

TAX CREDITS - EXTRA MONEY DUE TO DISABILITY

Introduction

Both working tax credit (WTC) and child tax credit (CTC) can include additional 'elements' due to disability, which can increase the amount of your award.

WTC - disabled worker element

This element is a significant one for disabled people. In addition to working at least 16 hours a week, you have to satisfy a 'disability test' and be in receipt (or recent receipt) of a 'qualifying benefit'. If you are part of a couple it is the working partner who has to meet these tests.

The 'disability' test:

To get the disabled worker element, you must have a 'physical or mental disability which puts [you] at a disadvantage in getting a job'. The notes in the tax credits claim form explain what this means. You can get the notes (TC600Notes) from the Tax Credits Helpline (see [Where can I get more help or information?](#) below) or you can download a copy at www.gov.uk/government/publications/tax-credits-getting-your-claim-form-right-tc600-notes

The 'qualifying benefit' test:

To get the disabled worker element, you must also meet one of the following conditions:

- **Condition A** - At any time in the last 26 weeks before you claim WTC you were getting incapacity benefit (IB), severe disablement allowance (SDA) or employment and support allowance (ESA) In the case of ESA you must have been entitled to it for at least 28 weeks – including linked periods and periods on statutory sick pay (SSP).
- **Condition B** - At any time in the last 26 weeks before you claim WTC you were getting the disability premium or higher pensioner premium in income support (IS), income-based jobseeker's allowance, housing benefit (HB).
- **Condition C** - You get disability living allowance (DLA), attendance allowance (or an industrial injuries or war pensions scheme equivalent), personal independence payment or armed forces independence payment. You can only get the disabled worker element of WTC while you are entitled to one of these benefits.
- **Condition D** - On the date of your claim, and throughout your claim, you have a Motability car.
- **Condition E: the 'Fast Track'** - This is known as the 'Fast Track' because it enables people who have been off sick to return to work without having to be either off sick for six months or be on DLA etc (as in Conditions A to D). The 'Fast Track' rules are that –

- at the date of claim
 - you have a disability likely to last at least six months (or for the rest of your life if your death is expected within six months); and
 - your gross earnings are less than they were before your disability began, by at least 20% or £15 a week, whichever is greater; and
- at any time in the last eight weeks before you claim, you had been getting, for at least 20 weeks
 - ESA, SSP, occupational sick pay, incapacity benefit or income support paid on the basis of incapacity; or
 - Class 1 or Class 2 national insurance contribution credits on the basis that you were incapable of work or had a limited capability for work.
- **Condition F** - At any time in the last eight weeks before you claim WTC you:
 - had been undertaking training for work (which means certain government training courses or a course of 16 hours or more a week learning occupational or vocational skills); and
 - within the eight weeks prior to the start of the training course, had been getting contributory ESA (providing you have been entitled to it for at least 28 weeks – including linked periods and periods on SSP) or IB or SDA.
- **Condition G** – This is an important one as it can enable you to continue to get the disabled worker element long after you stopped getting a qualifying benefit. You will be treated as qualifying for the disabled worker element if, within the eight weeks before you make your claim (including renewal claims), you were entitled to it by virtue of Condition A, B, E or F. For example, if you move off ESA into work, you'll not only get disabled worker element in the first tax year that you are on WTC but you'll continue to get it in subsequent tax years when you renew your WTC. This is because you'll always count as someone who was on a qualifying disability benefit when you moved into work. On the other hand, if you got the disabled worker element because you met Condition C or D, you need to continue to meet condition C or D when you renew your claim. For example, if you get disabled worker element because you are on DLA, it will stop if your DLA stops.

WTC - severe disability element:

This element is different to the disabled worker element. You can get this even if you don't qualify for the disabled worker element.

If you are one of a couple there is no requirement that the disabled person must work to get this element so if the worker has a partner who doesn't work but meets the condition below, the couple will get the severe disability element.

To qualify the claimant (or their partner) must receive the highest rate care component of disability living allowance (DLA), the higher rate of attendance allowance (AA), personal independence payment (PIP) enhanced rate daily living component or armed forces independence payment. As it is part of WTC, at least one person must be working (but the disabled person need not be the worker).

If you are part of a couple and both of you meet the conditions, you can get two severe disability elements included in your WTC.

CTC - disabled child element:

The relevant qualifying benefits here are disability living allowance (DLA) and personal independence payment (PIP). DLA is the qualifying benefit for children up to 16 and PIP is the qualifying benefit for young persons aged between 16 and when CTC for them ends. A child or young person qualifies for the disabled child element if they:

- get disability living allowance (DLA), personal independence payment, armed forces independence payment, any component at any rate (or would do apart from the fact they are in hospital); or
- are certified as severely sight impaired or blind by a consultant ophthalmologist, or have ceased to be certified in the past 28 weeks.

CTC - severely disabled child element:

A child or young person qualifies for the severely disabled child element if they receive:

- DLA highest rate care component
- PIP enhanced rate daily living component.

A child or young person who qualifies for the severely disabled child element will also qualify for the disabled child element.

WTC for couples with children where one of you is disabled or over 60

If you are part of a couple and have children, you must normally work at least 24 hours a week between the two of you with one of you working at least 16 hours a week. But this does not apply, and the 16-hour rule applies instead, if:

- you or your partner are working at least 16 hours a week and are either a 'disabled worker' or over 60 years old or
- you or your partner are working at least 16 hours per week and the other partner is 'incapacitated' (for example, getting ESA or DLA), entitled to carer's allowance, in hospital or in prison.

Backdating

New claims for tax credits can normally be backdated for a maximum of 31 days. Longer backdating is not possible for CTC claims. For new WTC claims, WTC can be backdated for more than 31 days if it includes the disabled worker element and you claim within 31 days of being awarded the qualifying disability benefit. For this to apply, your WTC entitlement in the backdating period must have depended on a qualifying disability element being awarded.

For existing WTC claims, the disabled worker and severe disability elements of WTC can be backdated for more than one month if you inform the Tax Credit Office within one month of the decision to award you the qualifying disability benefit.

For existing CTC claims, the disabled child element and the severely disabled child element can be backdated for more than one month if you inform the Tax Credit Office within one month of the decision to award your child DLA. However, if you are waiting to hear whether your child is entitled to DLA you should not delay claiming CTC even if you will not qualify until either the disabled child element or the severely disabled child element is included. While you will be given a 'nil award' the backdating rule above allows your entitlement to both these elements to be backdated more than one month.

If you need any further support or information please contact DIAL on 01736 759500 or you can refer directly to the link below:

www.disabilityrightsuk.org

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