

Unpaid Carers
Response from the Low Incomes Tax Reform Group (LITRG)

1. Executive summary

- 1.1. We welcome the opportunity to respond to this consultation. We do so as tax specialists with particular interest and expertise in the tax and related welfare problems of those on low incomes and other vulnerable groups, including carers.
- 1.2. In general, we think that more should and could be done to support unpaid carers, however we write this response with a particular aspect in mind – their finances (and associated considerations) and the impact of tax, National Insurance and benefits administration and policy on them.
- 1.3. People who look after others, make a vital contribution to society. However, for them, the consequences of caring can be quite devastating on their finances. They may have had to give up full time work, or work altogether to undertake their caring duties. They may find that they need to pay for extra equipment or medical costs or spend lots of money on travel, especially if they do not live with the person they care for. All of this can put a considerable strain on their finances, causing hardship, stress and may even result in debt.
- 1.4. In our view, better supporting carers with their finances is not necessarily all about hard cash and radical reform, it is about making life easier for them by ironing out wrinkles in the system and shoring up the support that is already there.
- 1.5. The bulk of our comments are confined to recommending changes to those parts of the system within the remit of our work and that currently seem to act against the carer. We think our suggestions are realistic and achievable and could make a real difference relatively quickly and easily. They include:

- **Raising awareness of the fact that Carer's Allowance is taxable and how tax is collected, for example by stating it clearly in the award letter with some worked examples.**
- **Amending the wording on the starter checklist to make it clear that Carer's Allowance is a taxable benefit.**
- **Giving a P60 type statement of the taxable amount of Carer's Allowance at year end.**
- **Relaxing the window of opportunity to claim Carer's Credit and making the credits Class 1 rather than Class 3 credits.**
- **Developing an online application form for Carer's Credit.**
- **Raise the earning threshold for Carer's Allowance automatically with the uprating of the minimum wage, giving more carers the opportunity to work part-time and still be eligible for Carer's Allowance.**
- **Improving the guidance on GOV.UK about rights and protections for carers – in particular the guidance to do with the availability of a council tax discount to certain live-in carers – this is currently abridged to such an extent that it is misleading.**
- **Encouraging those who have not done so already to apply for a backdated council tax discount where relevant.**
- **Ensuring that HMRC treat any 'strengthened self-employment' test tax credit cases involving carers sympathetically, taking account of the fact there may be particular circumstances to consider.**
- **Ensure appropriate training and guidance, with input from specialist external organisations, such as carer's charities, is given to staff who are going to be taking on the role of key decision makers when assessing carers work capability under Universal Credit (UC).**

1.6. These are all small, practical measures that could be taken within the current framework that could without doubt improve a carer's financial position, give them peace of mind and help make them feel a valued part of the system. While we recognise this is not necessarily within the Department for Health's remit, we think public organisations, including the Department for Health, HM Revenue & Customs (HMRC) and the Department for Work and Pensions (DWP) should work together to bring about these essential changes.

1.7. Finally, whilst the focus of the consultation is unpaid carers, many such carers are dependent on paid carers to provide replacement care so they can go out to work, for example. Yet they may feel unable or unwilling to rely on care workers who may be demoralised and demotivated. There are several improvements that could be made to the positions of paid care workers that would in turn, have a positive impact on unpaid carers, such as dealing

with the problematic issue of travel time for minimum wage purposes and the unfortunate knock on effect this can and very often does have on the care worker's tax credits.

2. Who we are

- 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

- 3.1. People who look after family members or friends because of long-term ill health or disability, or care needs related to being elderly make a vital contribution to society. However for them, the consequences of being a carer can be devastating on their finances. Through carers contacting us via our website for help and advice, and through our understanding and experiences of the system in general, we have some insight into their needs and concerns and know that problems can occur for carers in relation to five primary areas that lie within our area of interest and expertise:
 - i) Carer's Allowance and Income Tax (Section 4)
 - ii) Carers Credit and National Insurance contributions (Section 5)
 - iii) Council Tax (Section 6)
 - iv) National Minimum Wage (NMW) interaction with Carer's Allowance and tax credits (Section 7)
 - v) tax credits/Universal Credit (Section 8).
- 3.2. We think our suggestions are realistic and achievable and could make a real difference relatively quickly and easily.

4. Carer's Allowance and Income Tax

- 4.1. Carer's Allowance is the main welfare benefit for carers and is payable at £62.10 per week (2016/17). Although Carer's Allowance is taxable, the DWP do not operate Pay As You Earn (PAYE) on Carer's Allowance. This causes widespread misunderstanding.
- 4.2. On its own, Carer's Allowance is below the threshold for paying tax (£11,000 for most people in 2016/17, which works out at about £212 per week or £917 per month). However where other sources of taxable income (such as from work or investment for example) PLUS the Carer's Allowance, mean that the £11,000 threshold is breached, then the carer will have to pay tax on it.
- 4.3. The way tax is paid on Carer's Allowance depends on what other sources of income the person has. If they have a source of income where tax is collected under the PAYE system, like employment income, then HMRC will ask their employer to collect any tax due on their Carer's Allowance at the same time. They do this by adjusting their tax code to take account of the benefit.
- 4.4. Collecting tax on Carer's Allowance via tax on another source of income can lead to confusion if the person does not understand why the tax taken from the other source of income is higher than expected. In any case, the PAYE coding facility does not always work well. Codes can be fiendishly complicated to understand and check and because tax can only be collected on an estimated basis this can mean that you may not have paid the right tax overall by the end of the tax year.
- 4.5. **Recommendation: Ideally, DWP should operate PAYE on Carer's Allowance. Failing that, more should be done to raise awareness of the fact that Carer's Allowance is taxable and how tax is collected, for example by stating it clearly in the award letter with some worked examples.**
- 4.6. Carers who are attempting to enter or re-enter the work force, face another challenge too. When they accept a new job yet do not have a P45 from their previous employment to give to their new employer, they need to help their new employer understand what tax code to use by completing a starter checklist.¹
- 4.7. The employee is asked which statement applies to them:
 - This is their **first** job since last 6 April and they **have not** been receiving taxable Jobseeker's Allowance, Employment and Support Allowance, taxable Incapacity Benefit, state pension or occupational pension.
 - This is their **only** job, but since last 6 April they have had another job, or have received taxable jobseeker's allowance, employment and support allowance or taxable incapacity benefit. They do not receive state or occupational pension.

¹ <https://www.gov.uk/government/publications/payee-starter-checklist>

- They have another job or receive a state or occupational pension

4.8. As stated above, Carers Allowance is a taxable benefit – but it is not specifically mentioned alongside the other taxable benefits listed in the starter checklist. This can lead carers to tick box A rather than box B and thus have the wrong type of ‘emergency’ tax code applied until HMRC get around to issuing a proper code. The effect of this is best examined by way of an example:

4.9. **Example**

Ann looks after her elderly mum who has dementia. She is in receipt of Carer’s Allowance of £62.10 per week until September 2016 when Ann’s brother takes over the bulk of Ann’s caring duties so that Ann can return to work. Her new job pays her £2,000 a month. Ann completes the starter checklist and certifies that this is her first job (in the 2016/17 tax year) and that she has not been receiving any of the state benefits listed on the starter checklist.

As a result of Ann ticking box A, Ann’s new employer will operate the standard tax code (1100L – giving Ann the full personal allowance of £11,000) on a cumulative basis. This means that Ann will get the benefit of any unused personal allowance from the beginning of the tax year to set against her employment earnings. It is only towards the end of the tax year that HMRC realise that Ann had some Carer’s Allowance to code in but it is too late to make an adjustment to that year’s tax code. This means that Ann will receive a P800 tax calculation that shows an unexpected and unwelcome amount of tax due of £322.92.²

If the starter checklist had included Carer’s Allowance alongside jobseeker’s allowance, employment and support allowance, taxable incapacity benefit and state pension, we can see that Ann would likely have ticked box B. This means that Ann’s employer would have instead used the standard code operated on a week 1/month 1 basis, i.e. not cumulatively. Ann would not have been given the unused amount of personal allowance from the earlier part of the year and the underpayment situation would have been avoided (indeed, she would probably find herself in a refund position).

4.10. **Recommendation: HMRC should amend the wording on the starter checklist to make it clear that Carer’s Allowance is a taxable benefit.**

² Calculated as follows:

Employment income (£2,000 x 7)	£14,000
Carer’s Allowance	<u>£1,614.60</u>
Total	£15,614.60
Personal Allowance	(£11,000)
Taxable income	£4,614.60
Tax due	<u>£922.92</u>
Tax paid under PAYE	(£600)
Tax due	£322.92

- 4.11. For those that do not have a source of income where tax is collected under the PAYE system, tax will need to be paid on their Carer's Allowance via the self-assessment system. This could mean having to file a tax return for the first time – leading to problems in its own right (not to mention potentially only to pay a small amount of tax). Carer's Allowance would, of course, need to be included as a taxable source of income, however we could envisage situations where confusion over the taxable status mean people leave it out. We also think that the fact it is paid weekly rather than monthly could make it difficult to arrive at the correct annual amount to enter for a particular tax year (for example in years where there are 53 rather than 52 'weeks').
- 4.12. We have recently seen increasing examples of penalties for incorrect tax returns and so reducing the opportunity for errors and underpayments by carers is more important than ever.
- 4.13. **Recommendation: DWP could give a P60 type statement of the taxable amount at year end, giving carer's an accurate figure to enter into their tax returns.**

5. Carer's Credit and National Insurance contributions

- 5.1. A good National Insurance contributions (NIC) record is important for accessing the state pension and contributions based benefits system. For example, if you reach state pension age on or after 6 April 2016, you will need 35 qualifying years' worth of contributions to get the full amount (you should be able to get a pro-rata amount provided you have at least ten qualifying years).³ Many carers will miss out on qualifying years if they have given up work or have low level earnings in order to look after someone.
- 5.2. Saying that, help is available to plug any gaps in a carer's NIC record in the form of 'credits'. There are two ways that you can get credits for your National Insurance record as a carer:
- 5.3. **By claiming Carer's Allowance** – For every week that you receive Carer's Allowance, an automatic Class 1 contribution or 'credit' will be made to your National Insurance record equal to 1/52th of the amount that is needed to make a qualifying year that year.
- 5.4. Carer's Allowance gives entitlement to Class 1 National Insurance credits which can count towards contribution based jobseeker's allowance, contribution based employment and support allowance, maternity allowance, bereavement benefits as well as the basic and additional state retirement pensions
- 5.5. **By claiming a Carer's Credit** – a National Insurance credit for carers who do not receive Carer's Allowance. However, is not automatic and you have to apply for these credits.

³ Any tax year where you receive a minimum amount of earnings or credits can be a qualifying year. The 2016/17 tax year could be 'banked' as a qualifying year provided you have earned the equivalent of 52 x £112 (this amount is known as the Lower Earnings Limit) – total £5,824

- 5.6. It is possible to backdate a claim for Carer's Credit – although this is not made clear on GOV.UK.⁴ The earliest you can ask Carer's Credit to start from, is the start of the last full tax year.⁵ These backdating rules are not generous in the context of carers.
- 5.7. Many unpaid carers struggle on for years devoted to the task in front of them with little thought given to their own circumstances. It is fair to say that their National Insurance record is probably not their priority. It may only be when their family member or friend goes into residential care or dies that they can finally pay attention to their own situation, by which time it may be too late to plug all the gaps that they need to with Carer's Credit. Class 3 voluntary NIC may be an option, as you can backdate this going back up to six years, however this is expensive – £14.10 per week in 2016/17.
- 5.8. **Recommendation: The backdating rules should be relaxed – perhaps allowing a similar window of six years as exists for voluntary contributions. In addition, we think that more should be done to communicate with carers about the credits system at an early stage, remembering that they may not be actively seeking out this information.**
- 5.9. Carer's Credit only gives Class 3 National Insurance credits, whereas if you are claiming Carer's Allowance you will be credited with Class 1 National Insurance credits. Both Class 1 and Class 3 credits count towards the basic and additional state pension and bereavement benefits, however Class 1 credits also count towards contribution based jobseeker's allowance, contribution based employment and support allowance and maternity allowance, whereas Class 3 do not.
- 5.10. This seems unfair – those on Jobseekers Allowance receive Class 1 credits and there is an argument that unpaid carers deserve to have their contributions record protected to the same extent as an unemployed person.
- 5.11. **Recommendation: Carer's Credit should give Class 1 credits, rather than Class 3, bringing into line with those receiving Carer's Allowance and Jobseekers Allowance.**
- 5.12. Finally, it is worth saying that a few years ago, we saw a rationalised, easy to use, online application form being rolled out for Carer's Allowance applications.⁶ The communication that accompanied the announcement contained the following statement: 'You can now apply for Carer's Allowance using a simple online service... Carer's Allowance is a benefit that's provided to people who are really deserving in society. These are people who are looking after friends and family that are very ill, in some cases terminally ill, and it's providing them with an income to help support the cost of caring for that individual. When having to deal with all these problems and all the other strife that's going on in their lives, being able to claim Carer's Allowance should be the least of their worries.'

⁴ <https://www.gov.uk/carers-credit/overview>

⁵ For example, if you complete the application form at some point during the 2016/17 tax year, the earliest date you can ask for your Carer's Credit to start from would be 06/04/2015

⁶ <https://gds.blog.gov.uk/2014/11/28/simpler-carers-allowance-digital-service-now-live/>

5.13. It seems to us that this same sentiment could apply to those who claim Carer's Credit however currently their only option is an 8 page paper application form.

5.14. **Recommendation: Carer's Credit should be available to claim online as well as well as paper.**

6. Carer's Allowance and the minimum wage

6.1. One of conditions to be met in order to get Carer's Allowance is that your earnings *after allowable deductions* must be no more than £110 per week.

6.2. Prior to April 2016, someone aged 25 or over working 16 hours on the NMW earned £107.20 per week. However, from April 2016, which saw the minimum wage for those aged 25 or over increase from £6.70 to £7.20 per hour, this person will have earnings of £115.20 per week.

6.3. While the higher minimum wage rate is good news for many, those claiming Carer's Allowance and working 16 hours are at risk of losing all of their Carer's Allowance. Of course, a person in this position could cut their hours so that they still qualify, however depending on their circumstances, cutting their hours to below 16 could mean they no longer qualify for another vital strand of financial support – working tax credit (WTC).

6.4. As mentioned above, there are different deductions⁷ that can be made from earnings to help a person retain Carer's Allowance payments without having to cut their hours. One of the deductions is 'an expense that is not repaid to an employee by the employer if it is incurred in the performance of the duties of the employment and is wholly, exclusively and necessarily incurred' – the type of expenses that qualify, such as professional subscriptions and specialist clothing are also deductible for income tax purposes and in our experience, are quite commonly incurred.

6.5. Being aware of the 'employment expense' rule may give more people the opportunity to work part time and still qualify for Carer's Allowance, however no mention is made of this rule on GOV.UK.⁸ Further, we recognise that the problematic minimum wage interaction will still affect many – causing them a significant loss of income and even facing the choice between giving up work or losing their benefits.

⁷ The full list of deductions include:

- Income tax and NIC
- Half of any contributions that you make into a work or personal pension.
- An expense that is not repaid to an employee by the employer if it is incurred in the performance of the duties of the employment and is wholly, exclusively and necessarily incurred (in that same way that they are deductible for income tax purposes).
- You can also take off up to half of your earnings (after the above deductions if they apply) for amounts you pay to someone to look after either a child under 16 who you or your partner get child benefit for, or the person you are the carer for, when you are at work (so long as you pay someone other than a close relative)

⁸ <https://www.gov.uk/carers-allowance/eligibility>

6.6. **Recommendation: The earnings threshold for Carer's Allowance should be increased automatically with the uprating of the minimum wage each year.**

7. Council tax

7.1. We understand that carers are often not aware of their welfare benefit entitlements and in particular the Council Tax discount available for live in carers.

7.2. Council tax bills are generally based on the assumption that there are at least two adults living in the property. However, if only one person or no-one lives in the property (or it is treated as such) a discount can be applied to the bill.

7.3. Certain categories of people are 'disregarded' (treated as not living in the property) when it comes to calculating council tax including carers in certain circumstances. If, after taking into account disregarded people, there is only one resident in the property who would 'count' for council tax, a 25% discount is applied to the bill. If, after taking into account disregarded people, there are no residents who would 'count' for council tax a 50% discount is applied to the bill.

7.4. On the basis the average Band D council tax in 2015-16 was £1,484, even a 25% discount can be valuable to unpaid carers. However, the information on GOV.UK about this important concession is so abridged that it is misleading. It says:

*'People who are severely mentally impaired, and live-in carers who aren't family members, aren't included when working out Council Tax.'*⁹

7.5. This explanation is incorrect – not all family members are precluded. If you follow the 'aren't included' link then this brings you to a qualification of the phrase 'family members' ('live-in carers who look after someone who isn't their partner, spouse or child') but this is still an oversimplification. In actual fact what the law says is: You must not be the spouse or partner of the person you care for, or their parent if you care for a child under 18 - which is very different.¹⁰

7.6. **Example**

Jerome spends 35 hours a week looking after his 29-year-old son Andrew who has severe multiple sclerosis and receives the highest care component of disability living allowance.

In reality, Jerome can be disregarded as a carer, meaning there would be one resident considered to be living in the property (Andrew), and therefore a 25% discount would be applied to the council tax bill.

⁹ <https://www.gov.uk/council-tax/discounts-for-disabled-people>

¹⁰ <http://www.legislation.gov.uk/ukxi/1992/552/schedule/made>

However Jerome looks on GOV.UK and sees that 'People who are severely mentally impaired, and live-in carers who aren't family members, aren't included when working out Council Tax'. As he is a family member of Andrew he thinks he cannot be disregarded so he does not apply for a discount.

7.7. There is a much wider class of carers that can claim a council tax discount than GOV.UK makes out. This leaves us with the very worrying possibility that a good number may not been claiming an entitlement that could have really have made a difference to their financial positions.

7.8. **Recommendation: A theme running through this response is the inadequacy of information to help support carers on GOV.UK and improvements throughout need to be made. More specifically, we think the GOV.UK council tax guidance needs to be amended on an urgent basis.**

In addition, and based on our understanding that there is no limit to how far a discount can be backdated,¹¹ we think that an awareness raising programme should be undertaken to encourage those affected to ask for the reduction to be backdated to the date the qualifying conditions were met.

8. Tax credits/Universal Credit

8.1. Tax credits

8.1.1. It is probably not controversial to say that the tax credit system does not offer that much support to unpaid carers.

8.1.2. For the purpose of this response however, we would like to focus on the introduction of the strengthened self-employment test. This has been introduced from April 2015 in a bid to prevent bogus self-employment within the tax credits system – an aim we would support, but for the fact that it may well make life more difficult for carers whose work is via self-employment, rather than employment.

8.1.3. For claims prior to April 2015, there was no restriction on claiming WTC for people who were self-employed, providing the work was done for payment, or in expectation of payment, and they met the remunerative work conditions. For claims from 6 April 2015 onwards, all new claimants who are using self-employed work to meet the qualifying remunerative work test for WTC must show that they are trading on a commercial basis and their business is done

¹¹ <http://www.legislation.gov.uk/ukpga/1992/14/section/11>

with a view to achieving profits. The self-employment should also be structured, regular and ongoing.¹²

- 8.1.4. The way HMRC are applying the test is that for claims where the income from self-employment provides an hourly rate at least equivalent to the NMW for a given number of hours a week, they will consider that the test is passed and where the income is less than that, they are likely to ask for additional information to support the claim. The evidence asked for may include things such as business plans. Claimants may lose their WTC if they cannot provide the evidence.
- 8.1.5. HMRC are also now gradually checking existing claims to see if those claimants also meet the new test.
- 8.1.6. The impact of this new test on carers is concerning to us. Many carers may be self-employed as it offers them the flexibility that they need around their caring duties. Yet they may be less 'efficient' than they could be if they are constantly having to deal with interruptions etc. which means that they may well fail the 'minimum wage' test. In addition, there has been a lack of publicity surrounding the change and many will just not have the necessary evidence, such as business plans, to prove to HMRC they are trading commercially.
- 8.1.7. Recommendation: HMRC should treat any cases involving carers sympathetically, taking account of the fact there may be particular circumstances to consider.**

8.2. *Universal Credit*

- 8.2.1. Tax credits are due to be phased out over the next few years and replaced by UC.
- 8.2.2. Carer's Allowance is 'unearned income' for UC meaning a person's UC award is abated pound for pound. However, UC includes a carer element to support carers on a low income who provide care for at least 35 hours per week for a severely disabled person. This element will be paid in addition to the claimant's standard UC entitlement meaning that carers can receive a higher rate of UC than other recipients.
- 8.2.3. In addition, if you receive CA, you may have adjusted work related requirements.¹³ You can have no work-related requirements if:

¹² <https://www.gov.uk/government/publications/revenue-and-customs-brief-7-2015-new-rules-for-the-self-employed-claiming-working-tax-credit>

¹³ There are four types of work-related requirements:

- **'no work-related requirements group'** – you do not have to do any activities to prepare or look for work.
- **'work-focused interview group'** – you have to go to regular interviews with your work coach at the Jobcentre to get support with preparing for work in the future. You won't have to look for work, be available for work or prepare for work now.
- **'work preparation group'** – you have to do activities to prepare for work, e.g. attend training, do some work experience, write a CV, go to interviews with your work coach at the Jobcentre to help you find or stay in work. You won't have to actually search for work or be available for work.

- You have ‘regular and substantial caring responsibilities for a severely disabled person’ or
- If you have caring responsibilities for one or more ‘severely disabled people’ for at least 35 hours a week, but do not satisfy the qualifying conditions for Carer’s Allowance, providing the decision maker is satisfied that it would be unreasonable for you to meet a work search requirement and a work availability requirement.

8.2.4. Whilst this is good news for those carers that meet the above conditions, carers who fall outside of these conditions (such as those caring for less than 35 hours per week and those caring for someone who is not ‘severely disabled’) will have some work-related requirements unless the decision maker decides that there are special circumstances which would mean it would be unreasonable for them to have to meet these requirements

8.2.5. The prospect of carers having to rely on the judgement of UC decision makers when having their ability to work assessed is worrying, as they may not have the expertise and understanding to discharge the task assigned to them.

8.2.6. Recommendation: Ensure appropriate training and guidance, with input from specialist external organisations, such as carer’s charities, is given to staff who are going to be taking on the role of key decision makers.

9. Final thoughts

9.1. The task that unpaid carers face can often be linked to the support provided by the social care system. Unpaid carers may be dependent on paid care workers to provide replacement care – so that they can go out to work for example, or just have a few days off. Yet they may feel unable or unwilling to rely on care workers who may be demoralised and demotivated.

9.2. Many of the issues around paid care workers are very complex. However, some of the things that could help are actually very straightforward, such as dealing with the problematic issue of travel time for minimum wage purposes.

9.3. The NMW Regulations require that ‘working time’ is paid at the NMW or above over a pay reference period, e.g. a week or a month. In the case of care workers, ‘working time’ effectively means the time they spend in the client’s home (‘contact time’) and the time spent travelling between their different clients during the day. Many workers are paid an hourly rate solely by reference to their contact time. As a general principle, it is *not unlawful* for care workers to be paid by reference solely to their ‘contact time’, so long as the total pay averages out at or above the NMW once travel time is factored in (and taking account of out-of-pocket expenses, including vehicle mileage). However, this unpaid travel time leads to

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- **‘all work-related requirements group’** – you have to do all you can to find a job or a higher paid job. This includes looking for jobs, applying for jobs, going to interviews, etc. You have to be ready and available to take up work straight away.

difficulties where they are claiming WTC¹⁴ which requires the claimant to undertake a minimum number of hours each week of 'qualifying remunerative work' which must be done 'for payment or in expectation of payment'.

- 9.4. Moreover, the NMW legislation does not cover travel between home and place of work under any circumstances, which places 'itinerant' workers like care workers in an impossible position. Demand for home care usually centres around mornings, lunchtime and evenings, with periods of inactivity in between. However, journeys home in those long gaps between client appointments do not need to be paid for, neither do connected out of pocket expenses like petrol. 'Gappy' rotas can therefore leave care workers in miserable situations.
- 9.5. These rules let down care workers and so, in turn, unpaid carers who rely on them. In our view a care workers' client contact time, travel between visits, and travel times between home and work (and their costs thereof) all need to be taken into account for minimum age purposes.
- 9.6. **Recommendation: We would urge, at the very least, a review of the minimum wage framework as it relates to care workers in due course.**
- 9.7. With an ageing population and increasing levels of ill health, unpaid carers are going to become more important than ever to society and the health and care system. We trust we have demonstrated that there are many simple things that could be done to improve their financial positions (and wellbeing in general) and that the relevant public organisations, including the Department for Health, HMRC and the DWP will work together to bring about these changes.
- 9.8. We are very happy to discuss any aspect of our comments and to take part in any further consultations on this area.

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¹⁴ To be entitled to WTC, the claimant needs to work a minimum number of hours in remunerative work. Where the employer does not pay them directly for their travel time (even if their overall remuneration at least equals the NMW) the claimant's weekly *remunerative* hours may be insufficient to meet the minimum WTC requirement.