

Payment of Pension Age Disability Payment

Index

- Introduction
- When a payment can be made
- Rates and form of payment
- Short-term Assistance (STA)
- Who a payment can be made to
- Over-payments and under-payments
- Change in amount of payment due to changes in law
- When payment should be stopped

Introduction

1. This chapter relates to payment to a person who is entitled to Pension Age Disability Payment (PADP). It sets out the rules for payment of PADP.

When a payment can be made

2. PADP should be paid every four weeks, in arrears¹. Where Special Rules for Terminal Illness apply, PADP should be paid weekly, in advance². Please refer to the Special Rules for Terminal Illness chapter for further information.

1 PADP regs, reg. 28(b)(i)

2 PADP regs, reg 28(b)(ii)

3. Once the individual has provided part one of an application, they have eight weeks to complete the full application. The first payment should be backdated to the date of application if the individual satisfies the backwards test. The backwards test does not apply where Special Rules for Terminal Illness applies.

4. The first payment should be adjusted to include any arrears due before settling into a 4 week payment cycle. Arrears will be calculated from the date of receipt of part 1 of the application, providing that:

- the individual has submitted Part 2 of their application within the 8 week timeframe specified in the Regulations (unless a good reason for lateness is applicable¹)
- the Backwards Test was satisfied at the time of application (unless the Special Rules for Terminal Illness apply²)
- there are no periods spent in legal detention, hospital or similar institutions for 28 days or more to take into account.

1 PADP regs, reg 27(3) and (4)

2 PADP regs, reg 28(b)(ii)

5. If they complete the application after the 8-week period without a good reason, payment will start from the date that the completed application is received¹. If the individual can give a good reason, then the start date of their award is the date that Social Security Scotland received part 1 of their application.

1 PADP regs, reg. 27(3)

6. A case manager should decide what constitutes a good reason¹. For example, it may be that an individual does not submit a full application within the 8-week period because of:

- an action by Social Security Scotland
- an individual's disability or health condition prevented them from submitting an application.

For more information on what constitutes a good reason, please refer to the Applying for PADP chapter.

1 PADP regs, reg. 27(6)

7. The case manager can set the date of application as the date when the backwards test is satisfied if:

- the individual submits the application in full.
- the individual does not yet meet the criteria for the backwards test of 26 weeks.¹

1 PADP regs, reg. 5(6)

8. In such circumstances, case managers can set the date of application as the appropriate date within a 26 week window from the full PADP application being received by Social Security Scotland.

9. For more information on the backwards test and how to deal with applications that do not yet satisfy the backwards test, please refer to the Backwards Test chapter.

Daily rate payments

10. There are circumstances in which PADP can be paid at a daily rate. This may be applicable to individuals living for a prolonged period in a care home or hospital.

11. If the individual has a period of absence from the institution, they may be paid at a daily rate. The daily rate is one-seventh of the weekly rate.¹

1 PADP regs, reg. 26(2)

12. The daily rate should be calculated from the day the individual goes on leave and ends the day after the individual returns to living alternative accommodation¹. For

more detail on this please refer to the Effect of time spent in care homes and hospitals chapter and the legal detention chapter .

1 PADP regs, reg. 23(3)

Example: an individual is paid the lower rate of PADP while on leave from a care home

- **Please note the following rates are for illustrative purposes only and may not be accurate.**

Eloise is aged 76 and is in receipt of the lower rate of PADP. She is admitted to a care home on 1 August. From day 29 spent in the care home, Eloise's award for PADP is calculated at £0. After six weeks in the care home, Eloise is able to spend five days at home to see extended family. Eloise leaves the care home on 11 September. On 15 September, Eloise returns to the care home. To cover this 5-day period, Eloise's award is recalculated at five-sevenths of the weekly rate of PADP at the lower rate.

- The weekly lower rate of PADP is: **£72.65**
- The daily rate is one-seventh of the weekly lower rate which is: **£10.38**
- The calculation of Eloise's award is therefore five-sevenths of the weekly rate, equivalent to five times the daily rate which is: **£51.90**.

13. An individual who is terminally ill becomes entitled from whichever of these dates is earliest¹:

- the date Social Security Scotland receives their application (which included information about the individual's terminal illness)
- the date a registered medical practitioner (RMP) or registered nurse (RN) makes a clinical judgement that the individual meets the terminal illness definition (up to a maximum of 26 weeks prior to application being received). This cannot be earlier than 21 October 2024, as explained below.
- the date Social Security Scotland becomes aware that a current client is terminally ill either by them notifying through a change of circumstances or otherwise.

If the clinical judgement is dated before the person reached State Pension age, see the 'Date of Award' section of the SRTI chapter

1 PADP regs, reg. 18(3)

14. The date of award can be no earlier than 21 October 2024 which is the date the PADP Regulations commenced.

Rates and form of payment

15. PADP is usually paid via bank transfer to a nominated bank account.

16. An individual may not have access to a bank account. If this is the case, Social Security Scotland will contact them to establish a suitable payment method.

17. PADP is payable at two different weekly rates. The rate an individual is entitled to is based on what entitlement criteria they meet as set out in the regulations for PADP¹. The current rates of PADP are:

- the lower rate, **£72.65** per week. This equals **£290.60** every 4 weeks, and the daily equivalent is **£10.38**
- the higher rate, **£108.55** per week. This equals **£434.20** every 4 weeks, and the daily equivalent is **£15.51**

1 PADP regs, reg 26

18. For more information on the different rates, please see the PADP – Eligibility, Rates and Criteria chapter.

19. The amount paid may be subject to increase each April. This is known as annual uprating. Clients are informed of what their new rate of payment will be by an Uprating Notice. View the current rates on mygov.scot.

Overlapping benefits

20. Where an individual is entitled to both:

- Pension Age Disability Payment (PADP), and
- Constant Attendance Allowance

at the same time, the amount of PADP should be reduced by the amount of Constant Attendance Allowance paid. Where the amount of PADP paid is equal to that of Constant Attendance Allowance, PADP payment is calculated at £0¹. Constant Attendance Allowance supports individuals who become ill or disabled because of an accident or disease in the course of employment.

1 PADP regs, reg. 26 (3) and (4)

Example: an individual who is entitled to Constant Attendance Allowance and PADP

- **Please note the following rates are for illustrative purposes only and may not be accurate.**

Thomas is 70 years old and receives the lower rate of PADP. Thomas also receives the full day rate of Constant Attendance Allowance following a severe injury sustained while at work. The amount of Constant Attendance Allowance Thomas receives is £88.70 per week, or £354.80 every four weeks.

This means that £354.80 is deducted from Thomas' four-weekly payment of PADP.

Because Thomas' award of PADP is less than the £354.80 he receives from Constant Attendance Allowance every four weeks, his award of PADP is calculated at £0.

Other benefits

Armed Forces Independence Payment

21. Armed Forces Independence Payment (AFIP) is a benefit paid to ex-service personnel who have sustained injuries in the course of service within the British Armed Forces that have resulted in severe disability. The amount of benefit paid is the same as the amount of enhanced daily living and mobility components of **Adult Disability Payment**. This means someone who is entitled to AFIP will receive a higher payment than someone entitled to the higher rate of PADP.

AFIP is administered and paid by the Veterans Agency. Like PADP, it is tax free and non means tested. AFIP attracts the same passporting arrangements with the Department for Work and Pensions as **Adult Disability Payment**. However, there are some differences:

- Once awarded, AFIP is paid for life and is not subject to review at any point. It only ends when the recipient dies
- AFIP can be paid anywhere in the world and does not depend on being resident or physically present in Great Britain
- Payment of AFIP is not affected by admission to hospital, residential care or legal detention

A client entitled to AFIP cannot be entitled to PADP at the same time.¹ In practice, it is unlikely that Social Security Scotland will receive high numbers of applications for PADP where the client is already receiving AFIP because the veterans' welfare advisers who support clients are aware of this. If a client does begin an application, there will be a question in Part 1 of the application form asking if they are receiving or have applied for AFIP. If so they will be asked to call Social Security Scotland to discuss further.

1 PADP regs, reg 4(a)

Short-term Assistance (STA)

22. The individual can apply for Short-term Assistance (STA) when:

- a new determination of entitlement results in an existing award being stopped or reduced; and
- they ask for a re-determination or appeal¹.

1 PADP regs, Sch. Part 1, para 1

23. The amount of STA payable is the difference between the total amount paid under the
- earlier determination
 - new determination¹.

1 PADP regs, Sch. Part 1, para 2

24. The payment method of STA should be the same as it was for the earlier determination of PADP.

SS Act 2018 Schedule 10 part 2, para 2(4)

Who a payment can be made to

25. Where an award relates to an individual who is entitled to PADP, payment should be made to either:
- the individual
 - an appointee¹
 - someone with legal powers to manage the individual's affairs, such as a Power of Attorney or a Guardian
 - someone that the individual has requested receive payment on their behalf.

1 SS Act 2018 section 85B

26. PADP can be paid to someone else at any point¹ if the individual requests it. This may follow a change of circumstances or the availability of new information.

1 PADP regs, reg 25(1)

27. Whether an appointee should receive PADP on behalf of an individual is a formal process. The formal appointee process can be initiated at any point before or during the application process, or after an entitlement determination has been made.

Anyone holding legal powers such as:

- Power of Attorney
- Guardianship

will have undergone a legal process involving a solicitor and the powers must be Court approved. Formal papers will be lodged with the Office of the Public Guardian. Because a legal process has taken place, anyone holding these powers will supersede an appointee:

- who is approved by either the Department for Work and Pensions or Social Security Scotland
- where the process is less formal and does not involved a solicitor, Court or the Office of the Public Guardian.

Example: Payment made to appointee

Janice is 82 years old and is entitled to the higher rate of PADP. When applying for the benefit, her partner completes the application form stating Janice is unable to complete this for herself because she has dementia which has affected her cognitive ability and memory, and she is now legally not considered capable of managing her own affairs. Her partner wishes to become her appointee and deal with all financial and benefit matters. They provide supporting information from Janice's consultant confirming her difficulties. Social Security Scotland takes the necessary action to confirm Janice's partner as appointee and makes payment to them on her behalf.

Example: Payment made to Power of Attorney

George has been receiving PADP for 2 years into his own bank account and has been managing his own affairs. George's son contacts Social Security Scotland to advise they now hold a signed and registered Power of Attorney for George who has developed a brain injury. They now have the legal right to manage his affairs, and payment of PADP will now be made to them on his behalf.

Over-payments and under-payments

28. Individuals may be liable to repay Social Security Scotland if:

- they have received a higher payment than they are entitled to
- they have received a payment they are not entitled to

of PADP or Short-term Assistance.^{1,2}

1 PADP regs, reg. 42

2 PADP regs, Sch. Part 1, para 2(3)

29. Individuals may be due more money than they have received if they have received a lower rate of PADP or Short-term Assistance than they are entitled to¹.

1 PADP regs, reg. 41

30. For more information on how payment errors are to be handled please go to the "When a previous determination is based on error or made in absence of material fact" chapter.

Change in amount of payment due to changes in law

31. Rates of PADP may increase in April every year in line with the Consumer Price Index (CPI). This is known as 'Uprating' and individual's will be notified of the increase in advance of it taking effect via an Uprating Notice letter.

When payment should be stopped

32. Payments of PADP should stop after an individual's entitlement to PADP ends.

33. Individuals have a right to request payments to stop. In these instances, case managers should make a determination without application. Individuals can request that payments stop either:

- with immediate effect
- on a specific date¹

1 Social Security (Scotland Act) 2018 , s 26(2)

34. The case manager should ensure that the individual or their representative is clear about the impact that the decision to stop payment of PADP will have. For more information, see Operational Guidance and An individual's right to stop receiving assistance chapter.

35. When a case manager is notified that an individual entitled to PADP has died, they must make a determination without application¹. Please refer to the Death of an Individual chapter for more information.

1 PADP regs. reg. 40(b)

36. An overpayment can occur when Social Security Scotland is not informed immediately of the death of an individual who is entitled to PADP. If this happens, an individual's estate is liable to Social Security Scotland for any sums paid after death. The value of the overpayment is the amount of assistance paid for the period beginning on the day following the date of death. Social Security Scotland will contact the individual's next of kin, or the person who registered the death, to make further enquiries if this happens.

[END OF CHAPTER]