



Craig Whittaker MP

CALDER VALLEY

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Carer's Allowance Earnings Limit

Thank you for contacting me about Carer's Allowance.

I completely understand that this is an extremely important issue for many carers. The primary purpose of Carer's Allowance is to provide a measure of financial support for people who give up the opportunity of full-time employment in order to care for a severely disabled person. It must be stressed that it is not a carer's wage or a payment for the services of caring, nor is it intended to replace lost or forgone earnings in their entirety.

The Carer's Allowance earnings limit is not linked to the number of hours worked. Instead, it is set at a level that aims to encourage people to maintain a link with the labour market through part time work. The earnings limit for Carer's Allowance is a net figure, meaning it takes into account income tax, National Insurance and half of any pension contributions, and there are also a number of other deductions which can be made. That means that people can earn significantly more than £110 per week and still be eligible for Carer's Allowance.

I would also point out that for those carers working around 16 hours a week on a low income and receiving Working Tax Credit, Carer's Allowance is taken fully into account as income. That means that any loss in Carer's Allowance is likely to be offset by an increase in entitlement to Working Tax Credit.

I am proud of the work the Government has done to improve support for carers, including through the Care Act 2014. In April 2015 the Government also increased the Carer's Allowance earnings limit by 8 per cent, far outstripping the general increase in earnings. Since 2010, the rate of Carer's Allowance has increased from £53.90 to £64.60 a week, meaning well over an extra £400 income a year for hundreds of thousands of carers.

Thank you again for taking the time to contact me.

Kind regards,

Craig Whittaker MP