

Promoting Independence

Factsheet



Benefits if you foster or adopt

Make Every **£** Count

The information and benefit rates in this leaflet are correct at April 2010

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Tax and benefits when you foster or adopt a child

Introduction

This factsheet is for people who are fostering, adopting or are intending to foster or adopt a child. It also contains brief information about other sources of funding such as Section 17 Children Act money, after-care support, residence orders, special guardianship and guardians allowance.

This factsheet looks at:

- tax
- national insurance
- benefits

The factsheet does not cover the calculation of fostering, adoption or other allowances you could be paid by the local authority for the young person/people you look after. Check with children, schools and families (CSF) or your fostering/adoption agency for further details of these.

Fostering

Some children are placed by CSF with family members or friends under what is known as 'kinship care' arrangements. Some of these fall within the definition of fostering, if the child(ren) are officially looked-after by CSF. If they do, then the next section is relevant. If the child isn't looked-after, then the support that CSF provides may fall within the section at the end of this fact-sheet about residence orders etc.

Tax

Foster care relief

Since April 2003 the tax system for foster carers is called Foster Care Relief. Under this system you are exempt from tax up to a set limit.

You need to tell HM Revenue and Customs (HMRC) what payments you are likely to receive and find out what tax, if any, you are required to pay.

Who does it apply to?

People who are paid to provide foster care to children or young people, placed with them by the local authorities or an independent fostering provider.

It does not include private fostering arrangements, or adult placement schemes (which are now called Shared Lives schemes).

However, there is a HMRC relief scheme for adult placements too, accessed through the HMRC website – Income Tax Treatment of Shared Lives Carers on www.hmrc.gov.uk This is very useful if a young person stays on with their former foster carers beyond their 18th birthday, as HMRC have accepted that those arrangements can be covered by the adult placement tax scheme.

How does the foster care relief work?

HMRC will treat you as being self-employed for the ‘work’ you do as a foster carer.

There are two parts to the relief:

- exemption - if your total income from foster care is less than the figure that HMRC allows and
- an optional simplified method of calculating profits if your income from foster care is more than this figure.

What is the exemption?

If your total income from fostering is less than the qualifying amount in a tax year, your fostering income will be exempt (free) from income tax for that year. This means that, for tax purposes, you will be treated as having no profit from foster care for that year.

Exemption only covers income from foster caring. Income from other employment or investment income will be taxed in the normal way.

What is the qualifying amount?

Your qualifying amount consists of the total of two figures:

- a fixed amount for each household - £10,000 per year. If two or more carers in the same household receive foster care receipts separately, they share the £10,000 equally. If you are a new foster carer, who is registered for less than a full year, you claim a proportion of this.
- **plus** an amount per week, for each foster child placed with you:
 - £200 a week for a child aged under 11, and
 - £250 a week for a child aged 11 or older.

Example: Ms Smith provides foster care to Joe, an eleven year old, for the whole of the year and to Lizzie, who is eight, for just ten weeks.

Ms Smith's qualifying amount will be made up as follows:

Fixed amount	£10,000
Joe (52 x £250)	£13,000
Lizzie (10 x £200)	£ 2,000
TOTAL	£25,000

If Mrs Smith's income from fostering that year is less than £25,000, she won't pay tax on her fostering income.

The qualifying amount is only relevant for fostering income. It does not affect your personal allowance for income tax for other income. If you are exempt from paying tax on your fostering income, the full amount of your personal allowance (which for 2010/11 is £6475 or £9,490 for people aged 65-74) is available to use against other income.

What if I am not exempt?

If your total income from fostering is **more** than the qualifying amount, you can choose between paying tax on either:

- your actual profit from foster care, worked out using total income, with separate tax relief for allowable expenses or capital allowances, or
- total fostering receipts less the qualifying amount (the simplified method), without any separate tax relief for allowable expenses or capital allowances.

If your allowable expenses and allowances are more than your qualifying amount it is usually better to choose to pay tax on the actual profits. This is because your taxable profit will be less than if you use the simplified method.

What are my total receipts from foster care?

Your total receipts from foster care are all of the payments (fees, salaries, reward payments, allowances etc) you receive from your local authority or independent fostering provider.

What records will I need to keep?

You will need to keep records for six years.

You need to keep a record of:

- your total income for the year from your local authority or fostering agency, **and**
- the number of weeks that you care for each child placed with you in the year (A week runs from Monday to Sunday. Count any part of a week as a full week.) **and**
- the age (or birthday) of each child.

If you are not exempt and you intend to calculate your actual profit from foster care, rather than using the simplified method, you will need to keep sufficient records to support your figures.

Example: Ross and Sally provide foster care for one fourteen year old for the whole of the year and for one eight year old for twenty weeks of the year. Their qualifying amount will be made up as follows:

Fixed amount	- £10,000
Child 1 (52 x £250)	- £13,000
Child 2 (20 x £200)	- £ 4,000

Total	£27,000
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If Ross and Sally's total income from foster care is **less** than the £27,000 figure, they are exempt from income tax on whatever fostering income they receive.

If their total income from foster care is **more** than £27,000, they can choose to calculate their tax by either calculating the profit (income minus actual expenses) or by using the simplified method (income minus £27,000).

Ross and Sally can't 'transfer' any unused allowances from the foster care scheme to their other income but they can use their personal allowances to offset any tax due if their fostering income is above the £27,000 figure.

In **parent and baby** schemes, it may be that only the parent is in foster care, but the local authority pays an amount which is intended to cover accommodation and care for both parent and baby. HMRC treat both parent and baby as being in foster care and you can claim a weekly amount for both parent and baby when calculating your qualifying amount.

If you are caring for **disabled children**, you may incur additional expenditure on the children in your care, different from normal maintenance costs. For example, you may need to buy special equipment for a disabled child. You can add expenditure of this kind to the qualifying amount.

National Insurance Contributions

If you have a taxable profit, this is treated as your earnings from self-employment for national insurance contributions purposes.

Class 2 contributions

All self-employed people aged 16 and over, but below women's pension age or 65 (men) must register to pay Class 2 national insurance contributions. These are £2.40 a week for 2010/11.

Class 2 contributions count towards state pension, bereavement benefits and employment and support allowance.

Small earnings exception

If foster caring is your only source of self-employed income **and** you have no taxable profits you can apply for the small earnings exception. (If you are exempt under Foster Care Relief, you have no taxable profit).

You can also apply if your earnings from self-employment are low (less than £5,075 a year for 2010/11).

If you get small earnings exception you can choose whether or not to pay Class 2 contributions.

Class 4 contributions

If your taxable profits are above a certain level you will have to pay Class 4 contributions. For 2010/11 the rates are:

Money Advice Unit
0300 123 4040

 www.hertsdirect.org/benefits

- 8% - on profits of £5715 - £43,875
- 1% - on profits over £43,875

If you are exempt you will not have to pay Class 4 contributions.

Home responsibilities protection

Foster carers who are not making national insurance contributions should protect their retirement pension. This was previously done through a scheme called 'home responsibilities protection' (HRP). From April 2010, this scheme has been replaced by a new 'carers credit' which will apply to foster carers and which will also protect your pension and benefit rights. See www.direct.gov.uk

Benefits

For more information about benefits see our booklet "Extra Money for Families" and other factsheets available on www.hertsdirect.org/benefits

You should tell the jobcentre plus office that you are a foster carer if you are claiming benefits.

Child benefit

You can claim child benefit for your own children, or other children that live with you, but not for foster children who are "looked after".

To claim, contact the child benefit helpdesk on 0845 302 1444 (or 0845 302 1474 for textphone users) or go to: www.hmrc.gov.uk/childbenefit

Disability living allowance (DLA)

DLA is a benefit paid to children and adults under 65 who have care or mobility needs as a result of disability or ill-health.

A child in foster care can still get DLA. It is usually paid to an adult that the child lives with if the child is under 16.

If you foster a child who is getting DLA, contact the disability benefit unit that pays the benefit to make sure they know the child is living with you. They also need to know if you wish to act as the child's appointee. You will need to discuss this with the local authority or fostering agency.

If you think your foster child could get DLA, phone the Benefits Enquiry Line (see end of fact-sheet) for a claim form for a person aged under 16.

DLA is paid on top of any benefits, tax credits or other income you may have. It may increase the amounts of some means-tested benefits such as child tax credit, housing benefit and council tax benefit (but not if it is paid for a foster child) and make you eligible for carers allowance (see below).

For more information on children with disabilities and benefits see our factsheet 7 on www.hertsdirect.org/benefits

Carer's allowance

You can get this if you care for someone who receives the middle or higher rate of the DLA care component or any rate of attendance allowance. This could be an adult, your own child, or a fostered child.

You must satisfy all of the following conditions:

- provide care for at least 35 hours a week
- not be a full-time student
- earn under £100.00 net a week (2010/11).

Your fostering allowance shouldn't normally be taken as 'earnings' but see below for how 'reward' elements are treated.

For details of carer's allowance see leaflet 2 in our **extra money if you are ill and disabled pack** on www.hertsdirect.org/benefits

You can get a carer's allowance form from your nearest jobcentre plus office, or by phoning the carer's allowance unit, or the benefit enquiry line on 0800 882200 or you can claim online at www.direct.gov.uk

Means-tested benefits

The child you foster will not be counted as part of your household when any means-tested benefit for your family is calculated. Equally, fostering allowances are intended to cover the cost of maintaining a child, so they don't count as income for means-tested benefits.

Because fostering is treated as paid work by HMRC, but normally not as paid work by the DWP, some foster carers can choose whether to claim income support or working tax credit. If you claim working tax credit (see below), it is likely that you will get the maximum amount if you have no other earned income. Alternatively, if you claim income support or income-related employment and support allowance, you may get help with mortgage interest. Get specialist advice via your social worker if you think this choice might apply to you (e.g. if you are a single person or couple who are fostering and you have no other employment).

Income support and income-based jobseeker's allowance, income-related employment and support allowance (see below), housing and council tax benefit

Fostering allowances do not count as income for any of these benefits.

The time you spend fostering does not count as work for either income support (but see below), or jobseeker's allowance, although you will have to show that you are available for work if you want to claim jobseeker's allowance.

If you are a single foster carer you will be able to claim income support, and not be expected to sign on if the child you are fostering is under 16. However, in the weeks when

you don't have a child placed with you, you may have to sign-on as unemployed unless you can claim income support for some other reason (as a lone parent for example).

NB If you are claiming income support as sick or disabled or incapacity benefit you should seek advice to ensure that any fostering you do is not treated as work. The rules around working and incapacity or sickness benefits can be complicated and there *may* be a restriction on the number of hours you can do and the amount you can earn.

Employment and support allowance (ESA) replaced incapacity benefit and income support for people claiming as sick or disabled on 27th October 2008. If you are sick or disabled and have limited capability for work you may be able to get ESA. If you are currently claiming income support as sick or disabled or incapacity benefit you will be transferred to ESA sometime from October 2010 onwards. For more about ESA see our **extra money if you are ill and disabled** pack available on www.hertsdirect.org/benefits

Child tax credit and working tax credit

HM Revenue and Customs assess and administer child tax credit and working tax credit.

You can claim tax credits by contacting the HMRC tax credit helpline on 0845 300 3900 (0845 300 3909 for textphone users) - www.hmrc.gov.uk has more information.

For tax credits purposes, your income from foster caring is your taxable profit. If you get the foster care exemption, your income from foster care could be nil. If you or your partner has any other taxable income, that income will be taken into account for tax credits.

You can claim **child tax credit** for your own children, but not for your foster children, regardless of whether you work or not. You may get some child tax credit even if your household income is up to about £58,000 (or £66,000 if you have a baby of your own under one). If you get child tax credit for your own child, and declare that you are also fostering, it seems that HMRC will automatically assess you for **working tax credit**.

If you are not getting child tax credit, you can still make a claim for working tax credit if you or your partner are a foster carer

Free school meals

Foster children can have free school meals if the foster carer is getting a qualifying benefit, such as income support; income-related employment and support allowance; income-based jobseeker's allowance; guarantee part of pension credit; or child tax credit (no WTC) with gross income for tax credit purposes not exceeding £16,190 per year. Families can also get free school meals if they receive working tax credits during the first four weeks after they cease work or reduce their hours to less than 16 per week (WTC run-on).

What the young person can claim if aged 16-17

If the young person is 16 or over and their child lives with them (even if also looked-after), they can claim income support whilst still looked-after, even if in education. They would also be able to claim child benefit (whatever their age) and child tax credit.

If, instead, the young person has health problems that make them unable to work, they can claim employment and support allowance (ESA) even if still in education in some cases. Disabled young people can also claim DLA in their own right from 16.

Staying on with former foster carers past the 18th birthday

Some young people continue to stay with their foster parents after their 18th birthday and have ceased to be 'looked-after'. They will be able to claim benefits in their own right, such as income support, employment and support allowance (if not claimed already) and jobseeker's allowance -even if still in education in some circumstances. They may be able to claim housing benefit if you have made a commercial rent agreement with them.

However, the foster care tax relief as described above no longer applies once the young person leaves care at 18. You may be liable to pay tax on the 'rent' you receive from the young person, although there are some tax concessions for Shared Lives schemes and under the 'rent a room' scheme – see www.hmrc.gov.uk for more details. HMRC have said that the Shared Lives scheme rules on tax relief should apply to ex-fostering arrangements.

You may get an '**after-care allowance**', paid to foster parents who keep young people past their 18th birthday. This is sometimes wrongly called a fostering allowance. However it isn't, and you need to tell your tax office and benefit office that you are no longer getting a fostering allowance.

If these payments are made under Section 23 or 24 of the Children Act (for the support of care leavers) then they should still be ignored for any means-tested benefits that you claim. However any rent that you receive from the young person that they get from housing benefit will count as your income for benefit purposes.

For more information on young people and benefits see our factsheet 1 on www.hertsdirect.org/benefits

Adoption

Benefits

For more general information, see **extra money for families** available on www.hertsdirect.org/benefits

Statutory adoption pay (SAP) and statutory paternity pay (SPP)

If you adopt a child you may have the right to 52 weeks adoption leave and be paid SAP for 39 of those weeks. Adoption leave is available to parents adopting a child aged under 18 years when the child is placed for adoption. To qualify, you must have worked for your employer continuously for 26 weeks.

SAP is paid at a flat rate of £124.88 per week (or 90% of average weekly earnings if this is less) for 26 weeks. When a couple adopts, they can choose who takes adoption leave and who takes paternity leave. You must notify your employer of the date you plan to start your leave when matched with a child.

Statutory paternity pay (SPP) is also paid at a flat rate of £124.88 per week (or 90% of average weekly earnings if this is less) for two weeks. Paternity leave can be taken at anytime from the date of the child's placement for adoption and up to eight weeks after.

To qualify for SPP, your partner will need to have worked for his or her employer continuously for 26 weeks by the date on which you are notified that you have been matched with a child for adoption. They must also earn more than £97 per week on average. He or she must also give his or her employer notice of the day he or she wants the paternity leave to start.

Working tax credit and child tax credit

See above section in 'fostering' for a basic description of tax credits, which is a system of means-tested support for families with or without children, whether the parent(s) are working or not.

As a person adopting a child you will be entitled to support from the day you take up caring for the child, unless you are getting a fostering allowance from the local authority. Any adoption allowance is ignored as income.

Working tax credit does not extend as far up the income scale as CTC does, but it does contain help with certain types of child-care costs if parents are working.

You may claim working tax credit and child tax credit by phoning the Tax Credits helpline on 0845 300 3900 – see www.hmrc.gov.uk for further details.

Tax credits are usually based on your income in the **previous** tax year. When you adopt, your current income may drop, so you should ask HMRC to either adjust your existing award or base a new award on your current year income.

Child benefit

Child benefit can usually be paid to prospective adopters from the Monday following the date the child is placed with you, but not if you are getting a fostering allowance. Child benefit is a tax-free payment to you as the person with whom the child lives.

It is paid at the weekly rate of £20.30 for the first child in a family and £13.40 for subsequent children while the child is a dependant (i.e. up to 16 years of age, or up to 20th birthday if in full-time non-advanced education or training).

You can claim on a CH2 form available from your nearest tax or jobcentre plus office or the HMRC website - www.hmrc.gov.uk You will be asked to send the Adoption Certificate with the form but if you do not have this do not delay. Send it later and explain this on the form or on an accompanying letter.

Applications can be made to the Child Benefit Office (Washington), Newcastle upon Tyne, NE88 1BR 0845 302 1444 or on-line at www.hmrc.gov.uk

Disability living allowance (DLA)

See above section in 'fostering' for a basic description of DLA and our factsheet **extra money for children with a disability** available on www.hertsdirect.org/benefits

If you adopt a child with disabilities, you should consider claiming DLA. You can get an application form by telephoning 0800 882200 and asking for a DLA claim form for a person under 16 years of age.

If DLA is already in payment, it is important you contact the Disability Contact and Processing Unit to ensure they know the child is living with you, their address is:

Government Buildings
Warbreck House
Warbreck Hill
Blackpool FY2 0YJ

The benefit is usually paid to an adult with whom the child lives if he or she is under 16 years of age, so the DCPU will need to know that you wish to act as the child's appointee.

The county council's money advice unit can provide your social worker with further information and advice on this benefit and other benefits for children with a disability.

The payment of DLA is:

- tax free
- not means-tested
- not dependent on national insurance contributions
- paid on top of any social security benefits, tax credits or other income you may have and indeed can increase the amounts of some means-tested benefits such as CTC, housing benefit and council tax benefit.

There are other advantages to claiming DLA. For example if the higher rate of the mobility component is paid, you could be exempt from vehicle excise duty. If the middle or higher rate of the care component is paid, you may be entitled to claim carer's allowance.

Carer's allowance

If your child has disabilities and receives the middle or higher rate of the care component of disability living allowance, you or someone else may be able to claim carer's allowance. It is payable to anyone who cares for them for 35 hours a week, is not a full-time student, and earns under £100.00 net a week. Any adoption allowance you get does not count as earnings.

An application for carer's allowance can be made on a form available from your nearest jobcentre plus office or www.direct.gov.uk The carer's allowance unit is based at Palatine House, Lancaster Road, Preston, Lancashire, FY2 0YE. (01253 856123)

Income support, income-based jobseeker's allowance and income-related employment and support allowance

For new claimants these are 'adult-only' benefits, with support for children being paid as CTC. If you have been claiming either income support or jobseeker's allowance since before April 2004 your benefit may include extra premiums for any children you had before this time. Your benefit will continue to include these extra premiums until at least 2011 (or later) when these premiums will be phased out and existing claimants of IS/JSA will switch to child tax credit (see above).

Any adoption allowance will not affect income support/JSA if those benefits don't include elements for children. However, if your income support still includes an amount for children, your adoption allowance counts as income up to the level of that support. The rest is ignored.

From 26 October 2009 the list of people eligible to claim income support has been extended to include single claimants and lone parents who have a child placed with them by an adoption agency prior to adoption.

Pension credit

This is for people aged over the women's pension age. It contains no elements for children so you should be claiming child tax credit for any children (and working tax credit if still employed).

If you claim income support, jobseeker's allowance, tax credits, pension credit or, since 27th October 2008, employment and support allowance, and have had a child placed with you after April 2003, you should notify the tax credit office straight away to inform them that your family has changed and you are responsible for another child. You should then receive CTC.

It will usually be necessary to show you have the child living with you and you are responsible for him or her before CTC is paid. You should also claim child benefit (see above) but the two claims aren't linked.

Social Fund

If you are getting income support, income-based JSA or income-related employment and support allowance, or pension credit (guarantee or savings credit) you may also be able to access the social fund from jobcentre plus. This can offer loans and grants for one-off items that you might need for your adopted child. For more information see our social fund factsheet on www.hertsdirect.org/benefits

Housing and council tax benefit

You may be due help with rent and council tax once you have adopted a child, especially if your income has reduced as well. This help is means-tested and part of the adoption allowance will count as income (up to the level of the child's allowance within housing and council tax benefit). Apply to your district or borough council.

There are also 'discretionary housing payments' that can be paid by the council if you are only getting partial help with your rent or council tax. These could be paid if you have exceptional extra out-goings because of the adopted child for example.

Maternity grant

You may be able to get a sure start maternity payment of £500 if you have adopted a child under the age of 1.

You or your partner must get either income support, income-based jobseeker's allowance, income-related ESA, pension credit, working tax credit (which includes a disability or severe disability element) or child tax credit (at a rate greater than the family element) on the day that you claim the sure start maternity payment .

You must claim a sure start maternity payment within 3 months of the adoption order being made. You should claim on form SF100 from your local social security or jobcentre plus office or by phoning 0845 850 0032.

Health benefits

Whatever your income, you can get free prescriptions, NHS dental treatment and optical care for any child under 16 (or under 20 if still in non-advanced education).

You also get this help if you are getting income support, the guarantee credit part of pension credit, income-based JSA, income-related ESA or you are on a low income. You will also get full help with these if you receive one of the following:

- working tax credit **and** child tax credit, or
- working tax credit with a disability addition, or
- child tax credit (but are not eligible for working tax credit) **and** have an annual gross income of less than £15,276 per year

Under the Healthy Start scheme, children under 4 in low income families can receive fixed value vouchers that can be exchanged for milk, infant formula, fruit and vegetables. The families have to be receiving income support, income-based jobseeker's allowance or child tax credit with an annual family income of £16,190 or less. Details from 0845 607 6823

Child trust fund – (CTF)

HMRC will provide £250 to each person who claims child benefit for all children who were born on or after 1st September 2002. Payments will be made automatically in the form of a voucher. The voucher can then be used to open a Child Trust Fund Savings Account from one of a number of providers. Lower income families will receive a £500 voucher.

Additional amounts will be paid when the child reaches age 7. Family and friends may make additional contributions to the funds up to a maximum of £1,200 each year. The funds in the account are tax free, and will belong to the child, who cannot access them until they have reached the age of 18 (unless terminally ill).

However, no further payments will be made into child trust funds from January 2010. Payments will be reduced to £50 (from £250) and £100 for low-income families (from

£500) from August and stopped altogether from January 2011. Additional payments for 7 year olds will also end in August 2010.

As child benefit is not usually paid when a child is looked after by the local authority, HMRC will open up accounts for all eligible 'looked after' children. These children will have £500 credited to their account. Starting in April 2010, children who get any rate of DLA get an extra £100 a year, and those who get the higher rate of DLA care will get £200. These payments will also end in 2010, as part of the scaling-down of the CTF.

If you are getting child benefit for a child who is placed for adoption (but not yet adopted), you may receive the CTF voucher. You can't actually use it until the child is adopted. In the meantime, HMRC may select a suitable CTF account on the child's behalf.

If you adopt or have adopted a child who was born on or after 1st September 2002, it is important that the CTF account is traced. You can then take over management of the account, as you will have parental responsibility. More information is available from the Child Trust Fund Helpline on 0845 3021470 or www.childtrustfund.gov.uk

Other types of financial support

Residence orders

If informal carers (sometimes known as kinship carers) take out a residence order for a child who is not 'looked-after', CSF can pay them a discretionary residence order allowance.

However, most of each residence order allowance payment counts as income when certain means-tested benefits are claimed (such as income support, if that benefit still includes an allowance for children), so it is best to seek advice before agreeing to payment this way instead of under Section 17 (see below). But residence order allowances do **not** count as income when calculating WTC or CTC.

Children and young people who are living with people receiving a residence order allowance are considered, for benefit purposes, to be members of the family. Families will therefore be entitled to claim additional benefits for the child, such as child benefit and CTC. They can also include the child on any housing or council tax benefit claim. However, the residence order allowance will count as income, up to the level of the child's personal allowance within housing and council tax benefit. From April 2011, the allowance will be ignored as income for HB/CTB purposes. Residence order allowances are non-taxable and so don't count as income towards the foster care tax relief if you are also fostering a child.

Section 17 money

CSF have discretion to provide cash help in exceptional circumstances under Section 17 of the Children Act to help 'children in need'. They might use this power, for example, to help a family avoid disconnection or homelessness. It can also be used to help families who take-in someone else's child but who don't formally foster them. If the child is 'looked-after' then it becomes fostering.

Section 17 payments are completely ignored when tax liability, benefits or tax credits are calculated. A child who is living with someone who gets Section 17 money for them will be treated as part of that person's family for benefit purposes. This means that child benefit, child tax credit etc (and possibly extra housing and council tax benefit) will all be payable on top of the Section 17 money.

Special guardianship

Special guardianship was introduced to provide greater security for the child than long-term fostering offers, without the absolute legal severance from the birth family that stems from an adoption order. CSF cannot place a child for special guardianship. However, they can encourage existing foster carers to apply for a special guardianship order. Financial support can then be given at the discretion of CSF as a single payment to meet a one-off cost, or payments in instalments or at periodic intervals.

Because a child subject to special guardianship is no longer 'looked after' the carer can claim benefits such as child benefit and child tax credit for the child, as well as including them in housing and council tax benefit claims. Any financial help given by CSF to special guardians is disregarded when assessing the carer's tax liability or entitlement to tax credits, income support, income-based JSA or income-related ESA but is taken into account when housing and council tax benefit are calculated (up to the level of benefit allowed for that child, although this will cease to apply from April 2011, when the special guardianship allowance will be disregarded for those benefits also).

However CSF take into account any benefits or tax credits that are claimed when making their assessment of how much additional financial support to give.

Guardian's allowance (not to be confused with special guardianship)

This is an allowance paid by jobcentre plus to someone who looks after a child and satisfies one of the following rules:

- they are entitled to claim child benefit for the child and both of the child's parents are dead;
- one of the child's parents is dead and the claimant shows that they are unaware of the other parent's whereabouts;
- one of the child's parents is dead and the other is in prison (or detained in hospital) for more than two years.

Foster carers cannot claim this as they are not entitled to child benefit for fostered children. Prospective adopters receiving child benefit may be able to claim this for the child placed with them, prior to adoption. If they do qualify for this benefit before the adoption, payment can continue after the child has been adopted. Otherwise, adoptive parents cannot get this benefit (as they are considered to be the child's parents). It is currently worth £14.30 a week, paid in addition to child benefit

Disabled facilities grant (DFG)

The DFG is a grant which is administered by local councils for adaptations to property to meet the needs of people with disabilities. You may be able to get a grant of up to £30,000 but help is means-tested so a person in full-time work will often have to make a contribution. However, since 31st December 2005, there is no means-test where an

application for a DFG is made by the parent or guardian of a disabled child or young person.

Since 2 April 2001, foster carers have been able to apply for a DFG in the same way as natural and adoptive parents but they are usually required to certify that the child will live in the dwelling for a certain amount of time. To apply, contact the Children, Schools & Families Service (CSF) to ask for an Occupational Therapist to visit and make an assessment of the child's needs at your home. Please call 0300 123 4043.

Useful phone numbers and links

HM Revenue and Customs;

Newly Self-Employed Helpline: 0845 915 4515

Self-Employed Helpline: 0845 915 46 55

Tax Credits Helpline: 0845 300 39 00

www.hmrc.gov.uk/individuals/foster-carers.htm - foster care relief information

www.hmrc.gov.uk/taxcredits - tax credits information

Department for Work and Pensions:

Benefit Enquiry Line: 0800 882200

Child Benefit Centre: 0845 302 1444

Carer's Allowance Unit: 01772 899655

Disability Contact & Processing Unit: 0845 712 3456

Income Support/JSA/ESA 0800 055 6688

Social Fund 0845 8500 032

Citizens Advice Bureaux:

For details about your local Citizens Advice Bureau contact the Customer Services Centre at Hertfordshire County Council on 0300 123 4040 or

www.hertfordshirecab.org.uk

Community Legal Advice:

For legal help and information and details of other advice agencies in Hertfordshire, contact the Community Legal Advice helpline on 0845 345 4345 (Mon - Fri 9 am - 8 pm/Sat 9 am -12.30 pm)

www.communitylegaladvice.org.uk

This information is for guidance only and is not an authoritative statement of the law

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