This means that Child Benefit and Child Tax Credit will be payable.

Special Guardianship

Special Guardianship was introduced in December 2005. It provides greater security for the child than long-term fostering offers, without the absolute legal severance from the birth family that stems from an adoption order. Local authorities cannot place a child for Special Guardianship. However, they can encourage existing Foster Carers to apply for a Special Guardianship Order. Financial support can be given by the local authority as a single payment to meet a one-off cost, or payments in instalments or at periodic intervals.

From April 2011, the rules changed; Residence Order or Special Guardianship Allowance is not counted as income for Housing Benefit/Council Tax Benefit.

Because a child subject to Special Guardianship is no longer 'looked after', the Carer can claim benefits such as Child Benefit and Child Tax Credit for the child. Local authorities usually take into account any benefits or tax credits that are claimed when making their assessment of how much additional financial support to give.

Private Fostering

If you are fostering a child privately, any money you get from the child's parents will be treated as maintenance - since April 2010, this will no longer affect your Income Support (unless the children are still included on the Income Support claim) it would be beneficial for these claimant to transfer over to Child Tax Credit because any maintenance paid for children is fully disregarded.

Foster Children

The Housing Benefit and Council Tax Benefit assessment does not treat a foster child as part of the customer's family or household even though they are generally expected to live as members of the customer's family. As a result, any income paid in respect of

them by way of fostering allowance is completely ignored in the Housing Benefit and Council Tax Benefit assessment. This is the same in all of the income related benefits.

This has always been seen as beneficial treatment as taking fostering allowance into account could result in the family being considerably worse off and could become a deterrent to fostering. This is because the value of fostering allowances can be high and to treat them as income could substantially reduce or even remove entitlement to Housing Benefit. There is also a double funding issue as fostering allowances are intended to meet all of the child's living expenses, including the cost of their housing.

Impact on LHA room size when in private rented accommodation

Foster children and children whose main home is elsewhere should not be treated as occupiers. Therefore a room will not be provided when determining the size criteria for a family under Local Housing Allowance rules.

Changes to Housing Benefit in the social sector

From 1 April 2013 there will be changes in the way Housing Benefit is calculated for claimants living in accommodation rented to them by a local authority, registered housing association or other registered provider of social housing.

Are you allowed a room for a foster child?

No, when calculating how many bedrooms a family unit require, a room for a foster child will not be taken into account. Therefore, a household that has an extra room for a current or potential foster child will be treated as under-occupying.

If assessed as under-occupying, foster carers or those being assessed to become foster carers should apply to their local authority for help with the shortfall in their rent from the Discretionary Housing Payment fund. (This is administered by the Housing Benefit office, not the Fostering Service – although they can ask the Fostering Service for help with the application).

Guardian's Allowance (not to be confused with Special Guardianship)

This is an allowance paid by Jobcentre plus to someone who looks after a child and satisfies one of the following rules:

- They are entitled to claim child benefit for the child and both of the child's parents are dead.
- One of the child's parents is dead and the claimant shows that they are unaware of the other parent's whereabouts.
- One of the child's parents is dead and the other is in prison (or detained in hospital) for more than two years.

Formal Foster Carers cannot claim Guardians Allowance as they are not entitled to Child benefit for 'Looked After Children'. However, if the child is not looked after, a claim may be possible.

Disabled Facilities Grant

The DFG is a grant which is administered by local councils for adaptations to property to meet the needs of people with disabilities. The upper limit is £30,000 in England and £36,000 in Wales, but help is means-tested so a person in full-time work will often have to make a contribution. However, since 31 December 2005, there is no means-test where an application for a DFG is made by the parent or guardian of a disabled child or young person.

Since 2 April 2001, Foster Carers have been able to apply for disabled facilities grants (DFG) in the same way as natural and adoptive parents but they are usually required to certify that the child will live in the dwelling for a certain amount of time.

In England, Local Authorities may place a charge against a property if a DFG exceeds £5,000 and the application is from an owner. The maximum charge is £10,000 and would apply for 10 years. This means the value of the charge could be repayable if the adapted property is sold within 10 years. This is done on a case by case basis.

Future changes:

Possible changes following the introduction of Universal Credit.

Universal Credit Policy Briefing Note 8, September 2011.

Foster carers

1. Core objectives

The benefit system should offer appropriate support to foster carers to allow them to fulfil a particular socially valuable role. This role is different both to that of claimants who are parents and to those who are engaged in the labour market – and consequently, it is right that foster carers are treated differently to these groups. This applies where a claimant is legally approved as a foster carer and is providing foster care by arrangement with a local authority or a voluntary organisation.

The introduction of Universal Credit offers the opportunity to create a system which takes account of the diverse and complex needs of foster carers – and which is also fair and consistent. We believe that this system should also reflect the key principle of Universal Credit, that claimants should be required to take up work where their circumstances allow.

2. History

a) The treatment of foster carers in the benefit system is complex.

Foster carers can choose:

- Either to be treated as self-employed and claim Working Tax Credits, generally until their youngest foster child reaches the age of 18. Any income paid in respect of fostering (up to a maximum of £10,000 per residence, plus £200 a week for each child under 11 and £250 a week for each child aged 11 or over) is

disregarded for the purposes of calculating entitlement, and claimants need not fulfil any work-related conditions.

- Or; to claim out-of-work benefits paid by DWP. Again any income paid in respect of fostering is disregarded. However, depending on their circumstances and the age of the child they are caring for, a foster carer may be entitled to Income Support, Employment and Support Allowance, or Jobseeker's Allowance – each of which has a different conditionality regime.

b) Lone foster carers may claim Income Support, but are treated differently to lone parents. While lone parents have been subject to changes which require them to be available for work at a progressively earlier time, lone foster carers, including those who are also lone parents, remain entitled to IS until the foster child they are caring for reaches 16.

3. Key policy proposals: Universal Credit award and treatment of income

- In the current benefits system, the allowances and fees received by foster carers in return for fostering are fully disregarded for the purposes of calculating entitlement to benefits paid by both DWP and HMRC. For the purposes of calculating income-related benefits, foster children are not included in the benefit assessment.
- The same principles will apply within Universal Credit. There are no plans to change this disregard of fostering allowances and fees when Universal Credit is introduced. These payments will not be taken into account as earnings or income, and whether or not a foster carer receives such payments will not affect the amount of Universal Credit they are entitled to.

4. Key policy proposals: conditionality

a) However, in order to meet our core objectives, we are proposing a series of changes to the conditionality regime under Universal Credit.

b) Regulations under Universal Credit will provide that:

- While they have a child in placement, a single foster carer will fall into the group subject to a work-focused interview requirement only, until the foster child in their care reaches the age of 16.
- A fostering couple will be required to nominate a lead carer, who will be treated in the same way. The other member of a fostering couple will fall into the group subject to all work-related requirements, with work search and availability requirements imposed according to that person's individual capability for work.
- In exceptional circumstances, where there is evidence that a foster child aged 16-17 has proven care needs such that they require full-time care, then a single or nominated foster carer will only be required to participate in work-focused interviews, until the child leaves care (either reaches 18, or the placement ends).
- In exceptional circumstances, where there is evidence that a foster child has proven care needs such that they require full-time care by two adults, then both

members of a fostering couple will only be required to participate in work-focused interviews, until the child leaves care.

- Where a single or nominated foster carer is between placements, then so long as they show evidence of an intention to continue fostering, they will be allowed a continuous and unbroken period of 8 weeks to find another placement, before full work search and availability requirements are applied.

5. in practice, how will this differ from now?

- We intend that these changes will create a clearer and simpler position – by treating all foster carers in a consistent way. Crucially, the new system should reduce current complexities, removing dual treatment and the need for foster carers to make a 'better off' comparison between claiming Working Tax Credits or DWP benefits.
- Under Universal Credit, we do not intend to treat foster carers as either self-employed or remunerative work. These provisions exist in the current system in order to allow foster carers to be entitled to benefits which they would otherwise not qualify for (i.e. Working Tax Credits require a person to be in work). Since Universal Credit is paid on the basis of low income, whether the claimant is in or out of work, it is not necessary to take these rules forward.
- The provisions under Universal Credit should also avoid single or nominated foster carers being required to look and be available for work, when they experience short-term gaps between placements or whilst awaiting the arrival of a new foster child. Under the current system, single foster carers claiming Income Support are disentitled as soon as their fostering placement ends, and are required to look and be available for work in order to claim Jobseekers Allowance.
- Whilst the system will be simpler and allow appropriate easements for foster carers, it will also help foster carers move towards self-sufficiency. Where a foster carer or fostering couple's circumstances allow, we will expect them to take reasonable action to move into work.
- So in Universal Credit, other than in exceptional cases, we will require foster carers to look and be available for work when their youngest foster child reaches 16. At present, foster carers may continue to claim Working Tax Credits until their youngest child is 18.
- Equally, other than in exceptional cases, where a fostering couple do not have substantial earnings from employment, then one member of the couple will be subject to conditionality. This will mean being required to look and be available for work. Currently, a fostering couple may choose to be treated as self-employed on the basis of their caring responsibilities. They can then claim Working Tax Credits, and neither member of the couple is required to meet work-related requirements.

9. USEFUL NUMBERS AND LINKS

Department for Work and Pensions

<http://www.dwp.gov.uk/>

Department for Work and Pensions

Benefit Enquiry Line: 0800 882 200

Child Benefit Helpdesk: 0845 302 1444

Carer's Allowance Unit: 0845 608 4321

Working Age Benefit Claim Line 0800 055 6688

Social Fund 0845 603 6967

HMRC

Newly Self-Employed Helpline: 0845 915 4515

Tax Credits Helpline: 0845 300 3900

Completed by:

Carol Kirk and Pam Smart, Benefit Advisors for East and West Kent Children's Services.

Thank you to Adam Smith for his original guide.

December 2011.