



Department
for Work &
Pensions

THE RT HON THERESE COFFEY MP
Secretary of State for Work & Pensions
Caxton House, Tothill Street, London, SW1H 9AJ

Rt Hon Stephen Timms MP
Chair
Work and Pensions Committee
House of Commons
London
SW1A 0AA

4th November 2020

Dear Stephen,

Thank you for your letter dated 26th October 2020 regarding payments from the NHS & Social Care Coronavirus Life Assurance Scheme. The Life Assurance Scheme was devised through the Department for Health and Social Care, including the criteria for eligibility. My Department has had no discussions with other parts of government on other schemes.

You will be aware of the long standing principle of means-tested benefits, including UC, that support is targeted at claimants who are in the greatest need. UC assesses different sources of income available to a household, including capital and savings. Households will be ineligible for UC if they have capital of over £16,000. As such, payments from the Life Assurance Scheme are treated as capital for UC and taken fully into account when assessing entitlement.

The same treatment applies to any life assurance payment or death-in-service benefits paid from pension schemes, including payments from the NHS Pension Scheme and the Armed Forces scheme. Diverging from the principles of means-testing here would also create inconsistent discrepancies.

The Life Assurance Scheme, and other life assurance and death-in-service pension benefits, are distinct from the exceptional cases you reference where payments are disregarded for means-tested benefits. Such exemptions usually reflect the unique purpose of the payments in question. For example, the Windrush Compensation award is designed to compensate individuals who have suffered a loss in connection with being unable to demonstrate their lawful status in the United Kingdom, those instances where Government failure has been explicitly acknowledged. This is not attributable to the issue you raise, particularly as the NHS is a separate employer from Government.

Yours sincerely,



Work and Pensions Committee

House of Commons, London SW1A 0AA

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From the Chair

Rt Hon Dr Thérèse Coffey MP
Secretary of State
Department for Work and Pensions

26 October 2020

Dear Thérèse,

I have been contacted by the Covid-19 Bereaved Families for Justice campaign, which represents almost 2,000 people who have lost relatives to the virus. As I'm sure you are aware, close family members of frontline health and care workers who have died from Covid-19 may be eligible for a death in service payment under the Government's life assurance scheme ('the scheme').

I was very concerned to hear that some people who have received a payment through the scheme have found that this has affected their entitlement to benefits. The campaign has heard from bereaved relatives who, having received a payment, have found that they fall foul of the rules on capital limits in Universal Credit as a result.

It cannot have been the Government's intention, when introducing the scheme, to exclude family members who may not have any other source of income from accessing benefits. The Secretary of State for Health and Social Care, upon the scheme's launch, said that "financial worries should be the last thing on the minds" of bereaved family members.

It would be helpful to have a response to the following questions:

- 1. What consideration have you given to exempting recipients under this scheme from the rules on capital limits?**
 - a. The campaign highlights that people who receive payments under other government schemes, such as people affected by the Windrush scandal and Grenfell Tower fire, are exempt from the capital limit rules. Why has the Government taken a different approach for beneficiaries of this scheme?**
- 2. What discussions has your Department had with the Department for Health and Social Care about the operation of, including eligibility for, the scheme? Has DWP been involved in any discussions about extending the scheme to**

key workers outside the health and social care sectors, for example transport workers?

It would be helpful to have a response by Friday 6 November.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee