



Department
for Work &
Pensions

Tom Pursglove MP
Minister of State for
Disabled People, Health
and Work
Department for Work and Pensions
Caxton House, Tothill Street
London
SW1H 9DA

Rt Hon Sir Stephen Timms MP

Chair, Work and Pensions Committee

Sent electronically.

Dear Sir Stephen,

CARER'S ALLOWANCE

Thank you for your letter of 5 October 2023 which was sent by email.

You asked 4 questions:

- *We understand the Department has undertaken a piece of work looking at the Carer's Allowance earnings limit (Q271). Will the Department publish that work?*

The department did commission research on experiences of claiming and receiving Carer's Allowance (CA); and is reviewing the research results as part of its wider policy development and thinking around CA. The department will not publish the report while this process is ongoing. If Ministers decide to publish the findings, they will be made available to Parliament and online.

- *Does the Department have any plans to review Carer's Allowance?*

We keep CA under continual review to see whether it is meeting its policy objectives.

- *What conversations has DWP had with the Scottish Government on their planned changes to Carer's Allowance?*

The department has regular conversations with the Scottish Government at ministerial, senior official and working level. These largely focus on supporting the Scottish Government with the launch of its replacement benefit, Carer Support Payment (CSP), and on ensuring a smooth and safe transfer of CA cases. Policy on CSP is a matter for the Scottish Government.

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- *What is your assessment of the progress made by the Department in addressing problems highlighted by our predecessor Committee in its Report Overpayment of Carer's Allowance and which areas do you think still require further work?*

In its 2019 report "*Investigation into overpayments of Carer's Allowance*" the National Audit Office (NAO) noted that the CA Unit was still dealing with the consequences of backlogs of work as a result of limited resources and fluctuating claimant demand between new claims and changes of circumstances.

Since this time, the CA Unit has put in place new improved internal performance standards and worked hard to clear the backlogs. As a result, heads of work on both claims and changes are now within profiles which the department considers to be acceptable.

With respect to timely notification of changes in circumstances that affect CA, this is the responsibility of CA claimants. Failure to notify could result in pursuit and recovery of overpayments. The department has attempted to minimise overpayments by simplifying some processes and improving communications to claimants. This is intended to help protect them from accruing debt, or being underpaid, whilst also ensuring public finances are used appropriately.

Examples of improved communications include updating GOV.UK:

- to explain how DWP works out a carer's average earnings when they vary over time;
- to clarify when carers need to report changes in their circumstances (making it easier to report changes online);
- to expand the list of allowable expenses;
- to add more information on carer-friendly employment policies, carers' employment rights and Jobcentre Plus support for carers;
- to explain the effect of State Pension payments on CA claims and any underlying entitlement to CA; and
- to explain how the law allows a CA claim by only one carer per disabled person.

In addition, the department has made improvements to internal instructions and forms/letters, including significant changes to the annual up-rating letter, highlighting more clearly that changes of earnings need to be reported; and introduced a range of SMS text messages to provide information to claimants.

To reduce the overpayments attributable to increased earnings, the Verify Earnings and Pensions (VEP) system was introduced to CA in October 2018. Where earnings exceed the CA weekly earnings limit, an alert is received from HMRC and CA staff contact the customer and review the case accordingly. The Permanent Secretary is writing to you separately about VEPs in response to your other letter.

I hope these responses are helpful.

I am copying this reply to the Secretary of State for Work and Pensions and to the Permanent Secretary.

[OFFICIAL]

With best wishes,

Yours ever,

A handwritten signature in blue ink, appearing to read 'Tom', with a stylized flourish underneath.

Tom Pursglove MP

Minister of State for Disabled People, Health and Work



Work and Pensions Committee

05 October 2023

Tom Pursglove MP

Minister for Disabled People, Health and Work
Department for Work and Pensions
(By e-mail only)

Dear Tom,

Carer's Allowance

I am writing to you further in relation to Carer's Allowance.

The Committee [held](#) a session on 13 September as part of its [benefit levels in the UK](#) inquiry hearing from, among others, Carers UK. Carer's Allowance was discussed and has prompted a number of questions. I would therefore be grateful if you could answer the following questions:

- We understand the Department has undertaken a piece of work looking at the Carer's Allowance earnings limit ([Q271](#)). Will the Department publish that work;
- Does the Department have any plans to review Carer's Allowance;
- What conversations has DWP had with the Scottish Government on their planned changes to Carer's Allowance; and
- What is your assessment of the progress made by the Department in addressing problems highlighted by our predecessor Committee in its Report [Overpayment of Carer's Allowance](#) and which areas do you think still require further work.

I would be grateful for your response to these questions by Wednesday 18 October. As is usual practice with the Committee's correspondence, I will be publishing this letter and your response on the Committee's website.

Yours sincerely,

Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Committee