

Employment and Support Allowance (a basic guide)

What is Employment and Support Allowance (ESA)?

ESA will **replace Incapacity Benefit and Income Support** (based on incapacity or disability) for people aged 16 to pension age.

It forms part of the **Welfare Reform Act** and has been introduced to help people to find work where possible, “work for those who can and support for those who cannot”. The **Department for Work and Pensions** will deal with the claim for ESA.

It will only apply to **new claims from 27/10/08** to start with and existing claims for the above benefits will be transferred over a period of time, from 2010.

How does it work?

There are two phases to an ESA claim;

- **Assessment phase** - For 13 weeks a basic rate will be paid, equal to the Jobseekers Allowance rate
- **Main phase** - During the assessment phase the DWP will arrange a **Work Capability Assessment (WCA)**

Following the WCA, an additional element will be paid from week 14;

- **Activity component** - For people capable of work or a work related activity **or**
- **Support component** - For people more severely affected due to a physical or mental condition and unable to work

There are two types of ESA;

- ESA (C) - **contribution based**
- ESA (IR) - **income related**

For people who get ESA (IR), they may also get additional premiums.

How will it be paid?

- Payments of ESA will be made **fortnightly in arrears**
- For the first 13 weeks, assessment phase ESA only will be paid
- From week 14, main phase and assessment phase will be paid

How will it affect Housing Benefit (HB) and Council Tax Benefit (CTB)?

- **ESA (IR)** will be treated as a **pass-ported benefit** which means that maximum HB and CTB can be paid
- **ESA (C)** will be treated as **unearned income** for the individual and the income and capital of the claimant and partner will be used to calculate HB and CTB entitlement

Applicable amounts (the amount the government decides you need to live on) for people receiving ESA, will increase in line with the activity or support component from week 14, so that no one loses out on Housing Benefit or Council Tax Benefit by receiving this component

Further information

If you require further information about **ESA**, please contact the **Department for Work and Pensions** or visit their website; www.dwp.gov.uk/esa/

If you want to know how ESA will affect your claim for **Housing Benefit or Council Tax Benefit**, please contact our **helpline**;

01507 609999 or low call rate 08446 609333