

Changes to Incapacity Benefit and Income Support

From 27 October 2008, a new benefit, Employment and Support Allowance (ESA), will be introduced to replace Incapacity Benefit and Income Support paid on the grounds of incapacity.

To claim ESA, you will have to undergo a 13-week assessment period, unless you are terminally ill. During the assessment period, you will have a personal capability assessment and a work-focused interview. The personal capability assessment is more difficult to pass than the current one.

During the assessment period, you will be paid at a rate comparable to Jobseeker's Allowance.

When you have been assessed, you will be placed into one of two groups:

Support group – If you are found to have a limited capability for work, you will be placed in this group and will not have to undertake work-related activities. An additional payment will be paid to you.

Work-related activity group – If you are found to have the capability to work, you will be placed in this group and will have to attend five more work-focused interviews. An additional payment will be paid to you, although smaller than the one paid to those in the support group.

Anyone in the work-related activity group will be penalised if they fail to attend any of their five additional work-related interviews without good reason.

The original penalty is a 50% reduction of their additional payment. If they then fail to attend another interview, the penalty would increase to a 100% reduction of their additional payment. This penalisation would last as long as they continue not to attend their interviews.

Anyone who is entitled to claim Carer's Premium and Severe Disability can do this and receive ESA. Anyone who currently claims Disability Premium cannot receive this and ESA.

People who currently claim Incapacity Benefit will initially be unaffected by the introduction of ESA. However, there are plans to move all claimants on to ESA.

While ESA will affect many people living with cancer, Macmillan has worked hard to make sure key changes were made to the benefit before it became law. Macmillan persuaded the Government to automatically place all people receiving chemotherapy (except orally administered treatment) in the support group category. This also applies for anyone with a terminal diagnosis.

In addition, a person with a terminal diagnosis will also have their application for ESA fast-tracked.

Macmillan promises to continue to monitor the impact of the benefit. If we identify that the impact is adverse to people living with cancer, we will lobby Government to improve the situation.

If you want any more financial help information, go to the financial pages on Macmillan's website at www.macmillan.org.uk

