

Section 7:

Financial help for going back to work

The thought of going back to work and your benefits stopping can be quite daunting, particularly if your new job pays monthly. If you have been out of work for over 6 months and you expect your job to last for more than 5 weeks, there are some types of support designed to help you.

Better off in Work calculations

How do you know if you'll be financially better off in work? Your Jobcentre Plus adviser can do a calculation for you, that's how. They will start by confirming what benefits you're currently getting and adding up your weekly income. Then they will look at the amount you could be earning in a job that you're interested in.

On top of that, your adviser will add on any tax credits and other support you might be able to get – such as Housing Benefit – to show you the difference between being on benefits and being in work. To make sure you don't miss out, make an appointment with an adviser at your nearest Jobcentre to see the difference being in work could make to you.

Benefits paid when you start work

Help with Housing Costs

If you were getting help with housing costs because you were claiming Jobseeker's Allowance, Income Support, Incapacity Benefit or Severe Disablement Allowance while you were out of work, then you may continue to get help for up to 4 weeks after you start your new job.

This includes:

- Housing Benefit
- Council Tax Benefit, and
- Mortgage Interest Run On.

Housing Benefit – You may get Housing Benefit for up to 4 weeks after you start work, or if you are already working, you work more hours than before or earn more money than before. Normally you will get the same amount of help during this time as you did when you were claiming benefit.

Council Tax Benefit – You may also get Council Tax Benefit for up to 4 weeks after you start work, work more hours or earn more money too. Again, the amount of help will be the same as you received when you were claiming benefit.

Mortgage Interest Run On – If you were claiming Jobseeker's Allowance or Income Support and were getting help paying a mortgage or home loan, this can continue for up to 4 weeks after you start work or work more hours too. The amount you receive will be the same as when you were claiming benefit but payments will be made to **you**, not your mortgage lender.

Applying for additional help with housing costs

- To apply for Housing Benefit and Council Tax Benefit, you will need to tell your nearest Jobcentre that you're starting work or doing more hours.
- To apply for Mortgage Interest Run On, tell your nearest Jobcentre that you're starting work or working more hours.

Other Financial Support

Job Grant

If you have been claiming Incapacity Benefit, Income Support, Jobseeker's Allowance or Severe Disablement Allowance continuously for more than 6 months and are starting work of more than 16 hours per week, you may get a Job Grant.

A Job Grant is a tax-free lump sum of:

- £100 if you're a single person or part of a couple with no children, or
- £250 if you're a lone parent or part of a couple with children.

The Job Grant is paid to you automatically when you start your new job when you tell your nearest Jobcentre that you're starting work.

Tax credits

Tax credits are payments made by HM Revenue & Customs. There are two different tax credits that you may be able to get once you start work.

- **Child Tax Credit** – This is a single credit aimed at families with children. It is a means tested allowance for parents, guardians or primary carers of children or young people. Nine out of ten families with children are eligible for Child Tax Credit.
- **Working Tax Credit** – This is a target credit aimed at those working and on a low income. It aims to boost work incentives by topping up the wages of the low paid according to their family circumstances. This includes providing direct help with the cost of childcare for working families, through the Working Tax Credit childcare element. If you're working more than 16 hours per week and are on a low income, you may be able to get Working Tax Credit.

The Directgov website www.direct.gov.uk has an online questionnaire that you can use to check if you're eligible for Tax credits.