

Carer's Allowance: the earnings limit



We answer some of the key questions people ask us about Carer's Allowance and one of its conditions: the earnings limit. This information applies to people living in England, Wales, Scotland and Northern Ireland. In Scotland, there are some changes taking place.

Contents

Understanding the earnings limit.....	2
What is the current earnings limit for claiming Carer's Allowance?	2
What are the deductions?	2
What kind of expenses can be deducted?	3
No regular pattern to earnings scenario.....	3
My earnings vary scenario	5
Will a bonus affect my Carer's Allowance?	6
How will my earnings be calculated if I am paid monthly?	6
I'm self-employed so my earnings fluctuate - what happens?.....	7
I pay for someone to look after the person I care for - what happens?	7
Can I earn over the earnings limit if I'm on a permitted carer's break?	7
Who do I need to contact if I do go over the earnings limit?	7
How can I challenge a decision about my earnings and eligibility?	8

Understanding the earnings limit

Known as the main benefit for carers, Carer's Allowance is currently £81.90 per week (2024/25).

When looking to apply for Carer's Allowance, you first need to check if you meet the conditions to claim it. One of the conditions that can cause a bit of confusion is the earnings limit. You need to ensure that you don't earn more than £151 per week (2024/25).

What is the current earning limit for claiming Carer's Allowance?

For 2024/25, the earnings limit is £151 per week (after deductions). You look after someone who gets a qualifying disability benefit.

I understand that the earnings limit is £151 after deductions have been made to your pay – what deductions are these exactly?

If you are in employment, the following would be deducted from your gross weekly earnings (or net weekly earnings if you're self-employed) before your earnings are taken into account for Carer's Allowance:

- Income Tax
- National Insurance
- half of any contributions to your pension
- certain business expenses (see below)

For example, if you earn £160 a week (after tax and National Insurance have been deducted), you wouldn't be eligible for Carer's Allowance. However if you paid £20 into a pension, half of the £20 could be deducted from your earnings.

Your earnings for Carer's Allowance would then be: £160 - £10= £150. Being under the earnings limit, this would mean you would meet this condition to claim Carer's Allowance.

What kind of expenses can be deducted?

You can also deduct expenses that are incurred 'wholly and exclusively for the purposes of the business', in the same way that you can for income tax purposes.

If, because of your work, you have to pay for someone to look after the person you care for, or a child under 16 who you or your partner get Child Benefit for, you can deduct those payments from your earnings up to the value of half your earnings (after the above deductions if they apply).

However, this will not apply if the person you are paying is a close relative of either yourself or the person you are looking after (a close relative is a spouse, partner or civil partner, parent, son, daughter, brother or sister).

Occupational or personal pensions do not count as earnings and you can be paid Carer's Allowance in addition to these. However, if you get extra Carer's Allowance for your partner, their occupational/personal pension could affect this extra amount.

If you have taxable income

If you do receive taxable income such as occupational or personal pensions or part-time earnings, you should inform the tax office about your Carer's Allowance, because it is a taxable benefit.

There is no regular pattern to my earnings – what happens if on some weeks, I earn more than the earnings limit?

If you are in employment and have fluctuating earnings, it is possible for your earnings to be averaged out over a recognisable cycle of work or over five weeks, or over another period if this means a more accurate weekly

amount can be calculated.

However, this is discretionary, and so you should make sure you discuss your specific circumstances with the [Carer's Allowance Unit](#) (or the [Disability and Carers Service](#) in Northern Ireland) to get further guidance, and to get clarification as to how your particular earnings will be calculated. If you are in self-employment your average weekly earnings are normally calculated by looking at a specific trading period, which is normally a year. However if you have only recently started your self-employment, or if there has been a change in your circumstances, then a different period more representative of your average weekly earnings can sometimes be used.

What if there is no regular pattern?

If there is no regular pattern, the decision maker should average your net earnings over five weeks or another period if this leads to a more accurate assessment.

The following amounts are deducted from your gross weekly earnings (if you are in employment) or your net profit (if you are in self-employment) before your earnings are taken into account for Carer's Allowance:

- Income Tax
- National Insurance
- half of your contributions towards an occupational/personal pension

Example

For example, Rakhi has a zero-hour contract and works as and when she can around her father's care needs. There is no pattern to her work hours or earnings, but she knows that some weeks she earns over the Carer's Allowance earnings limit.

Rakhi could report her earnings on a weekly basis and keep having her Carer's Allowance entitlement reviewed, or the alternative is for the decision maker to decide a suitable period to average her net earnings over. Her net earnings for the last five weeks are:

Week 1 £153
Week 2 £80
Week 3 £30
Week 4 £30
Week 5 £140

There is no recognisable pattern so the decision maker averages Rakhi's earnings over a five-week period by adding all her earnings over the five weeks together and dividing by five. This gives an average of £86.60 net earnings per week. Even though her net earnings sometimes go over the limit, the weeks where she earns less, bring her average down and this means Rakhi would meet this condition for claiming Carer's Allowance.

Rakhi can choose to be paid her Carer's Allowance in arrears (eg, four weekly) instead of weekly in advance, so she can keep an eye on her average earnings and report changes to avoid being overpaid Carer's Allowance.

My earnings vary both weekly and monthly because my working hours vary. Can you advise?

If your net earnings often vary because you don't have fixed work hours or you don't work every week, your earnings can be averaged.

This means that the decision maker deciding whether you qualify for Carer's Allowance will look for a regular pattern in your earnings over a period of time, or a 'cycle'.

Example

For example, Henry always works three weeks on and one week off. In the three weeks Henry actually works, he has net earnings of £150 a week. In the fourth week, he receives a retainer of £20.

The decision maker decides that the earnings should be averaged over a period of four weeks as there is a regular four-week cycle.

The £150 net earnings per week for the three weeks Henry works and the £20 retainer are added together and divided by four to give an average of £117.50 net earnings per week.

Will a bonus affect my Carer's Allowance?

Bonuses count as earnings so need to be taken into account when checking if you have gone over the earnings limit.

There is a set method for working out how long a payment will be taken into account for. Put simply, when you are paid weekly, if your earnings go over the limit in any week, you lose your entitlement to Carer's Allowance for the following week.

When you are paid monthly, if your earnings go over the limit in any month, you lose your entitlement to Carer's Allowance for the following month.

Example

For example, Riley's net earnings are usually below the earnings limit but he received a one-off Christmas bonus so his monthly net earnings went up to £670 when he was paid at the end of December.

$£670 \times 12 / 52 = £154.62$ a week.

This took Riley's earnings over the earnings limit for Carer's Allowance so he had to report this change to the Carer's Allowance Unit.

For Riley, this meant he did not receive Carer's Allowance until his earnings fell back below the earnings limit when he was next paid at the end of January.

As he is getting Universal Credit (UC) and Carer's Allowance counts in full as income when his UC is calculated, Riley updated his online journal immediately to report the loss of his Carer's Allowance. His UC carer element was not affected as there is no earnings limit for this. If you are getting UC and lose your Carer's Allowance, make sure you update your online journal; do not assume that they will know.

How will my earnings be calculated if I am paid monthly?

If you are in work and are paid monthly, your monthly earnings would be multiplied by 12 to calculate your yearly income and then divided by 52 to get a weekly figure.

I'm self-employed so my earnings fluctuate – what happens?

In this case, your earnings are reviewed over a specific trading period (usually a year). If you have recently changed your job though, a different method may be used that's more representative of your average weekly earnings and circumstances.

I pay for someone to look after the person I care for – how does this affect how my earnings are worked out?

As long as you are not paying a relative or friend, you can deduct these payments you are making from your earnings (up to the value of half of your earnings – once deductions have been made if they apply).

Can I earn over the earnings limit if I'm on a permitted break from caring?

One exception to the earnings rule is that if you are working during an allowed break in care, and are still receiving Carer's Allowance, your earnings are ignored. Find out more about this in our [factsheet](#).

Who do I need to contact if I do go over the limit?

Notify the Department of Work and Pensions through the [Carer's Allowance Unit](#) as soon as possible.

Or in Northern Ireland, contact the Disability and Carers Service, '[Carer's Allowance' team](#).

Your message won't be passed on between departments so it's important you speak to these offices in the first instance. For a benefit check or guidance, contact Carers UK on advice@carersuk.org

How can I challenge a decision about my earnings and eligibility for Carer's Allowance?

If you are refused Carer's Allowance, you can ask the Department for Work and Pensions (DWP) in England, Wales and Scotland, or the Department for Communities (DfC) in Northern Ireland to look at the decision again. You must do this before you appeal. This is called a mandatory reconsideration. See our step-by-step guide on [how to challenge a benefits decision](#).

You can also contact our advisers who can help you with recommendations on next steps at advice@carersuk.org

Further help

Our website contains a wealth of useful information on financial and practical matters related to caring. Visit www.carersuk.org

Other organisations

Advice NI

w: <https://www.adviceni.net/> (Northern Ireland). They also operate a Welfare Changes Helpline. See 'Benefit helplines'.

Age UK

A charity dedicated to helping everyone make the most of later life.

w: www.ageuk.org.uk | **t:** 0800 678 1602 (England), 0300 303 44 98 (Wales), 0800 124 4222 (Scotland), 0808 808 7575 (Northern Ireland)

The Appeals Service Northern Ireland

The service that handles the appeals process for benefit decisions in Northern Ireland. **w:** www.nidirect.gov.uk/articles/appealing-against-a-benefits-decision#toc-10

Citizens Advice

Provides free, independent, confidential and impartial advice. (England, Wales, Scotland and Northern Ireland) **w:** www.citizensadvice.org.uk

HM Courts and Tribunals Service

To search for a court or tribunal in England or Wales, or a tribunal in Scotland. **w:** www.find-court-tribunal.service.gov.uk/courts In Northern Ireland, you can search here: nidirect.gov.uk/contacts/northern-ireland-courts-and-tribunals-service

Independent Case Examiner

A free complaints review service for people who have made complaints about their claim for benefits. (England, Wales, Scotland and Northern Ireland) **w:** www.ind-case-exam.org.uk | **t:** 0800 414 8529
(textphone: 18001 0800414 8529)

NI Public Services Ombudsman

The government official responsible for dealing with complaints about state services. (Northern Ireland)
w: <https://nipso.org.uk> | **t:** 0800 343424 (textphone: 028 90897789)

Parliamentary and Health Service Ombudsman

The government official responsible for dealing with complaints about state services. (England and Wales)
w: www.ombudsman.org.uk | **t:** 0345 015 4033 (textphone: 0300 061 4298)

The Scottish Public Services Ombudsman (SPSO)

The final stage for complaints about public service organisations in Scotland. **w:** spsso.org.uk/spsso | **t:** 0800 377 7330

Benefit helplines

Northern Ireland has three helplines for different purposes:

Benefit Enquiry Line for general questions

t: 0800 220 674 (textphone: 028 9031 1092)

Welfare Changes Helpline for independent advice on benefits changes

t: 0800 915 4604

Make the Call – to check you're not missing out on benefits

t: 0800 232 1271 (or request a call back text ADVICE to 079 8440 5248)

In Northern Ireland there is one contact for Attendance Allowance, Carer's Allowance and Disability Living Allowance, the Northern Ireland Disability and Carers Service:

t: 0800 587 0912 (textphone: 0800 012 1574)

Attendance Allowance

(England, Wales and Scotland)

t: 0800 731 0122 (textphone: 0800 731 0317)

Carer's Allowance Unit

(England, Wales and Scotland)

t: 0800 731 0297 (textphone: 0800 731 0317)

Carer's Allowance Supplement/ Young Carer Grant/ Adult Disability Payment/ Child Disability Payment

Social Security Scotland

(Scotland)

t: 0800 182 2222 (Text Relay Service: 18001 +0300 244 4000)

Disability Living Allowance

(England, Wales and Scotland)

- If you were born on or before 8 April 1948:

t: 0800 731 0122 (textphone: 0800 731 0317)

- If you were born after 8 April 1948:

t: 0800 121 4600 (textphone: 0800 121 4523)

For Jobseeker's Allowance, Income Support and Employment and Support Allowance:

Jobcentre Plus

(England, Wales and Scotland)

New claims **t:** 0800 055 6688 (textphone: 0800 023 4888)

Existing claims **t:** 0800 169 0310 (textphone: 0800 169 0314)

Social Security or Jobs and Benefits Office (Northern Ireland)

Details of local offices: [w: www.nidirect.gov.uk/contacts/jobs-benefits-offices](http://www.nidirect.gov.uk/contacts/jobs-benefits-offices)

New ESA claims **t:** 0800 085 6318 (textphone: 0800 328 3419)

Existing claims **t:** 0800 587 1377 (textphone: 0800 328 3419)

Pension Credit and Pension Service

(England, Wales and Scotland)

Pension Credit claim line: **t:** 0800 99 1234 (textphone: 0800 169 0133)

State Pension claim line: **t:** 0800 731 7898 (textphone: 0800 731 7339)

(Northern Ireland)

Pension Credit: **t:** 0808 100 6165 (textphone 0808 100 2198)

State Pension claim line: **t:** 0808 100 2658 (textphone: 0800 100 2198)

Personal Independence Payment

(England, Wales and Scotland)

New claims **t:** 0800 917 2222 (textphone: 0800 917 7777)

Enquiry line **t:** 0800 121 4433 (textphone: 0800 121 4493)

(Northern Ireland)

New claims **t:** 0800 012 1573 (textphone: 0800 587 0937)

Enquiry line **t:** 0800 587 0932 (textphone: 0800 587 0937)

Tax Credits

(England, Wales, Scotland and Northern Ireland)

t: 0345 300 3900 (textphone: 18001 then 0345 300 3900)

Universal Credit Helpline

(England, Wales and Scotland)

t: 0800 328 5644 (textphone: 0800 328 1344)

(Northern Ireland)

t: 0800 012 1331 (textphone: 0800 012 1441)

This factsheet is designed to provide helpful information and advice. It is not an authoritative statement of the law. We work to ensure that our factsheets are accurate and up to date, but information about benefits and community care is subject to change over time. We would recommend contacting the Carers UK Helpline or visiting our website for the latest information.

Please email us your feedback on this factsheet by sending your comments to info@carersuk.org
This factsheet was updated in April 2024. Next review due April 2025.

Carers UK Helpline

For expert information and advice about caring.



0808 808 7777

(Monday – Friday 9am-6pm)



advice@carersuk.org

Carers UK

20 Great Dover Street
London SE1 4LX
020 7378 4999
info@carersuk.org

Carers Wales

029 2081 1370
info@carerswales.org

Carers Scotland

0141 378 1065
info@carerscotland.org

Carers Northern Ireland

028 90 43 98 43
info@carersni.org

**However caring affects you,
we're here**

Caring will affect us all at some point in our lives.

With your help, we can be there for the 6,000 people who start looking after someone each day.

We're the UK's only national membership charity for carers: join us for free at carersuk.org/join
We're both a support network and a movement for change.

Visit us at our website to join us, help us or access more resources:
carersuk.org

**This information can be requested
in large print or as a text file.**