



Natalya Evans

Benefit	Description	Eligibility	Impact of maintenance / capital provision
<u>Universal Credit</u> (‘UC’)	<p>A means-tested benefit for over 18 non-pensioners (or one non-pensioner if in a couple) on a low income, unemployed, or unable to work due to health reasons. It is calculated on a household basis.</p> <p>It replaces six previous benefits:</p> <ul style="list-style-type: none"> Housing Benefit Income Support Income-based Jobseekers Allowance Income-related Employment and Support Allowance Child Tax Credit Working Tax Credit <p>There is a standard monthly allowance for <u>per household</u> (as of April 2025) of:</p> <p>Single under 25, £316.9868 Single over 25, £400.14 Couple both under, £497.55 Couple, one over 25, £628.10</p> <p>Extra amounts are available for:</p> <ul style="list-style-type: none"> up to 2 children up to 16, or up to 19 if in eligible education/training. The two-child cap does not apply to children born before 6 April 2017 and certain other exemptions apply such as for multiple births or adoption); any number of disabled children; and those with disabilities which limits their ability to work. 	<p>There is no standard income amount below which entitlement starts; due to the multiple elements contributing to UC, it is bespoke to each household. For example:</p> <ul style="list-style-type: none"> a single person living with their parents may only be able to earn up to £18,000 before they stop being eligible; whereas a single parent of two children, renting in an expensive city, may be able to earn up to £50,000 before they are no longer eligible. <p>However, there is a hard limit on savings. An individual and their partner, taken together, must have ‘money, savings and investments’ below £16,000. As of April 2025, Universal Credit is reduced by £4.35 for every £250 of savings between £6,000 and £16,000. This is an assumed ‘tariff income’ model — £4.35 is treated as if it were income monthly, not an automatic cash deduction from award. Debts are <u>not</u> deducted when determining the amount of savings.</p> <p>Once awarded, UC is typically reduced by 55 pence for every £1 earned. However, for those with a disability, health condition or children they can earn up to £684 per month before any reduction is applied. This reflects the April 2025 increase to work allowances following the 2024 Autumn Statement which provided an average annual UC boost of £420 for eligible households. This threshold reduces to £411 if the person gets help with housing costs.</p>	<p>After separation, a spouse individually may fall below the income and/or savings threshold and become eligible.</p> <p>Child maintenance does not affect UC payments. Spousal maintenance payments <u>are</u> counted as income and hence affect UC.</p> <p>Property in an individual’s name but in which they do not live <u>is</u> counted as savings <u>unless</u> it’s the main home of a former partner who is a lone parent.</p> <p>In a partnership, one spouse is nominated as the main carer. A sole parent will automatically be designated the main carer. The age of the youngest child determines how much time the claimant will be required to spend either working or looking for work each week. The age thresholds for this test are: under 1; 1; 2; 3 to 12; and over 12 years old.</p> <p>Qualification for UC may also bring entitlement to other benefits which could be explored, for example:</p> <ul style="list-style-type: none"> free school meals; home to school transport; £4.25 per week ‘Healthy Start’ vouchers for children under 4; £200 per year towards school uniforms; and free prescriptions, dental care and eye tests.



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	Under UC, 85% of childcare costs can be reclaimed if a lone parent, or in a couple both parents, is/are working. The maximum monthly amount claimable is £1,031.88 for one child and £1,768.94 for 2 or more children. Those with 'limited capability for work and work-related activity' can get an extra £423.27 per month, and carers can get an extra £201.68 per month.	Income includes both earned and unearned (e.g. interest on savings) and UK state benefits except: <ul style="list-style-type: none"> Income-based Jobseeker's Allowance Child Benefit Housing Benefit Attendance Allowance Disability Living Allowance Personal Independence Payment Other benefits reduce UC on a pound for pound basis.	
Employment related			
<u>New Style Jobseeker's Allowance ('JSA'), aka Contribution-Based JSA.</u>	<p>A fortnightly payment for those unemployed or working less than 16 hours per week.</p> <p>It is available for up to 6 months, before a review is required with a work coach. Those with health issues which prevent working can be placed in the support group and obtain the benefit for longer.</p>	<p>As a contribution-based benefit, claimants need to have paid enough NI contributions in the previous 2 tax years (NI credits also count).</p> <p>Savings or a partner's earnings are not relevant to eligibility.</p>	This benefit is considered on an individual basis. Any awarded maintenance or capital will not affect eligibility.
<u>New Style Employment and Support Allowance ('ESA') aka Contribution-Based ESA.</u>	A fortnightly payment for those who are ill or have a health condition or disability that limits their ability to work.	<p>As a contribution-based benefit, claimants need to have paid enough NI contributions in the previous 2 tax years (NI credits also count).</p> <p>Savings or a partner's earnings are not relevant.</p>	<p>This benefit is considered on an individual basis. Any awarded maintenance or capital will not affect eligibility.</p> <p>A personal pension may affect the amount receivable.</p>



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Housing			
Housing Benefit	A payment to help with all or part of an individual's rent.	New claims are only allowed if: both in a couple are of state pension age; one is of state pension age and claimed pension credit before 15 May 2019; or if in supported, sheltered or temporary housing. Numerous exclusions, including having savings over £16,000.	Any capital payments which take savings over £16,000 will almost always bar eligibility. There are numerous other exclusions, for example living with a new partner already claiming Housing Benefit.
Discretionary Housing Payment	A local Council benefit. It can cover items such as a rent shortfall, rent deposits, and rent in advance if moving home.	Available in E&W only, for those receiving Housing Benefit or the housing element of Universal Credit.	Both capital and maintenance payments may change the decision of the local council given the payment is discretionary.
Support with Mortgage Interest (SMI)	<p>Help for homeowners (bought outright or shared ownership) towards interest payments on:</p> <ul style="list-style-type: none"> the mortgage; and/or loans taken out for certain repairs and improvements to the home. <p>It is paid as a loan which must be repaid with interest on sale or transfer ownership. Interest accrues at a government-set rate (currently around 2.65% but varies), and triggering events for repayment include transfer of equity (not just sale).</p>	<p>Applicants must be getting a qualifying benefit, one of:</p> <ul style="list-style-type: none"> Income Support income-based Jobseeker's Allowance (JSA) income-related Employment and Support Allowance (ESA) Universal Credit Pension Credit 	<p>The sale of the matrimonial home may trigger a loan repayment. Likewise, maintenance or savings which affect entitlement to a qualifying benefit may trigger a loan repayment.</p> <p>If opposing Counsel is not advocating a claim but their client would be eligible, perhaps take this into account.</p>
Council Tax Support	A local authority scheme designed for those on a low income or claiming benefits which can reduce Council Tax by up to 100%. Note single-person discount (25%) is separate from means-tested Council Tax Reduction (CTR).	Determined by the local authority.	After a divorce, if one spouse is living alone, they may be eligible for single-person discount. Capital and spousal maintenance may affect eligibility. Some councils operate stricter capital limits (e.g., £6,000 to £16,000 similar to Housing Benefit) for CTR, but rules vary widely.



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Disability related															
Personal Independence Payment (PIP)	<p>PIP is to help with extra living costs for both:</p> <ul style="list-style-type: none">• a long-term physical or mental health condition or disability; and/or• difficulty doing certain everyday tasks or getting around because of your condition <p>There are 2 parts to PIP:</p> <ul style="list-style-type: none">• a daily living part - help with everyday tasks is needed; and• a mobility part - help with getting around is needed. <p>Special criteria apply for people near the end of life. Applicants are graded into either a lower or higher band on each of the daily living and mobility parts depending upon assessment – see right. The amounts paid are as follows:</p> <table><tr><td></td><td colspan="2">Weekly rate</td></tr><tr><td></td><td>Lower</td><td>Higher</td></tr><tr><td>Daily living part</td><td>£73.90</td><td>£110.40</td></tr><tr><td>Mobility part</td><td>£29.20</td><td>£77.05</td></tr></table>		Weekly rate			Lower	Higher	Daily living part	£73.90	£110.40	Mobility part	£29.20	£77.05	<p>Not means tested in any way. PIP is available irrespective of whether someone is working, has savings, or are getting other benefits.</p> <p>Daily living</p> <p>The daily living part of PIP assesses if help is required with:</p> <ul style="list-style-type: none">• preparing food• eating and drinking• managing your medicines or treatments• washing and bathing• using the toilet• dressing and undressing• reading• managing your money• socialising and being around other people• talking, listening and understanding <p>Mobility</p> <p>The mobility part of PIP assesses if help is required with:</p> <ul style="list-style-type: none">• working out a route and following it• physically moving around.	<p>This benefit is not means tested so neither maintenance nor capital provision will affect eligibility.</p> <p>It should be considered if opposing Counsel has not factored eligibility into a financial settlement.</p> <p><i>Note that Government policy as of April 2025 to reduce welfare costs has cited PIP as a key target and therefore a tightening of criteria or alteration of eligibility may be expected.</i></p>
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Daily living part	£73.90	£110.40													
Mobility part	£29.20	£77.05													
Attendance Allowance	<p>This is similar to PIP but aimed at pensioners.</p>	<p>For those over state pension age with a physical disability and/or a health condition for which they have needed help for over six months, and that is severe enough for them to need help caring for themselves or needing someone to supervise them either for their own or someone else’s safety.</p>	<p>Spousal maintenance and capital provision should not impact eligibility.</p>												



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<u>Carer's Allowance</u>	<p>£83.30 per week if a person cares for someone for at least 35 hours per week and that person gets certain benefits, including (but not limited to):</p> <ul style="list-style-type: none"> • PIP daily living component; • Disability Living Allowance - the middle or highest care rate; • Attendance Allowance; or • Pension Age Disability Payment. 	<p>The carer does not have to be related to, or live with, the person they care for.</p> <p>Carers can only get one allowance even if they care for more than one person.</p>	<p>Carer's Allowance does have an earnings limit (£151 per week after deductions as of 2025) – which will affect individuals who start part-time work after divorce.</p> <p>A divorcing spouse will lose the benefit if they cease to care for their partner.</p>
<u>Disability Living Allowance</u>	<p>For adults, this is being phased out and replaced by either PIP or Attendance Allowance if a pensioner.</p> <p>For children, the DLA rate is tiered depending upon assessed care need: lowest £29.20; Middle £73.90; and highest £110.40 per week depending upon the level of help the child needs. There is also a mobility element with the lower rate being £29.20 per week and the upper rate being £77.05 per week.</p>	<p>It is available for children under 16 who have difficulties walking and need 'much more looking after than a child of the same age who does not have a disability.'</p>	<p>Income and capital are not relevant for eligibility.</p> <p>For adults, divorce may trigger the movement to the alternative benefits earlier than would otherwise be the case.</p>



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Age related			
New State Pension	The full rate of new State Pension is £230.25 per week. It may be reduced depending upon an individual's NI record.	<p>A man born on or after 6 April 1951 or a woman born on or after 6 April 1953.</p> <p>10 qualifying years of National Insurance record is required to get any new State Pension.</p> <p>A full pension requires 35 years of NI contributions (or suitable NI credits).</p>	<p>Entitlement is automatic; other income or savings are not taken into account.</p> <p>The only impact could be for a pension age divorcee who might otherwise inherit some of their former spouse's state pension upon their partner's death.</p>
Pension Credit	<p>Pension Credit tops up the weekly income of:</p> <ul style="list-style-type: none"> • a single person to £227.10; or • a couple's joint income to £346.60. <p>Carers may be entitled to an extra £46.40 a week or those caring for children an extra £67.42 per week. Those with a severe disability could get an extra £82.90 per week if they receive some other benefits such as Attendance Allowance, the middle or highest rate from the care component of Disability Living Allowance, the daily living component of Personal Independence Payment.</p>	<p>A single person must be over state pension age. For a couple, both must be over state pension age or one is in receipt of pensioners' Housing Benefit.</p> <p>Pension Credit opens up access to other benefits including:</p> <ul style="list-style-type: none"> • Housing Benefit for renters or Support for Mortgage Interest for home owners; • Winter Fuel Payment; • a Council Tax discount; and • the Warm Home Discount Scheme 	<p>Spousal maintenance is counted as income.</p> <p>Other than the income from any savings or investment, capital is not relevant.</p>
Winter Fuel Payment	For winter 2024 to 2025, £200 if born before 23 September 1958 (or £300 if born before 23 September 1944) to help pay heating bills.	<p>Those born before 23 September 1958 and in receipt of one of:</p> <ul style="list-style-type: none"> • Pension Credit; • Universal Credit; • Income-related Employment and Support Allowance; • Income-based Jobseeker's Allowance; • Income Support; • Child Tax Credit; or • Working Tax Credit. 	No impact unless eligibility for other benefits changes.



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Free TV licence	Free TV licence.	For individuals who are 75 or older and either they or their partner get Pension Credit.	Eligibility may be lost for a divorced spouse below the age threshold or not in receipt of Pension Credit.
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Child related			
Child Benefit	<p>Available to those responsible for a child under 16, or under 20 if they are in approved education or training.</p> <p>Reduced rate for second and subsequent children.</p> <p>No limit on the number of children for whom it can be claimed.</p> <p>Either partner's annual income over £80,000 eliminates the payment, but registering for the benefit will earn NI credits contributing to the state pension entitlement.</p>	<p>The primary carer of the child will typically receive this benefit.</p> <p>This benefit is based on a family's highest earner's income.</p> <p>The benefit is available in full for adjusted net incomes <i>below</i> £60,000. Where adjusted net income exceeds £60,000, the benefit is gradually reduced and tapers to zero by £80,000.</p> <p><i>Note it is the adjusted net income that matters – after deducting Gift Aid, pension contributions etc.</i></p>	<p>On divorce with two children and one lives with each parent, then both parents get the higher rate for the first child.</p> <p>The reduced rate is payable for the second or subsequent child in either household.</p> <p>Child or spousal maintenance payments are not considered taxable income for the purposes of assessing eligibility of child benefit.</p>