ADOPTION AND BENEFITS

This factsheet summarises the main benefits for those who have adopted a child or are in the process of doing so.

• EXTRA BENEFITS FOR THE ADOPTED CHILD •

Child Benefit

For those in the process of adopting Child Benefit is usually payable from the Monday following the date the child is placed with you, but not while you receive a fostering allowance.

£20.70pw is paid for the first child in a family, £13.70pw for each subsequent child, and is paid up to age of 16, or 20 if remaining in fulltime non-advanced education or training.

Child Benefit becomes taxable income once the claimant or partner individually earns more than £50,000 pa, counting in full once earnings reach £60,000 pa.

Child Tax Credit [CTC]

CTC is payable for a 'qualifying' child, and is based on your income.

You may be able to claim for the child from the day you take up caring for that child, but not if you receive a fostering allowance.

Tax Credits are based on the previous tax year’s income – if, on adoption, this year’s income may drop, you should contact HMRC to either amend your current claim or base a new award on your current year’s income.

Once the child is adopted the claim can include them and any adoption allowance is ignored as income.

SureStart Maternity Grant

This is payable to parents adopting a child under 12 months if they are on certain benefits, which are: Income Support; income-based Jobseekers Allowance; income-related Employment & Support Allowance; Universal Credit; Pension Credit; or getting a certain level of Child or Working Tax Credits. It is paid even if the natural parents have already had a payment.

There may be a restriction on this payment if there is another child aged under 16 in the household – get advice.

The payment is £500, claimable for up to 3 months after the adoption order.

Disability Living Allowance

If the child is disabled a claim for DLA may be necessary if s/he is not already getting it. DLA is paid if the child has care needs over and above those of a child of the same age and/or problems with mobility. If DLA Care is awarded, the adoptive parent can claim Carers Allowance (see below).
SPECIFIC BENEFITS FOR WORKING ADOPTIVE PARENTS

Statutory Adoption Pay/Statutory Paternity Pay

Adoption leave is possible for up to 52 weeks, and adoptive parents can claim Statutory Adoption Pay (for up to 39 weeks) and/or Statutory Paternity Pay (ordinary SPP for up to 2 weeks; additional SPP for up to 20 weeks) if they have recently adopted a child. Only one parent can claim adoption leave or paternity leave, but they can choose who should claim and which benefit to claim.

Both benefits are paid by the employer who is reimbursed some of the cost by the Government. These allowances are only available to working parents who have worked for their employer for at least six months and whose earnings were above the fixed limit.

Shared Parental Leave and Pay

Since April 2015 it is possible for partners to share leave and pay, for example if the mother decides to return to work before the 39 weeks of statutory adoption leave are up - see www.gov.uk/shared-parental-leave-and-pay.

Working Tax Credit [WTC]

Paid to those in work to top up low earnings. If a child is not a “qualifying child” for CTC purposes (see above) s/he does not count as part of the family for WTC. This may affect whether the parent can claim at all, as:

* Those with qualifying children can get WTC if working 16 hours or more. Otherwise one or both must be aged 25 or over and work at least 30 hours per week (unless they qualify as a ‘disabled worker’ or aged 60 and over);
* Only qualifying children count for childcare allowances with WTC.

Any adoption allowance received is ignored as income.

OTHER BENEFITS FOR ADOPTIVE PARENTS

Contributory Benefits

Main benefits: Jobseekers Allowance if unemployed  
Employment & Support Allowance (or Incapacity Benefit) if too sick to work  
Bereavement Benefits if recently widowed  
Retirement Pensions if over pension age *

Adopting does not affect entitlement to these benefits which are paid for the claimant and partner, but not for children, whether adopted or not.

Carers Allowance

Carers Allowance can be paid if you are looking after a disabled child or adult for at least 35 hours pw. Entitlement is based on caring responsibilities and not affected by adoption. The carer can work, but there is an earnings limit (£110 pw
If not already getting Carers Allowance for someone else, the adoptive parent can claim for an adopted child who is disabled and getting DLA Care at the middle or higher rate, or PIP Daily Living.

**Disability Benefits**

Main benefits: Disability Living Allowance (DLA) / Personal Independence Payment (PIP) / Attendance Allowance. Industrial Injuries Benefits / War Pensions / Armed Forces Compensation Scheme

PIP can be claimed by adults up to the age of 65. It is paid to those who have difficulty walking and/or need help with personal care or ‘daily living’ needs due to their disability. PIP is replacing DLA (its predecessor) over the next few years.

Attendance Allowance is for those who claim for the first time after the age of 65 and who have care needs. DLA/PIP/AA are not means-tested or taxable and can be paid on top of other income to meet the extra costs arising from disability.

Industrial Injuries Benefits give specific compensation for disability arising from an accident at work or industrial disease. The Armed Forces Pensions Scheme (War Pensions) do the same for those injured while in the armed services.

No extra allowances are paid for dependants.

**Income-related Benefits**

Main benefits: Income Support / Pension Credit / income-based Jobseekers Allowance / income-related Employment & Support Allowance

Entitlement to claim these benefits is not affected by the presence of the child prior to or after adoption. The benefit is paid for the needs of the adults in the family and the adoption allowance is ignored in full as income.

**Universal Credit**

Universal Credit is being brought in to replace working age means-tested benefits: Income Support/ income-based Jobseekers Allowance / income-related Employment & Support Allowance / Housing Benefit / Working and Child Tax Credit. It is being brought in gradually, by ‘type’ of claimant, starting with childless jobseekers first. It is not clear when other claimant types are being affected.

**Housing Benefit and Council Tax Reduction [HB/CTR]**

Adoptive parents on a low income can claim these benefits whether they are in or out of work, and whether or not they have children. The amount of benefit varies with the size of the family.

No extra benefit can be awarded for a child being placed for adoption. However the adoption allowance for this child is fully disregarded as income.
HB/CTR - Post Adoption
Once the child has been adopted the adoptive parents on HB/CTR can claim extra HB for that child and the adoption allowance is ignored in full as income.

Local Authorities (who administer HB/CTR) have a Discretionary Housing Payments fund where they can award additional Housing Benefit where you only get partial help with your rent, so you could ask for extra help if you have significant outgoings because of adopting, for example.

CTR is now locally based, so different Councils will operate different schemes.

Health Benefits
There are various ways of getting help with health costs (prescriptions, dental costs, eye tests, glasses etc.) including those based on low income, or being on the right low income benefit.

In addition is the Healthy Start scheme for families on a low income with a child aged under 4 that helps with the cost of milk, fruit and vegetables.

For further information contact any of the following agencies:

Your local Citizens Advice at .......
1st Floor, Chestnut House North Street Rugby, CV21 2AQ
The Parish Rooms Welcome Street Atherstone, CV9 1DU
Old Market Tavern 25 Congreve Walk Bedworth, CV12 8LX
(To book an appointment in Nuneaton call 024 7635 1049)
10 Hamilton Terrace Leamington Spa, CV32 4LY
25 Meer Street Stratford-upon-Avon, CV37 6QB

Switchboard number for ALL CAs: 0344 855 2322

For Carers Advice, Information and Support ........
Warwickshire Carer Wellbeing Service
9 Lawford Road, Rugby, CV21 2DZ
Tel: (024) 7610 1040
e-mail: carer.support@carerstrusthoef.org.uk
www.carerstrusthoef.org.uk

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