

Benefits and tax credits advice

Benefits and tax credits are a lifeline for many people. They provide a social safety net when a job is lost, employment income isn't sufficient to meet people's basic needs or someone is unable to work due to personal circumstance.

Such payments are designed to ensure people can make housing payments, heat their homes and pay for food – not being able to do this has far greater consequences for individuals and the public purse.

The welfare system is essential, but also complex: it isn't always clear when or how to manage a claim. This is particularly true whilst welfare reform is changing the way the way people manage a claim, for existing and new users.

Local Citizens Advice in 2015/16:



634,000
clients



1.8 million
benefit or tax
credit problems



Our two biggest benefits and tax credit advice areas were Personal Independence Payments (PIP) and Employment Support Allowance (ESA)



2 in every 3
clients will have their
benefits or tax credit
problem solved

Helping people understand eligibility and entitlements

Our service provides a vital role in answering questions about entitlements, helping people understand their eligibility rights as well as their responsibilities. A significant portion of benefits and tax credits support those in work and these recipients need to understand how claiming a benefit affects other aspects of their life, such as how much tax they need to pay. Forms and application processes can be challenging, especially for people with limited-capacity or who are unable to get online, and we help people ensure that they are following key processes correctly.

Maximising available income for those facing real difficulties in their lives – limited and unstable income, poor health and changing circumstances – is often part of the way we help clients who come to us about other problems. Personal choice, administrative difficulty and a lack of knowledge or access to information about eligibility means that not everyone takes-up the benefits they are entitled to.¹ Such payments could have helped reduce financial difficulty, promoted inclusion, and benefitted the economy.² Ensuring individuals are able to get on with their lives prevents the need for more critical and costly intervention by the state should someone fall into debt, ill health or become homeless.

¹ Department of Work and Pensions. (2016) *Income-Related Benefits: Estimates of Take-Up - Financial Year 2014/15*. In 2009/10, an estimated £7.5bn-12.3 billion was left unclaimed. [Department of Work and Pensions. (2012) *Income Related Benefits: Estimates of Take-Up in 2009/10*.]

² Eurofound. (2014) *Access to benefits, Unpublished Working Paper*. Personal choice, administrative difficulty and a lack of knowledge or access to information about eligibility means that not everyone takes up entitled-benefits.

Helping people when they experience a problem

If a claim is disputed or changed, such as the changing of eligibility criteria or when someone is sanctioned, this can leave people without any income for an extended period of time, unable to support themselves and their dependents. The effects of this can be acute: they can be forced into debt, lose their home and have no money for food.

In 2015/16, 1 in 2 of our benefits and tax credit clients also received support from us on another issue, including debt and housing problems.

At this crisis-point, we work with our clients to manage the immediate detriment, helping them stay in their homes and access food banks where necessary. We also work to understand what is happening with their benefits payment.

We estimate we helped:³



£1.7 billion in total for new awards or benefits increases for **272,000** clients, an average of **£6,200** per client (per year)



£159 million in total for successful claims of one-off awards for **84,000** clients, an average of **£1,900** per client

³ Citizens Advice. (2016) Modelling the value of Citizens Advice in 2015/16: based on management information and impact research. The financial value of ongoing benefit payments are annualised and the amount reported is for a single year regardless of benefit type.