Low Incomes Tax Reform Group
A voice for the unrepresented

Help to Save: consultation on implementation
Response from the Low Incomes Tax Reform Group (LITRG)

1 Executive Summary and recommendations

1.1 We welcome the proposed Help to Save scheme. This response puts forward constructive comments on the design and implementation of the scheme.

1.2 The tax status of the scheme is not mentioned. We strongly recommend that there is a specific exemption written into tax law to exclude both the government bonus and any interest on the accounts from income tax. (Para 3.2ff)

1.2.1 We recommend the Government looks at ways to help scheme participants in making contributions, for example by allowing them to direct part of their universal credit (UC) (e.g. managed through the online system) or working tax credit (WTC) into a Help to Save scheme before they receive it. Another option would be for employers to divert part of pay into Help to Save accounts. (Para 3.3ff)

1.3 Interactions with other savings schemes should be considered – for example, there must be clear guidance on the pros and cons of Help to Save compared to pension contributions. Indeed, the new bodies responsible for public financial guidance should consider offering individual guidance sessions on these issues, in a similar way to the Pension Wise scheme. (Para 3.4ff)

1.4 The eligibility criteria are not yet clear, particularly as regards what is meant by being ‘in receipt of’ the qualifying benefits, and how the scheme will operate for joint benefits claimants. We recommend that the Government consults early on the detail of this legislation when drafted. (Para 4.2ff)

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1.5 We recommend that the Government publishes an Equality Impact Assessment for consultation prior to implementation. We outline some equality concerns about the proposed eligibility criteria on grounds of sex, disability and age; and further recommend that the Government reconsiders the scheme parameters to be more inclusive. (Para 4.3ff)

1.6 We strongly recommend that the Government makes Help to Save a permanent offering, rather than limit it to five years. (Para 4.4.1)

1.7 One detail not consulted on is what happens to the scheme on death of an accountholder – we outline considerations such as the ability for a surviving spouse to 'inherit' an accrued savings limit (following the ISA model), and how the government bonus will be calculated on death. (Para 5.3ff)

1.8 There are various points to consider as regards access to accounts, particularly as amongst the target population there are likely to be serious and legitimate 'digital' barriers to overcome (Paras 6.1.4 and 9.2):

1.8.1 If telephone access to open and manage accounts is offered (and we suggest it should be) then this should be on a Freephone basis. (Para 6.1.4)

1.8.2 Many people will need face-to-face access, either through a branch of a bank or building society (in which case the multiple provider model might best achieve this), or perhaps assisted by JobCentre Plus staff. (Paras 8.2, 9.1 and 11.1.2)

1.8.3 Post Offices should be included as deposit takers for the scheme, as they provide valuable local banking services. (Para 6.1.5)

1.8.4 Consumers will need to be protected as far as possible from scams and the government administrator will have a role to play in monitoring and deterring such unscrupulous activity. (Paras 9.2 and 9.3)

1.9 The choice of government administrator for the scheme is not entirely clear. Oversight needs to be organised so as to take into account both DWP interest (from the UC eligibility viewpoint) and HM Revenue & Customs (HMRC) interest (from the WTC eligibility viewpoint, and compliance aspects – for example, monitoring duplicate account opening using National Insurance Numbers in a multiple provider model). (Para 7.1ff)

1.10 Account rules and administration need to be as simple as possible, therefore we favour (section 10):

1.10.1 The 'average balance' basis of calculating the government bonus;

1.10.2 For second term savings, continuing with the same provider or transferring without fee to another;

1.10.3 Having some ability to 'catch up' deposits if an earlier withdrawal has been made or if the full £50 has not been saved in earlier months;

1.10.4 Not discouraging potential savers, therefore having a much higher cap than the proposed £2,000 on prior savings (we suggest that it should be at least £6,000, which would align with the level at which 'tariff income' begins to be assessed in the benefits system); and making sure that savings within registered pension schemes do not count towards any such cap;

1.10.5 The Government encouraging savings by amending UC regulations such that anything set aside in a Help to Save account is disregarded capital.

1.11 Those eligible for Help to Save are unlikely to have much, if any, surplus income. There is therefore bound to be a tension, if not a clash, between Help to Save and automatic enrolment (para 3.4ff). This raises the question of how to communicate the pros and cons of each to potential savers – a leaflet or website guidance is unlikely to be sufficient to help them decide. We suggest that the new public financial guidance bodies assist, by offering individual sessions as they do for Pension Wise, for example.

1.12 We think there is a risk that Help to Save might encourage people to opt out from workplace pensions in favour of short term saving, which would be worrying. We suggest therefore that the Government monitors this very closely. (Para 10.5.3)

1.13 JobCentre Plus should play a significant role in encouraging take up of Help to Save, by advertising the scheme using posters and flyers and helping people to open accounts online. (Para 11.1ff)

1.13.1 For WTC claimants, HMRC should also promote the scheme. (Para 11.2)

2 About Us

2.1 The LITRG is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998 LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes. Everything we do is aimed at improving the tax and benefits experience of low income workers, pensioners, migrants, students, disabled people and carers.

2.2 LITRG works extensively with HMRC and other government departments, commenting on proposals and putting forward our own ideas for improving the system. Too often the tax and related welfare laws and administrative systems are not designed with the low-income user in mind and this often makes life difficult for those we try to help.

2.3 The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it – taxpayers, advisers and the authorities.

3 General comments and tax considerations

3.1 We welcome this consultation on the proposed Help to Save scheme. However, careful consideration of some of the details is still needed in order to make the scheme workable, accessible and as easy as possible for those eligible to participate in it.

3.2 ***Tax status of the scheme***

3.2.1 We are disappointed that there is no mention of the tax status of the scheme. **If interest is to be paid on the accounts (and indeed we would hope this is the case), we recommend that tax law includes a specific income tax exemption for this – and indeed to make clear that the 'Government bonus' is a tax-exempt receipt.** Perhaps the most obvious way of dealing with this is to give Help to Save accounts ISA status. This could also then mean that concerns over what happens on death (see heading 5.3 below) and compliance aspects of transferring accounts between providers in a multiple provider model could similarly be easily dealt with by alignment to the ISA regime.

3.2.2 Whilst the income might otherwise fall within individuals' 0% starting rate for savings band, or their personal savings allowance, it would be altogether simpler to have a specific exemption so that no calculations are necessary. This is particularly because the 0% starting rate for savings and the 'personal savings allowance' are difficult concepts to explain; so it would simply be better not to have to consider them at all.

3.3 ***Increased participation – direct deductions from pay or benefits***

3.3.1 We think that the scheme might have gone further in terms of ease of participation. Automatic enrolment for pensions has in its favour that deductions are taken from workers' pay, and what the worker has never had, arguably he does not miss. This might be one reason why pension savings rates amongst the self-employed are so poor, and why calls have been made to extend some form of automated pension saving scheme to them.

3.3.2 **We would therefore recommend that the Government considers how it could assist scheme participants in making contributions, for example by allowing them to direct part of their UC or WTC into a Help to Save scheme before they receive it. Another option would be to ask employers to assist, getting them to divert part of pay into Help to Save accounts.**

3.3.3 Any such diversion of income directly into a Help to Save account would be done on a voluntary basis. The UC online system could include an option to pay part of a claim into Help to Save, with flexibility to change the amount each month. This might be more difficult for employers to administer, but they could be given the option of voluntary participation – as they are, for example, with payroll giving schemes.[1]

[1] See https://www.gov.uk/payroll-giving

3.4 *Interaction with other savings vehicles – guidance*

3.4.1 To obtain maximum Help to Save take up, guidance will be key. The interaction with automatic enrolment for pensions needs to be considered, as many of the same workers eligible for Help to Save will have been (or will soon be) enrolled into a workplace pension scheme.

3.4.2 People will only have a finite amount they can afford to save (if anything at all). They may therefore be tempted to opt out of a workplace pension scheme in favour of the short term benefits of Help to Save. However, that could mean that eligible workers lose out on employer contributions, pensions tax relief and extra UC (by virtue of the fact that pension contributions are deductible from income in the UC calculation). Also, untouched pensions are not included in UC capital limits, whereas the suggestion in this consultation is that amounts saved under Help to Save will be counted as capital.

3.4.3 **We therefore recommend that there is clear guidance on the pros and cons of Help to Save as compared to pension contributions.** For this reason, we recommended in our recent response to the Public Financial Guidance consultation[1] that the new pensions body offer guidance on pension saving, not just the decumulation stage of pensions. Part of so doing will mean they need to consider interactions with other possible savings schemes. Furthermore, **we recommend that the new public financial guidance bodies consider offering individual guidance sessions – particularly comparing Help to Save with pensions –** as is currently offered under the Pension Wise scheme.

3.4.4 The interaction with credit unions also needs to be considered. Perhaps some credit unions may be able to offer Help to Save accounts, but care needs to be taken that Help to Save does not detract from the benefit that credit unions offer – for example, the ability for members and savers to also borrow sums. If low-income savers are attracted instead to the Help to Save scheme offered by other institutions, the credit unions' position could be weakened.

4 Scheme parameters

4.1 We note that the scheme parameters 'are not subject to consultation' (para 2.1 of the consultation document). Nevertheless, there are some points to consider and clarify in relation to those parameters.

[1] See paras 3.3 and 4.3.2: http://www.litrg.org.uk/latest-news/submissions/160608-public-financial-guidance

4.2 ***Terminology – 'in receipt of…'***

4.2.1 First, the scheme is said to be open to those '*in receipt of* Universal Credit… or *in receipt of* Working Tax Credit' (emphasis added in *italics*). Yet the consultation document does not expand on what this means.

4.2.2 It is not clear what 'in receipt of' means in this context. We assume that it means that the person must be receiving some payment of the respective benefit; but some people may be entitled to WTC but not actually receiving any payments. This could be because their income is too high so that their WTC award has been tapered away or it could be because they have an overpayment of tax credits that is being recovered and so their payments have been reduced to nil. In the latter situation – will they lose their ability to access this scheme?

4.2.3 Further, the position is unclear as regards joint claims. For WTC, where a couple makes a joint claim, WTC (other than the childcare element) is paid to the member of the couple who is engaged in qualifying remunerative work. If both members of a couple are in qualifying remunerative work they can choose who should receive payment (this choice can be made on the claim form). If the couple do not choose, HMRC will decide who the most appropriate person is in their view. The couple can elect for the other member to receive payment at any time by giving notice to HMRC that, as a result of a change of circumstances, they would like payment to go to the other partner.[1]

4.2.4 Is it intended that both parties to a joint claim for WTC can open a Help to Save account? Will they both have to be engaged in qualifying remunerative work?

4.2.5 There is also a potential issue around the childcare element of WTC. This element is part of WTC and so we presume that 'in receipt of Working Tax Credit' also includes the childcare element. However, normally the childcare element is paid to the main carer of the child/children and they may or may not be working.[2] This scenario will need some careful consideration as the Regulations are developed.

4.2.6 There are occasions where HMRC retrospectively remove WTC from a claimant, for various reasons. The rules will need to be clear whether access to Help to Save is affected in such cases or whether the requirement to be 'in receipt of' at the time of account opening is simply that, regardless of whether the claimant should not, in fact, have been in receipt of WTC.

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[1] We explain this on one of our websites, here: http://revenuebenefits.org.uk/tax-credits/guidance/how-do-tax-credits-work/payments/

[2] Normally, both members of the couple would need to be working at least 16 hours a week to qualify for WTC childcare support, but there are exceptions – for example, if one is: in hospital; in prison; entitled to carer's allowance; or incapacitated.

4.2.7 The eligibility criteria for 'individuals… *in receipt of* Universal Credit' is qualified further in that the consultation document says that they will have to have 'minimum household earnings equivalent to 16 hours at the National Living Wage'. Again, this requires clarification as regards joint claimants.

4.2.8 In a joint UC claim, both claimants nominate which claimant is to receive the payment (in some cases, DWP can split the payment or decide which of the joint claimants will receive the payment). So where there is a joint claim, is it only the member of the couple in receipt of payments that can open a Help to Save account? Yet the eligibility criteria refers to 'household income'.

4.2.9 Given the potential for complexity and confusion, **we recommend that the Government consult thoroughly on the legislation covering eligibility criteria**.

4.2.10 Furthermore, there is a risk of inequality (for example, if the majority of joint claims are paid to men and therefore female partners are unable to open a Help to Save account, this could arguably constitute indirect sex discrimination).

4.2.11 One suggestion to make matters easier for joint claimants is that it could be made possible to open a joint Help to Save account (for example, husband and wife). Where there are joint WTC or UC claims, it might then be easier to administer and establish eligibility – a joint Help to Save account could operate in a similar way to any other joint bank account. There could then potentially be double the savings limits applying to the account. The difficulty, however, with this suggestion is that issues would then arise if a couple were to separate. On balance, it is probably therefore better to work through the above issues such that an equitable system is established for individuals to open Help to Save accounts, with each member of a joint claim potentially being able to open an account.

4.3 ***Equality***

4.3.1 There is no mention in the consultation about an equalities impact assessment (EIA) having been done. **We recommend that the Government publishes an EIA for consultation prior to implementation of this scheme.**

4.3.2 The eligibility criteria may be considered discriminatory on a number of grounds, for example:

- Indirect sex discrimination, in the case of joint claims – as in para 4.2.10 above.
- Disability discrimination – as eligibility to open an account is predicated on receipt of minimum household earnings in UC cases, this could exclude those with limited capability for work and those with caring responsibilities from being able to participate in the scheme.
- Age discrimination – whilst the new pensions freedoms are welcome from the viewpoint of flexibility, they do mean that older people might take money out and use the money (for example to pay off debts) and then not have any savings left. If the Government's

intention is to encourage everyone to save and build up a 'buffer', there is no logical reason to confine the Help to Save scheme to those of working age.

4.3.3 **We recommend that the Government reconsiders the scheme eligibility criteria, with a view to them being more inclusive.** This will allow as many low-income people as possible to participate and build up a savings reserve.

4.4 ***Availability***

4.4.1 We are unclear why it is proposed that Help to Save will only be available to new applicants for five years from launch, as there will obviously still be a need to encourage and incentivise people to save thereafter. Furthermore, there are costs to the public purse to set up the scheme, so it seems illogical to limit the benefits. **We recommend that the Government does not put a five year limit on availability, rather that Help to Save becomes a permanent offering.** If the Government in five years' time were to review the scheme and decide that it is not working (for example, due to the potential conflict with automatic enrolment), it would be straightforward enough to decide then to stop taking new applications.

5 Question 1: Please provide any comments on the government's proposed approach for the operation of Help to Save accounts.

5.1 We welcome that the eligibility criteria will need only to be met at the time of account opening and that individuals will be able to continue saving under the scheme, including for a second two-year period.

5.2 We have already raised various detailed points above as regards the scheme parameters which need to be resolved as part of implementation.

5.3 ***Death of the account holder***

5.3.1 We note here one further omission from the consultation document: nothing is said of the status of the accounts on death – for instance, what happens to the potential accrued bonus in that case? Will there be similar provisions as there are for ISAs on death (for example, will a spouse or dependant be able to 'inherit' a Help to Save account from the deceased, without jeopardising their own ability to save into such an account?)

5.3.2 **We therefore recommend that careful consideration be given to what happens to accounts on death of the accountholder.** In particular, we would recommend (as we hope would be obvious) that there should be no loss of bonus and presumably any accrued bonus would be paid up to the date of death, if it is envisaged that the account would be closed on death of the holder.

5.3.3 As noted above, these (and other) problems might be most easily solved by bringing Help to Save within the ISA rules.

6 Question 2: Do you agree with the proposed principles for assessing options to implement Help to Save? Please provide any comments as appropriate.

6.1 We agree with the scheme principles, making the following comments on each:

6.1.1 'Simple to understand' – this is imperative, given the target population. We comment above (under heading 3.2) that any return on the accounts should be specifically exempted from tax. Putting in place such a tax exemption will aid the principle of simplicity – telling savers that their return is 'tax-free' sends a clear, simple message.

6.1.2 'Cost-effective' – the consultation documents discussions of minimising the administrative burden seems largely to focus on government and the account provider(s). We have suggested above (under heading 3.3) ways of making saving administratively easier for savers themselves – by diverting income into a savings account before the saver receives it.

6.1.3 'Targeted' – we agree with the proposals, though we think there is little risk of error and fraud if it is firstly made clear that individuals can only have one Help to Save account and secondly, that checks are made with HMRC, using personal data (National Insurance Numbers, date of birth, address etc), to verify this is the case. As regards targeting the eligible population, we have queried above (under headings 4.2 and 4.3) whether the definition of eligibility is yet clear enough and also whether it is too narrow, and potentially discriminatory.

6.1.4 'Accessible' – the key issue here is how to make these accounts equally accessible to all, regardless of location or personal circumstances. Top of the agenda should be considering digital exclusion, particularly if there is no ability to open accounts on the High Street (and in any case, many people – e.g. in rural areas – do not have ready access to a branch of any bank or building society). The logical approach, given the target market, is somehow to combine access to Help to Save with claimants' interviews with JobCentre Plus work coaches – we expand on this in answer to question 7 below (our section 11). **We recommend that if telephone access to open and manage accounts is offered, this should be on a Freephone basis.**

6.1.5 Further, **we recommend that Post Offices are included as deposit takers for the scheme.** They provide valuable banking service especially in rural areas, where even the local market towns have often lost their bank branches. And whilst the Post Office tends to be the public 'face' of NS&I, it could offer access to Help to Save whether a single or multiple provider model is chosen.

6.1.6 'Timely' – we assume that the short time period for this consultation (eight weeks rather than the 'standard' 12) is due to the Government wishing to launch accounts by April 2018. We agree with the intention to make them available as soon as possible, subject to ironing out the various points we have made on scheme parameters above. Although these are not intended to be subject to consultation, there are points of detail – for example those we raise concerning joint claimants of UC/WTC – that must be resolved prior to implementation. There must therefore be time to consult thoroughly on any primary or secondary legislation.

7 Question 3: The government welcomes stakeholders' views on the proposed information and reporting requirements under the multiple provider option.

7.1 ***Government administrator***

7.1.1 The consultation document refers repeatedly to the 'government administrator', but is not entirely clear as to which government department this will be. The only mention of it appears to be at para 4.1, where we are told that under a multiple provider model, it would be HMRC.

7.1.2 It strikes us that there are connections to be made here with the future proposals for public financial guidance. In recent consultation on that subject, LITRG argued in its response[1] that although the DWP is to have oversight over the new pensions body, HMRC should also have some form of oversight or at least be registered as having a significant interest. For Help to Save, **we similarly recommend that oversight of the scheme is organised so as to take into account both DWP interest (from the UC eligibility viewpoint) and HMRC interest (from the WTC eligibility viewpoint, and compliance aspects – for example, monitoring duplicate account opening using National Insurance Numbers in a multiple provider model).**

8 Question 4: Do stakeholders agree with the government's assessment of the option to deliver Help to Save accounts through multiple providers? Please provide additional comments as appropriate, including views on:

- **interest payments**
- **branch access**
- **account transfers**

8.1 We believe that there should be interest paid on these accounts, and that any return should be subject to a specific tax exemption.

8.2 A multiple provider model is likely to give the best coverage for eligible individuals to open accounts face-to-face, as a single provider model will not provide as widespread access on the High Street.

8.3 We see no reason not to allow transfer of account holdings – this could be tracked via the holder's National Insurance Number, as it is with ISAs.

[1] See http://www.litrg.org.uk/latest-news/submissions/160608-public-financial-guidance

9 Question 5: Do stakeholders agree with the government's assessment of the options to deliver Help to Save accounts through either a single in-house provider or a single private sector provider? Please provide additional comments as appropriate.

9.1 We think that a multiple provider model is preferable, as this is likely to give the greatest coverage of face-to-face access across the UK, benefiting the digitally excluded.

9.2 When we refer to digital exclusion, we know that it is not only *access* to the internet that is a barrier to online engagement; but also there are other issues – for example, trust and security.[1] This is not helped by the ever-present risk of people being 'scammed', by telephone or online. For example, in February this year, we highlighted the risk of people getting caught out by call diversion services when trying to telephone HMRC.[2] This affects people using a smartphone to search for a telephone number, possibly resulting in them dialling a premium rate line that puts them through to HMRC but at considerable cost.

9.3 Therefore, although we would prefer people to have means of accessing Help to Save face-to-face, if there is an online or telephone portal to set up an account, the government administrator will have a duty of care to consumers to monitor, and put a stop to, such unscrupulous activity.

10 Question 6: The government welcomes stakeholders' views on the detailed policy design issues set out in this section, including how best to:

- **calculate the government bonus**
- **deliver second term Help to Save accounts**
- **ensure an appropriate rollover of funds to successor accounts**
- **permit saving above the monthly limit**
- **target eligibility on people who do not already have significant savings**

10.1 ***Calculating the government bonus***

10.1.1 Whilst we agree there is some need to prevent deliberate 'recycling' of the same £50 a month, we think that some of the options outlined make for unnecessary complexity. For example, the ability to re-deposit previous withdrawals as outlined in (b) is likely to be unrealistic in many cases – for example for the saver who needed to make an urgent withdrawal to fund repair or replacement of a broken down appliance or car.

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[1] We researched digital exclusion issues in our 2012 report – http://www.litrg.org.uk/latest-news/reports/120509-digital-exclusion-litrg-report, with similar findings in research conducted over the last year, but on which we have not yet published our report.

[2] See our article: http://www.litrg.org.uk/latest-news/news/160210-don%E2%80%99t-get-caught-out-fake-hmrc-phone-numbers

10.1.2 Option (d) – crystallising the bonus every six months, would suggest that the individual has the ability to plan when they would need to make a withdrawal. With the target low-income audience in mind, this is simply not the case – if the washing machine breaks down in month 4, they cannot wait until month 7 to withdraw the money to replace it. Indeed, such a stipulation might be counter-productive and actually encourage people into more debt – if, for example, they fear they will 'lose out' by taking money out before six months, they might be tempted into expensive short-term borrowing instead.

10.1.3 For that reason, it would seem most simple and equitable to work on the 'average balance' basis – option c.

10.2 ***Second term Help to Save accounts***

10.2.1 We think that closing and re-opening accounts is daunting and unnecessarily complicated. We would therefore suggest keep the process as simple as possible, ie continuing with the same provider or transferring without fee to another.

10.3 ***Ensuring an appropriate rollover of funds to successor accounts***

10.3.1 We only reiterate here our above comments that there does not appear to be any consideration in the consultation document of what happens to Help to Save accounts on the death of the accountholder.

10.4 ***Permit saving above the monthly limit***

10.4.1 We would suggest there should be some ability to 'catch up' deposits if an earlier withdrawal has been made, or if deposits below the maximum have been made in earlier months. The saver could simply be allowed to save above £50 a month until the earlier withdrawal, or shortfall from previous months, has been deposited.

10.5 ***Targeting eligibility on people who do not already have significant savings***

10.5.1 **The £2,000 cap on prior savings in order to be able to access Help to Save is too low, and we recommend that this is increased at least to £6,000.** We see no reason to discourage savings in this way, particularly as £2,000 (whilst a welcome sum to have set aside) is hardly 'significant savings', and the benefits system itself recognises as much by not assessing tariff income on capital below £6,000. Further, it should be made clear what is included within the cap. Arguably, it should exclude funds held in registered pension schemes (regardless of whether or not the individual has past the age at which they could in theory access their pension savings, currently 55 for most people), as these are not included in the capital limit for UC.

10.5.2 **We also recommend that the government considers encouraging take up of the scheme by amending the UC regulations to disregard any monies held in a Help to Save scheme from the capital assessment.** This could truly encourage regular saving, without fear that this will then give rise to loss of other support.

10.5.3 **We also recommend that the impact of Help to Save on automatic enrolment is monitored.** If, for example, there is an increase in opt-out rates from workplace pensions soon after Help to Save is introduced, the government might wish to consider the resulting longer term impacts.

11 Question 7: The government welcomes stakeholders' views on options to promote take-up and awareness of Help to Save accounts, including on the role of intermediaries and opportunities to harness insights from behavioural science.

11.1 *JobCentre Plus*

11.1.1 We understand that UC claimants will have regular contact with their JobCentre. Whilst appreciating that such staff will have many demands on their time, **we recommend that JobCentre Plus plays a significant role in encouraging take up of Help to Save.**

11.1.2 For example, they could assist people with setting up an account online (particularly those who are themselves digitally excluded, or lack the confidence to deal with financial matters online). They could also promote the accounts, raising awareness amongst eligible claimants of UC. We would hope that some general advertising of the scheme would be done in JobCentres – for example, posters on the wall to attract attention, with flyers to take away.

11.1.3 We also reiterate our comments at under heading 3.3 above, suggesting that a good way of encouraging take up would be to offer claimants the ability to set up an account and have money paid in direct, out of their UC. With the correct functionality in the software, the payments could even be varied each month – for example, if the claimant knows they have a large bill in one month, they could stop or reduce their Help to Save payment. This could in turn help to encourage people to budget in advance.

11.2 *HMRC*

11.2.1 **For WTC claimants, we recommend that HMRC should also promote the scheme**. For example, they could include a message in the tax credits online system when renewals are processed; or include a flyer about the scheme with renewal packs/postal statements.

LITRG
11 July 2016