

KEY POINTS

- While 28% of all unpaid carers in Northern Ireland are living in poverty, the poverty rate among Carer's Allowance recipients is significantly higher – with nearly half (46%) of local recipients living below the poverty line. ^[1]
- Compared to the general carer population, Carer's Allowance recipients in Northern Ireland are more likely to use food banks, be in debt, and be forced to cut back on essentials like heating. ^[2] The low value (£81.50 per week) and eligibility criteria of Carer's Allowance is trapping unpaid carers in poverty and acts as a barrier to meaningful employment.
- Carers NI is calling for the implementation of a Carer's Allowance Recognition Payment, which would immediately lift thousands of local carers out of poverty.

ISSUES IN THE CARER'S ALLOWANCE SYSTEM

1. There are around 48,000 Carer's Allowance recipients in Northern Ireland. The benefit is worth £81.90 per week and is only available to those providing unpaid care for a minimum of 35 hours per week – meaning the payments are worth a maximum of £2.34 per hour, or the equivalent of nearly five times less than the National Living Wage. Carer's Allowance is paid at the same flat rate regardless of how many additional hours of caring a person may provide; or how many different people they are caring for.
2. The benefit has a punitive earnings threshold, where one penny earned over £151 per week means a carer losing their entire Carer's Allowance payment. This represents one of the harshest cliff-edges in the entire welfare system and is an enormous barrier to carers taking on meaningful employment. While the Department for Communities states that Carer's Allowance is not an income replacement, eligibility is strictly tied to a person's income.
3. The low value and strict eligibility criteria of Carer's Allowance have always been inadequate, but this has taken on even greater significance during the cost of living crisis. Many people trying to survive on Carer's Allowance in Northern Ireland have been left facing severe financial hardship – forced to cut back on essentials, skip meals and get into debt.

Carers who are...	Carer's Allowance recipients in NI	All unpaid carers in NI
Living in poverty ^[1]	46%	28%
Cutting back on essentials (e.g. heating, food) ^[2]	42%	31%
Struggling to afford to eat ^[2]	35%	21%
Experiencing debt ^[2]	25%	16%
Unable to afford utility bills ^[2]	18%	10%
Using food banks ^[2]	15%	8%

¹ [Carer Poverty Commission NI \(2023\). Policy measures to tackle poverty among unpaid carers in NI.](#)

² [Carers NI \(2023\). State of Caring 2023: The impact of caring on finances in Northern Ireland.](#)

4. Testimony from unpaid carers in Northern Ireland underlines how difficult it is to get by on Carer's Allowance. The following stories are all from local carers who receive Carer's Allowance.

"I am at breaking point due to the abject poverty I am forced to live in while caring for my parent, who has dementia. My debts are increasing at an alarming rate as my quality of life continues to decrease. I feel depressed. I have been abandoned." – unpaid carer

"I cannot afford much with Carer's Allowance. I recently had to pay over £200 for dental fees, which was a struggle. Getting my teeth sorted was a treat. I then had more pain and couldn't afford to go, so was just taking Ibuprofen to ease the pain." – unpaid carer

"I have borrowed money to a level that will affect me until old age and it will affect my kids' quality of life. It is an absolute shame and disgrace." – unpaid carer

"It's untenable to try and pay heating, electricity, food bills from such a tiny income. Mental health is usually not the best due to physical and emotional demands, but now also due to financial circumstances it is really difficult. It seems there's no help or respite from the stress of trying to survive on a pittance of Carer's Allowance." – unpaid carer

"I am going without so my kids don't have too. They think I'm trying to lose a bit of weight as I've cut back on my food, but it's really because it's more important that they eat." – unpaid carer

"It's a spiralling monthly situation, where each month we [take on] more debt to cover living costs. We can pay the bills but every month we get further into our overdraft or use more of our credit card." – unpaid carer

"I couldn't afford to put oil in the tank. And the children come around and say 'why?' I'm too embarrassed to say I haven't got the money. It's not great, Carer's Allowance. It's very difficult to make ends meet." – unpaid carer

CARER'S ALLOWANCE RECOGNITION PAYMENT

5. Improving the support available through Carer's Allowance is a major priority for unpaid carers in Northern Ireland. When Carers NI surveyed local carers about their priorities for the remainder of the Assembly mandate, 65% said reforming Carer's Allowance – the most popular answer. ^[3]
6. The Independent Review of Welfare Mitigations recommended a Carer's Allowance Recognition Payment for Northern Ireland, ^[4] replicating the Carer's Allowance Supplement scheme in Scotland. If paid at the current rate in Scotland, this would provide an extra £541 per year (via two lump sum payments each year) to local Carer's Allowance recipients.
7. The Review recommended that the Carer's Allowance Recognition Payment be disregarded as income for means-tested benefits. This is critical to ensuring that no carers are inadvertently left worse off as a result of the policy, and was achieved in Scotland via a Statutory Instrument from the Secretary of State for Work and Pensions. ^[5]

Policy impact

8. Modelling from the Carer Poverty Commission ^[1] shows that a Carer's Allowance Recognition Payment would immediately lift 3,400 carers in Northern Ireland out of poverty and an additional 2,500 carers out of deep poverty. ^[6] The Welfare Mitigations Review Panel also

³ [Carers NI. Survey of unpaid carers on restored Assembly priorities.](#)

⁴ [Welfare Mitigations Review \(2022\). Independent Advisory Panel report.](#)

⁵ [The Social Security \(Scotland\) Act 2018 \(Consequential Modifications\) Order 2018.](#)

⁶ A household is in deep poverty if its income is 50% below the poverty line.

concluded that the policy would effectively target support at low-income households, women and households with both a disabled adult and a disabled child. ^[4]

9. Since its introduction in Scotland in 2018, the policy has been shown to help carers to:
 - a. Pay for essential household bills that they would otherwise have struggled to afford.
 - b. Relieve money worries.
 - c. Clear debts.
 - d. Improve their mental health and wellbeing. ^[7]

Cost

10. Carers NI estimates that delivering the Carer's Allowance Recognition Payment would cost the NI Executive around £26 million per year. ^[8] While this is not an insignificant amount, it represents less than unpaid carers save the public purse every two days (£32 million) in Northern Ireland. Put another way, it is the equivalent of just 0.5% of what local unpaid carers save the Executive in care costs every year (£5.8 billion). ^[9]
11. It is also important to note that annual spending on Carer's Allowance currently accounts for a small fraction of Northern Ireland's social security budget (2.4%) and an even smaller amount of the Department for Communities' overall budget (2%). ^[10] It is therefore not the case that the cost of the Recognition Payment would be adding to an already bloated Carer's Allowance bill.

IT and administration

12. The Department for Communities has stated that it not currently in a position to provide an estimate of the cost for the IT or administration necessary for the delivery of the Carer's Allowance Recognition Payment. ^[11]
13. While Carers NI recognises that potential IT/administration costs will be a concern for the Committee, it is important to note that one of the guiding principles of the Independent Review of Welfare Mitigations – which recommended this policy – was to avoid “*producing proposals which have disproportionate administrative costs, including paying significant sums for IT workarounds from the Department for Work and Pensions.*” We are therefore confident that any IT/administrative costs of delivering the Carer's Allowance Recognition Payment will not be disproportionate.
14. In Scotland, the payments are administered by Social Security Scotland but using Carer's Allowance recipient data which is held by the Department for Work and Pensions (DWP). Access to this data is provided twice a year by DWP at a cost to Social Security Scotland.

REFORMING THE CARER'S ALLOWANCE EARNINGS THRESHOLD

15. There is a clear case for raising the Carer's Allowance earnings threshold, to allow carers to keep their payments and better meet the high costs of caring while bringing in a meaningful income. While the Review of Welfare Mitigations recommended increasing the earnings threshold to the equivalent of 16 hours per week at the National Living Wage, Carers NI would argue that the equivalent of 21 hours per week would be more appropriate.

⁷ [Scottish Government \(2020\). Carer's Allowance Supplement: Evaluation.](#)

⁸ 48,270 Carer's Allowance recipients in Northern Ireland (see: [DfC benefits statistics summary](#)) x £541 per year = £26,114,070.

⁹ [Carers NI and the Centre for Care \(2023\). Valuing carers Northern Ireland.](#)

¹⁰ [Response to AQW 6050/22-27.](#)

¹¹ [Response to AQW 6327/22-27.](#)

16. This would allow carers to earn £240.24 per week and keep their Carer's Allowance payment, representing a total of £322.14 to get by on each week. While this would not raise carers' incomes to excessive levels by any means – for example, £322.14 per week is still a 38% drop on median take-home pay for full-time employees in Northern Ireland ^[12] – Carers NI believes it would be an improvement on the current situation and give more unpaid carers a better chance at avoiding poverty or financial hardship while supporting their loved ones.
17. While we do not have robust costings for this policy, the Welfare Mitigations Review estimated that increasing the earnings threshold to £264 per week – which, at the time the review was published, represented doubling the earnings threshold – would cost the Executive £11 million per year.

CONCLUSION

18. Carer's Allowance is exploiting the devotion that unpaid carers have toward their sick or disabled family members/friends – forcing nearly half of recipients into poverty as the price of supporting a loved one in need. While Carers NI recognises the financial pressure facing the Department for Communities and the wider Executive, we believe there is a strong case for prioritising the Carer's Allowance Recognition Payment during this Assembly mandate.
19. Delivering the Carer's Allowance Recognition Payment would provide desperately needed financial support to a population that makes an immense contribution to society. Carers are propping up the Health and Social Care system and keeping Stormont's budget from collapse. It is indisputable that our public services could not survive without them, and they deserve better than a social security benefit that bars them from earning a decent income and systematically traps them in poverty.

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¹² [NISRA \(2023\). Employee earnings in Northern Ireland 2023.](#)