

# Social Security (Scotland) Bill: LITRG respond to call for evidence

## General Features

01 October 2017

Control of a number of existing social security benefits is being passed from the UK Government to the Scottish Government and the Social Security (Scotland) Bill provides a framework for the creation of the Scottish social security system to deal with these benefits.

LITRG's response discusses the decision to leave most of the detail to regulations, the proposed claimant's charter, the recovery of overpayments of benefit and the tax/benefit interactions relating to the top-up of reserved benefits and the creation of a temporary carer's supplementary payment.

We welcome the decision to give the claimant charter statutory backing, but based on our experience of the HMRC Charter we pointed out that the success of the Charter depends on the ability of claimants to enforce it. We recommended that the Charter itself include the right of redress if the principles are not upheld by the body responsible. The Charter should also be given prominence in all communications with claimants.

One of the powers devolved to the Scottish Government is the ability to top-up UK benefits. Where this happens, it is important that thought is given to the tax treatment of these payments and to their interaction with other benefits and tax credits, otherwise the full value of any top-up may be lost.

The Scottish Government has committed to increasing the level of carer's allowance to the level of Jobseeker's Allowance. However, the powers to do this are not yet available and so in the interim the Bill contains a provision that allows a carer's allowance supplementary payment to be paid twice a year. Carer's allowance is a taxable benefit and therefore thought will need to be given to the tax status of these temporary payments. This in turn is likely to dictate whether the top-up is income for

tax credits and possibly other benefits. The status of these payments must be clearly communicated to claimants so they can meet their tax and benefit obligations.