



Thousands of working age carers discouraged from working due to stringent Carer's Allowance rules

- **Seven in 10 (72%) in receipt of Carer's Allowance not in paid employment**
- **One in six (16%) do work but more likely to be in low-wage jobs**
- **Care system forcing people – mainly women – to sacrifice their careers and undermine pension saving, says retirement specialist Just Group**

Unpaid carers are likely to be paying a high price for their selflessness by giving up income from work and future private pension benefits, with women disproportionately affected.

Seven in 10 (72%) of those in receipt of Carer's Allowance – which is worth £81.90 a week to those providing at least 35 hours a week for a severely disabled person – are not in paid work, missing out on both earnings to support their living standards today and pension contributions for retirement¹.

Of the one in six (16%) who are in work, Carer's Allowance ceases to be payable if their earnings surpass £151 a week after tax, National Insurance and expenses.

The demands of caring often mean people wanting to work have to find flexible jobs or accept zero hours contracts and have to limit their hours, leading to lower incomes.

“The proportion of the working age population who have caring responsibilities rises in the run-up to retirement with many people in their 50s and 60s looking after elderly parents, partners, children or grandchildren,” said **Stephen Lowe, group communications director at retirement specialist Just Group.**

“This is the time when experienced people are often near peak earnings and focused on building up a pension, particularly women who may have stopped work to raise children. In the 45-64 age group, women are about twice as likely as men to be receiving Carer's Allowance.

“If this cohort restrict their work or give it up entirely to provide care, that loss of income and other work benefits such as employer pension contributions is likely to have an impact on their lives for decades to come, as well as on the businesses who lose key staff.”

Carer's Allowance is a ‘gateway’ to other benefits so although about 1.4 million claim it, it's only paid to about a million and to some of them at less than the full rate.

A payment of £81.90 a week for 35 hours, works out at about £2.34 per hour. In comparison, the National Minimum Wage for people aged 21+ is £11.44 an hour, equal to about £400 a week based on 35 hours working.

“Carer's Allowance was created to provide a measure of financial support and recognition for people who give up work to care for a severely disabled person,” said Stephen Lowe.

“It wasn’t intended to be a carer’s ‘wage’ or payment for caring services. However, if the rules are stopping or limiting people from taking up employment and earnings opportunities that are available to them, then we have to question whether it is fit for purpose.

“Carers are caught between a rock and a hard place. They can dedicate their time to caring for loved ones which may mean sacrificing their livelihood now and potentially their retirement too. Or they can carry on working and try to organise professional care which is likely to take up a significant proportion of their income.

“Whoever forms the new government will want to see more older workers staying in their jobs for longer. Rethinking the Carer’s Allowance rules along with measures to create jobs with more flexibility to fit around caring responsibilities could make a huge difference to people who are playing an important role in supporting the sick and vulnerable.”

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Notes to Editors

1 - Department for Work and Pensions, Experience of claiming and receiving Carer’s Allowance:
<https://www.gov.uk/government/publications/experience-of-claiming-and-receiving-carers-allowance>

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