

# Consultation Response

Age UK's response to the Social Security Advisory Committee's consultation on changes to benefit rules for temporary absence from Great Britain

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## **About this consultation**

The Social Security Advisory Committee (SSAC) is consulting on draft regulations which will reduce the period of time that Housing Benefit and State Pension Credit can be paid when someone is temporarily out of Great Britain (GB). This will be reduced from 13 weeks to 4 weeks in most circumstances. The changes, due to come in on 1<sup>st</sup> April 2016, will affect around 130,000 Housing Benefit and Pension Credit claimants. They are expected to reduce benefit expenditure by £20 million in the first year – this assumes that the majority of claimants will adapt to the changes, but around 45,000 will continue to travel abroad for between 4 and 13 weeks. There will be some transitional arrangements for those away at the time the changes come in.

## **Key points and recommendations**

Age UK is disappointed that the Government intends to reduce the standard period of time that Pension Credit and Housing Benefit can be paid during a temporary absence abroad.

This will affect older people, including those from black and minority ethnic groups, with families living abroad. Often they are only able to visit occasionally, but when they do, they want to spend several weeks abroad because travel is tiring and expensive.

The change would also limit the ability of people to spend some time in a warmer climate to improve their health and well-being.

If people go abroad for longer than the period allowed, as well as the financial loss, they will have to face the additional effort of having to re-establish entitlement on their return. This will also increase the administrative burden for the DWP and local authorities.

Age UK believes the changes should not go ahead, but if the Government is determined to restrict the period that benefits can be paid abroad, this should only be reduced to 8 weeks.

## **Introduction**

1. Age UK is the country's largest charity dedicated to helping everyone make the most of later life. The Age UK network includes around 165 local Age UKs reaching most of England. In 2014-15 nearly 5.7million people came to Age UK and our local partners for information and advice on a range of issues to do with later life. We work closely with Age Cymru, Age NI and Age Scotland.
2. We welcome the opportunity to respond to this consultation. In this submission we look specifically at the position of people who have reached Pension Credit age (which is in line with women's State Pension age).

## Reduced contact with family

3. For some older people, the changes will restrict their ability to visit and spend time with close family abroad, including seeing their grandchildren as they grow up. In contrast, older people whose family members all live in Great Britain can visit them without facing the same restrictions to benefits.
4. In the past, Pension Credit was paid for up to 4 weeks when someone was outside Great Britain. We campaigned to extend this period, and in 2007, the Government announced that the time would be increased to 13 weeks. We took this issue up following concerns from members of a black and minority ethnic elders forum, as well as from other older people with family living abroad.
5. The DWP equality analysis says it is possible that Asian/Asian British claimants may be disproportionately affected by the changes - case studies and feedback that we have received backs this up.
6. For example, one Age UK adviser told us that she does a weekly session with members of the older Nepalese (Gurkha) community in conjunction with an organisation supporting ex-service personnel. She told us 'The change to 4 weeks will impact on them as they find it most cost-effective and practical to visit Nepal infrequently for longer trips (6-8 weeks is fairly common) as the journey there is long, expensive and physically tiring'.
7. As well as Asian countries, including India and Pakistan, we know that many older people in Great Britain have families in the Caribbean or who have moved to countries such as Australia and New Zealand. It is difficult to have close relatives, including grandchildren, living so far away. So when people are able to make the journey, they want to make the trip worthwhile by staying some time due to the expense and effort involved, including the time needed to get over a long journey. Sometimes families contribute to the airfare, but they are unlikely to also be able to pay their older relative's rent and other bills while they are away.
8. Unsurprisingly, because this change has had little national publicity, not many older people have contacted us about this so far. However, one woman who had read about the changes told us she would no longer be able to visit her son in New Zealand, and a man whose daughter lives in Europe and had organised accommodation so that he could regularly spend a few weeks there, described the loss of Housing Benefit as 'a kick in the teeth'.

## Other reasons to travel abroad

9. Under the new rules, benefit can be paid for up to 26 weeks if someone needs medical treatment abroad. However, this would not cover those who want to spend some time abroad, perhaps in a drier, warmer climate, to escape the worst of the winter and to improve their general health and wellbeing - but are not travelling specifically for treatment or medically approved care.

10. Another issue raised with us is the position of older people who wish to make a contribution through a short-term overseas volunteering placement and who could find this impossible to do if benefit is only paid for 4 weeks.

## **Administration and the new rules**

11. If people go abroad for more than the permitted temporary period, as well as the financial loss, they will have to face the additional effort in having to re-establish entitlement on their return. This will also be an additional administrative burden for the DWP and local authorities in the case of Housing Benefit.

12. We heard of problems in the past when Pension Credit was previously only paid for up to 4 weeks. For example, we had a case of a woman in her 80s who was away for more than 4 weeks and when she returned had no money for 3 months, and was threatened with eviction, while she was waiting for her new claim to be decided.

13. We are pleased that the Government recognises that absences due to bereavement or medical treatment do need to be treated differently. However people will need clear information about this, and what evidence they will need to provide. For example, people will need to be aware that the time can be extended to 8 weeks if the visit is due to bereavement, and to know the specific circumstances set out in the regulations when this applies.

## **Alignment with Universal Credit rules**

14. One of the justifications for the changes is that these will align rules with Universal Credit and other legacy benefits 'for simplicity and fairness'. It is for others to comment on the policy as it affects younger people, but as a general point, we do not see that it is necessary to align the rules in this respect. There remain significant differences between means-tested benefits for people above and below Pension Credit age, especially under the Universal Credit system. One key difference is that Pension Credit is linked to date of birth rather than the provision of any evidence linked to seeking work or being unable to work. And if the position was different, we do not feel that the limited number of people who spend periods abroad while receiving Universal Credit, and then reach Pension Credit age, will have any difficulty adjusting to different rules.

## Conclusion

15. This measure will have a limited impact on public spending and if, in time, people change their behaviour and do not go abroad for more than 4 weeks, any savings will fall. However the impact for the relatively small numbers of older people affected could be substantial, limiting the time older people can visit family and friends abroad, or spend time away for health reasons. We believe that the changes should not go ahead, or if the Government is determined to go ahead, it should consider a reduction to 8 weeks.