Dear Frank,

Thank you for your letter of 19 February in response to mine of 28 January.

You asked further questions on customer communications, self employed earnings and fluctuating earnings.

On improvements to communications to carers, we are taking a twin-track approach here. We are already working with colleagues in GDS to make further improvements to the information carried on Gov.uk about Carer’s Allowance (CA). This will reflect feedback from our own staff, stakeholders and the Committee. Alongside this we have started to examine the possibility of making changes to the letters about CA that claimants receive. Again we are already speaking to our own staff about this and will then talk to stakeholders. We are also looking forward to receiving any detailed recommendations from the Committee in its report and these will also be considered as part of our “review” of the relevant CA letters. The timing of any changes will, of course, be dependent upon which letters need to be amended and the extent of those changes, as well as other priority changes to be considered at the same time.

Turning to self employed earnings, where you asked about the deadline for sending in accounts and a theoretical situation around the way self employed earnings are attributed. DWP prompts the claimant to submit their next set of accounts when they are available. We expect to receive the accounts within 14 days of making that request and will consider suspending payments of CA if the accounts are not received within that deadline. If the accounts are not received within a further month then the claim may be terminated. Assessing self-employed earnings in a fair and
accurate way has been a long-standing challenge across the benefit system, not just in CA. We effectively have to apply last year’s earnings to this year’s benefit using information in the accounts provided. So in the theoretical situation you outline, CA already paid would not be classed as overpaid, but no CA would be paid for the following year.

And finally, concluding with fluctuating earnings. In my previous reply I explained that where we can, we try to establish a pattern of earnings so that we can average over a representative period. However, we are only able to do this in a small minority of cases. In these cases the appropriate period is decided by DWP staff on a case-by-case basis. We do not seek to agree this with the carers concerned; rather we make a decision based on the information that has been supplied to us and tell the carers when they need to report changes of earnings that would affect this calculation. Where we cannot average we apply earnings on a period-by-period basis reflecting the way carers are paid i.e. weekly/4 weekly/monthly. We are currently in the process of reviewing the way we treat fluctuating earnings with a view to simplifying the process for both DWP staff and carers where we can. We have no current plans to move to an annual assessment of earnings though.

I hope this letter is helpful. If you require any further clarification, my officials will be pleased to meet with the Committee Clerk to provide additional information.

Yours sincerely,

Sarah Newton MP
Minister for Disabled People, Health & Work