Pathways to Work from Incapacity Benefits: A study of experience and use of Return to Work Credit

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A report of research carried out by the Social Policy Research Unit at the University of York on behalf of the Department for Work and Pensions
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Anne Corden and Katharine Nice are both Research Fellows in the Social Policy Research Unit at the University of York. They have both been involved in a number of research studies informing the evaluation of the Pathways to Work pilots since they began in 2003. The authors have experience of conducting qualitative research on a range of work- and health-related topics, and in evaluating other large-scale government programmes including the New Deal for Disabled People and the Job Retention and Rehabilitation Pilot.
Summary

Introduction

The Pathways to Work/Incacity Benefit Reforms pilot was introduced in October 2003 and aims to increase the number of incapacity benefit recipients who move towards and into paid work. The reforms comprise a package of measures, initially introduced in seven Jobcentre Plus districts in England, Scotland and Wales. A further 14 districts are being phased into the pilot from October 2005.

This report presents findings from a focused study of Return to Work Credit (RTWC) and is based on qualitative research conducted by the Social Policy Research Unit (SPRU), the National Centre for Social Research (NatCen) and the Policy Studies Institute (PSI) in 2005/06. This study is one of several being undertaken to inform the overall evaluation of the Pathways to Work pilots.

Return to Work Credit is one of the main innovative components of the ‘Choices’ package – a range of existing Jobcentre Plus services and new interventions on offer in Pathways pilot areas. It is an earnings supplement available to incapacity benefit recipients who move into paid work. The aim of RTWC was to provide ‘clearer returns from working’ and ‘to ensure a firm transition back to employment’ (DWP, 2002). Payable at £40 per week for a maximum of 52 weeks, it is available to those who have been receiving benefits for at least 13 weeks, have found a job of not less than 16 hours, and do not receive earnings in excess of £15,000 per annum. Recipients must reapply at 26 weeks to continue entitlement for a further 26 weeks.

The findings in this report draw on data collected from 35 depth interviews with current or recent RTWC recipients in the seven original pilot areas. The study group included people at different stages of receipt, to provide opportunity to understand experiences during the early and later stages of a claim, to understand the reasons for and effect of withdrawal of RTWC before expiry, and people’s responses to the loss of RTWC after a full year in receipt.
Knowledge and understanding of RTWC, and influence on decisions to work

RTWC was designed to encourage movements into paid work. The study group included some people who learned about the £40 supplement when thinking about work and took it into account when making decisions. However, it was more common for people to find out about the extra financial help after making arrangements for work.

We can understand the salience or importance of some of the RTWC rules from what people remembered in the research interviews about their initial understanding. In general, people knew from the beginning that it would be paid at £40 per week for 12 months. They also recalled that eligibility depended on the number of hours worked, but this was not always correctly remembered as 16 hours. The earnings limit was something people hoping to move to higher earnings remembered thinking about when they learned about RTWC. Those who had most difficulty remembering the rules were people who received RTWC for a full year, people receiving Working Tax Credit (WTC), and people who learned about RTWC after arranging their return to work.

People described a number of influences on their decisions about work. They described improvements in health, support from family and GPs, wanting to interact with people again after feeling bored at home, and wanting more money. Those who learned about RTWC while thinking about working explained how this knowledge had influenced their views and behaviour. There is evidence that some people would not have gone to work, would not have returned so quickly, or would not have been confident about being financially better off in work, without first seeing detailed information about the likely impact of RTWC on their income. Having discussed better-off calculations or worked on their own financial projections led some to realise they could work shorter hours or take lower paid work. Some people were encouraged to negotiate work of 16 hours so that they gained entitlement to RTWC.

Not everyone who knew about RTWC in advance of looking for work felt this knowledge had influenced them. Some people who wanted to work anyway and had found jobs that suited them said they would have returned to work without RTWC. Also, people did not take RTWC into account in their decision making where they were uncertain about their eligibility.

People who learned about RTWC after making arrangements for work were pleased but surprised that such help was available to them and wondered if there was some kind of catch. Knowing they would have an extra £40 each week helped to boost people’s confidence and positive feelings about going back to work, and reduced concerns about managing financially in work. It could also influence behaviour, for example, in agreeing hours for a job that had already been offered. There were mixed views about whether earlier RTWC information would have been desirable and useful.
Experiences of receipt: What difference did RTWC make?

People described two main ways in which receipt of RTWC made a difference: Firstly, RTWC helped to make work financially worthwhile for people who needed to include it in their day-to-day budgeting. RTWC was especially useful during the first few weeks after moving into paid work, when wages had not yet arrived and people needed to adjust to extra financial demands. Most of those who responded to the incentive of RTWC found that they were indeed financially better off in work with RTWC. Some people became less reliant on RTWC as they grew accustomed to budgeting with earnings over time; and some more reliant in periods of uncertainty, for example, during sickness absence from work. At the time of interview, not all people with children to support felt financially better off in work. Some of these people were in the earlier months of RTWC receipt.

The second way RTWC made a difference was in helping, generally, to improve financial security and freedom in spending. Some people did not need to rely on RTWC for day-to-day budgeting because others contributed to the household income, they were better off anyway through their earnings, or had other sources of income, such as valuable WTC. The extra £40 per week gave some people new opportunities for spending and saving, thereby improving their living standards and overall financial security.

In explaining how RTWC made a difference in making work financially worthwhile or helping to improve financial security, people perceived a number of roles for RTWC:

- providing an element of reassurance;
- compensating for a reduction in income;
- raising living standards;
- easing transitions into work;
- providing support through periods of sickness and uncertainty;
- preventing the creation or worsening of debt;
- encouraging financial independence;
- providing opportunities to clear debts;
- encouraging sustained working;
- financing home improvements;
- enhancing future employment prospects;
- sustaining or encouraging improvements in health and general wellbeing.

For a smaller number of people, RTWC did not make a significant difference. People who said this had other income sources they could depend upon, such as partners’
earnings and tax credits. In general they were not expected to provide the majority of the household income. Where they were the main breadwinner, they had been able to preserve healthy financial positions while claiming incapacity benefits through receiving occupational sick pay and spending a relatively short time out of work.

Experiences of receipt: The elements of RTWC

Application and reapplication

In general, the first application process was remembered for being easy and quick. Where there were delays before the first payment, this was especially problematic for people waiting till the end of the month for earnings.

There were some problems in providing evidence of earnings to ensure continued receipt. When people took too long to provide the evidence, the evidence was not received by Jobcentre Plus, or when people did not have the required kinds of evidence, payments sometimes stopped and were not always reinstated.

There is evidence that the 26-week reapplication is not always perceived as a distinct process. Some people did not realise until receiving a letter from Jobcentre Plus that they needed to renew their application to receive RTWC for the rest of the year. Others did not distinguish the renewal process from regular requests to provide evidence of eligibility. Whilst some remembered reapplication as a smooth process, there were problems when reminder letters were not received in advance of reapplication dates and payments were stopped.

Amount

In general, £40 per week was considered to be fair. There were some arguments for other levels of payment. People with higher financial burdens thought the amount should be higher, or be calculated according to need. However, higher payments were not supported by people concerned about being perceived as ‘greedy’, or people who wanted this kind of support to be available to more people. Amounts of less than £40 were thought insufficient to provide enough of an incentive to work, and not worth the costs of administration, although some people said any amount would have been a ‘bonus’.

Duration

Adjusting to new budgeting arrangements upon returning to work had taken time for some people and a year of RTWC payments had provided some certainty in what was otherwise an uncertain period. A year of RTWC had also provided an initial boost to finances and was thought to be a cost-effective use of resources. Some people who found themselves in much better financial situations at the end of a year’s receipt thought it would be wasteful for RTWC to continue for longer. Those who said they were only just better off financially in work at the end of the year felt a continued need for financial support.
Method and periodicity of delivery

Weekly payments of RTWC were well liked. They were important for people managing tight budgets, especially when earnings and tax credits were paid monthly. People who would have preferred monthly lump sums did not have strong objections to weekly payments.

Overall, RTWC was considered a good way of supporting transitions into paid work, especially for people out of work for a long time, those who have low incomes, or existing financial problems. Many people could not think of better ways of supporting people who want to work. There were some concerns about rules of entitlement, and some people made suggestions for improvements based on their own frustrations in experiencing RTWC.

Expectations and experiences of the end of RTWC

A focus of interest in this study was how far people understood how RTWC would end, whether they made any plans in anticipation, what was the financial impact of the loss of £40 per week, and decisions made in response to RTWC expiring or ending before the expiry date.

Expiry

All people whose claim for RTWC had expired by the time of the interviews said they had known the payments would end after 12 months. Before expiry, some people prepared for the drop in income by ensuring they had no outstanding bills, negotiating a pay rise with their employer to coincide with the expiry of RTWC, taking opportunities to increase their earnings, or looking for better paid work.

People with no more than a month’s experience of the loss of RTWC said they were yet to feel the full financial impact. Some were confident that they would not miss the extra £40 each week, but people who had found it hard to budget within their income knew they would have to be more careful with money. Among people who had been without RTWC for a number of months, RTWC was missed because it could no longer be added to savings, or help in day-to-day budgeting including meeting work expenses. There is evidence that some people were only slightly better off financially in work than when receiving incapacity benefits after RTWC expired.

Decisions already taken or plans being made in response to the loss of RTWC were:

- arranging increased earnings with the same employer;
- thinking of asking for increased earnings from the same employer;
- moving to a better paid job;
- thinking of looking for a better-paid job;
- taking a second job;
- changing spending patterns;
• changing saving patterns;
• expecting to change spending or saving patterns.

Ending RTWC before expiry

Most people whose RTWC ended short of 12 months, saw their claim end because they stopped working and returned to benefits. Others lost RTWC when still in work because they exceeded the earnings limit, appeared to be working reduced hours, or because Jobcentre Plus apparently did not receive evidence to support their continued entitlement.

People who stopped working knew that this would bring their claim to an end. Losing RTWC in other ways was, however, more unexpected. Even where basic rules of entitlement were understood, it was a surprise to learn how Jobcentre Plus interpreted the rules.

Upon returning to benefits, people found that they were in a worse financial position. The loss of earnings and financial supplements, including RTWC, was felt hardest by people living alone and where there was no other earner in the household, some of whom were lone parents. People given financial penalties for knowingly failing to report changes in circumstances also had serious financial problems. The financial impact was less for people who had not been reliant on RTWC in meeting day-to-day expenses. There was some relief that there had been no financial disadvantages in trying work.

In making decisions and thinking about the prospect of working again, people who had returned to benefits were influenced by their health, experiences of working and financial situation. Working again was an ultimate goal, but getting better and improving skills through training were priorities for some at that time. Changes in spending and saving patterns were immediate responses to the loss of earnings and valuable in-work support. Some young, single people found that they could not afford to live independently and returned to live with parents. The experience of receiving RTWC and knowing what difference it could make, encouraged some to seek work again and to plan to make a fresh application for RTWC.

Among people who continued to work, the impact of losing RTWC varied: Some said losing the supplement made no difference because they had relatively secure financial positions without it. People with heavy financial burdens found that they struggled without the extra £40 per week they had used to boost their income.

People still working at the time of the interviews had plans to continue working. Only where RTWC payments had been relied upon in general budgeting had people responded to its loss by cutting spending and seeking higher earnings.
People in receipt of RTWC

Nobody currently receiving RTWC when interviewed expected RTWC to end before the 12 month expiry. People expected to continue working after expiry of RTWC. Most expected the loss of RTWC to make a financial impact, and some thought this would be considerable.

People expecting RTWC to expire in the next few weeks were all thinking ahead to how they would manage the drop in income. Some had already taken steps to work longer hours. Some people had purposefully not used RTWC to help everyday budgeting, choosing to save it or to clear debts, and were not anticipating financial problems. Concern about the impending loss of RTWC was linked with believing themselves ineligible for WTC and with perceiving few alternative opportunities for enhancing income.

People at least four months from the date of expiry said they did not want to work longer hours. They thought they would manage the loss of RTWC by budgeting more carefully, or perhaps investigate the possibility of receiving WTC.

Those people in the earlier stages of receipt, and furthest from expiry, were not confident they would manage without RTWC. Budgeting was difficult because they had outstanding debts, high travel expenses and did not claim WTC. No one expected to stop working and plans were being made, and steps taken, to secure higher earnings.

Discussion and conclusions

There is good evidence from this study that paying RTWC for 12 months does support lasting transitions to work from incapacity benefits for some people. It does this not only by enabling people to manage day-to-day budgeting with earnings, but also by enabling people to clear debts, start saving, and extend spending to increase living standards and enhance future job prospects. There is also good evidence that knowing about RTWC in advance of making decisions about work acts as an incentive for some people. On the other hand, there is strong evidence that people keen to move off incapacity benefits often find and move into suitable work, without knowing about RTWC. There is also evidence that the extra £40 per week, for some people, is more of a bonus or reward, welcome but generally not significant in terms of overall household income.
1 Introduction

The Incapacity Benefit Reform pilots were introduced in October 2003 and aim to increase the number of incapacity benefit recipients who move towards and into paid work. The reform comprises a package of measures, initially introduced in seven Jobcentre Plus districts in England, Scotland and Wales. A further 14 districts are being phased into the pilot from October 2005.

The Department for Work and Pensions (DWP) has commissioned a research consortium1 led by the PSI to undertake comprehensive evaluation of the pilots. This report is based on qualitative research conducted by SPRU, NatCen and PSI in 2005/06, and presents findings from a study of Return to Work Credit (RTWC), a weekly cash payment to people who move into work.

This chapter explains the main elements of the reform package (Section 1.1), of which RTWC is one important component. Section 1.2 explains the overall evaluation programme, as context for this focused study of RTWC. Section 1.3 explains the main features of RTWC, and the underlying policy aim of this measure. There is also a short summary of the main features of Working Tax Credit (WTC), which is available generally as financial support for people with lower earnings. Section 1.4 sets out the questions about people’s use and experiences of RTWC to which answers were sought in this study, and Section 1.5 presents the research design and methods. The chapter concludes with explanation of the structure of the rest of the report.

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1 The consortium comprises teams of quantitative and qualitative researchers from the Policy Studies Institute (PSI), the Social Policy Research Unit (SPRU) at the University of York, the National Centre for Social Research (NatCen), the Institute for Fiscal Studies (IFS), Mathematica Policy Research Inc. (USA) and David Greenberg of the University of Maryland, Baltimore County.
1.1 Incapacity Benefit reform: Pathways to Work

The main elements of the pilot provision are as follows:

- new, specialist teams to advise and support people, including specially trained Incapacity Benefit Personal Advisers (IBPAs), Disability Employment Advisers (DEAs) and work psychologists;

- a requirement on people making new claims for an incapacity benefit to take part in a Work Focused Interview with an IBPA eight weeks after their claim, with further requirements for some people to take part in a series of five further interviews. Non-attendance can result in deductions from benefits;

- a Choices package of interventions offering people a range of provision to support their return to work. Included are easier access to existing programmes such as New Deal for Disabled People (NDDP), Work Preparation and Work-Based Learning for Adults (WBLA), and new work-focused Condition Management Programmes (CMPs). The latter are developed jointly between Jobcentre Plus and local NHS providers;

- an RTWC of £40 per week, payable for a maximum of 52 weeks and available to people who return to or move into new work of at least 16 hours weekly, and whose gross earnings are less than £15,000 a year;

- access for IBPAs to an Advisers’ Discretion Fund (ADF) which allows them to make grants of up to £100 per person, to support activities that can improve the likelihood of finding or taking up a job;

- equal, voluntary access for all people claiming incapacity benefits in the pilot areas to the Choices package, RTWC and ADF. Only people who are exempt from the Personal Capability Assessment and thus, identified as having the most severe functional limitations, and people identified through a screening tool as least likely to need additional help in returning to work are not required to attend mandatory WFIs. All incapacity benefit recipients are entitled to access all elements of the service on a voluntary basis.

Pathways to Work was initially designed for people making new claims for incapacity benefits. In February 2005, Pathways to Work provision was extended to some people with existing claims in the seven original pilot areas, specifically those who had made a new claim in the two years prior to the start of the pilot. There are some differences in this provision:

- an initial explanatory telephone call;

- a series of three compulsory WFIs, rather than six;

- availability, on discretion, of a Job Preparation Premium (JPP) of £20 per week, payable for up to 26 weeks, for people engaged on work-related activity.

2 The Personal Capability Assessment is an important element in decision making about entitlement to incapacity benefits, and comprises a ‘score’ derived from descriptors of ability to perform everyday activities.
1.2 Evaluation of Pathways to Work

The objective of the overall evaluation is to establish whether, and by how much, the package of measures in Pathways to Work helps people claiming incapacity benefits move towards work and into paid jobs. The evaluation involves description and exploration of processes and factors that influence people’s experiences of the pilots and different outcomes achieved.

The overall evaluation includes research with people receiving incapacity benefits, Jobcentre Plus staff and service providers. The programme includes qualitative and quantitative evaluations of processes and outcomes, net impact analysis and cost benefit analysis. The following is a brief summary of the overall approach and findings available thus far.

1.2.1 Net impact analysis

The impact analysis will estimate the overall impact of the pilots on a number of outcomes related to different aspects of the labour market. Outcomes of primary interest include employment, exit from benefit, earnings, employability and health. In addition, analysis will estimate the impact of the Choices package, RTWC and whether the pilot has caused substitution effects.

Quantitative research elements comprise a face-to-face survey and two telephone surveys with incapacity benefits customers. A telephone survey to collect information equivalent to that collected by the screening tool takes place with two cohorts in both pilot and non-pilot areas, before and after the start of the pilot to provide information from non-pilot areas in order to determine the impact of the programme. A large face-to-face survey takes place over two stages, enabling a quantitative context for findings from the qualitative research.

1.2.2 Cost benefit analysis

The cost benefit analysis will indicate whether the monetary benefits from pilot measures outweigh their monetary costs from a societal point of view, and hence, whether they are economically efficient. It will indicate whether the pilot measures improve the well-being of those who receive the services provided, and what are the net effects of the measures on the government’s budget. Thus, it will provide information critical to any decisions concerning whether to introduce some or all of the interventions in other Jobcentre Plus districts.

1.2.3 Process evaluation

Qualitative exploration of perspectives from Jobcentre Plus staff, service providers and incapacity benefit recipients takes place in a number of ways. The main elements of the qualitative programme include:
site visits, to familiarise research staff with the implementation of the pilots in each area, to identify differences in the ways reforms are being delivered, and to establish contacts and working relationships. Visits to the seven sites took place in late 2003/early 2004 and May 2004;

• six early focus groups with IBPAs and incapacity benefit recipients (reported in Dickens, Mowlam and Woodfield, 2004a);

• a longitudinal panel study of incapacity benefit recipients. An interim report based on the first research interviews was submitted to the DWP in 2004 (Nice and Sainsbury, 2004). The findings from the first cohort of 24 incapacity benefit recipients were published in 2005 (Corden, Nice and Sainsbury, 2005) and findings from the second cohort of 53 recipients were published in 2006 (Corden and Nice, 2006);

• a series of short, self-contained focused studies, to provide rapid feedback on topics of interest such as the role of IBPAs (Dickens, Mowlam and Woodfield, 2004b; Knight et al., 2005), the CMP (Barnes and Hudson, 2006b), the provision of In-Work Support and, the subject of this report, the RTWC. ‘Focused study’ methodology identifies important research questions that can be explored in depth at the most appropriate time during the pilot. Focused studies may vary in size and scope but each identifies the relevant respondent group (or sub-group) and, using concise topic guides, explores a specific topic in depth;

• group discussions and telephone interviews with incapacity benefits recipients and Personal Advisers for evaluative work on the pilot’s extension to existing clients. Early findings have been published (Barnes and Hudson, 2006a). Further work on the pilot’s extension is now underway, involving observation of WFIs, and follow-up interviews with Personal Advisers and incapacity benefits recipients.

1.3 Return to Work Credit

Return to Work Credit is one of the main innovative components of the Choices package. It is an earnings supplement payable to incapacity benefits recipients who return to, or move into, paid work. Measures to supplement earnings of disabled people and people with long term health problems have a long history. Disability Working Allowance (DWA), a social security benefit, was introduced in 1992 with the main aim of helping disabled people move into or remain in work. DWA was replaced within the tax credits system in 1999 by Disabled Person’s Tax Credit (DPTC), the adult elements of which were incorporated into mainstream support through WTC in 2003. Both DWA and DPTC were subject to major evaluative research (see, for example, Rowlingson and Berthoud, 1996; Corden and Sainsbury, 2003). The tax credits have a pivotal role for the government’s objectives of delivering employment opportunity for all and tackling child poverty, making work pay and raising living standards for some people, and making financial provision for childcare for some parents who want to work.
An earnings supplement with a simpler structure and form of administration was the Employment Credit available within New Deal 50 Plus and administered through Jobcentre Plus. People aged 50 years and over who moved off benefit and into work could receive a top-up payment to help support and incentivise their transition back to work. Employment Credit was paid for 52 weeks to people whose personal income did not exceed £15,000 per year. Building on the apparent success of Employment Credit (Atkinson and Dewson, 2001), a new RTWC for anyone leaving an incapacity benefit for paid work of at least 16 hours per week was introduced into the Choices package of Pathways to Work (DWP, 2002).

The aim of RTWC, as stated in the 2002 Green Paper, was to make more people financially better-off in work and to make the financial transition easier. By paying RTWC through Jobcentre Plus offices in pilot areas, rather than the tax credit system, the aim was for IBPAs to make people aware of the additional support during WFls, to make application simple and ensure speedy payment. The aim was to provide a clear and easily understood incentive to allow a person to judge whether they would be better off financially moving into work. Government estimates were that RTWC would increase the numbers of people who would be £40 a week or more better off during their first year of work to over 90 per cent of those working 30 hours or more and 47 per cent of those working between 16 and 30 hours. Combined with WTC, this provided more in-work financial support than ever before for people moving back to work from an incapacity benefit. It was estimated that around ten per cent of people might be financially worse off (DWP, 2002, Figure 8).

The main rules of RTWC are as follows:

- RTWC is a non-taxable payment of £40 per week payable for up to 52 weeks to people who satisfy the eligibility criteria. These are relatively simple. A person must have been claiming an incapacity benefit for 13 weeks or more (or moved to incapacity benefit from 13 weeks or more Statutory Sick Pay). The work must be for at least 16 hours a week and be expected to last for at least five weeks. Personal gross annual salary (or income from trading) must be expected to be £15,000 or less. RTWC is paid initially for 26 weeks but can be renewed for a second period of 26 weeks. The time limit is partly intended to encourage recipients to see RTWC as a stepping stone (for example, towards working longer hours) rather than a permanent wage top-up; the six month renewal requirement acts as a check that recipients are still in work.

- Application is made on a form issued by, and returned to, the IBPA. Application may be made up to a week in advance of starting work, and the job involved may be for the previous employer. People starting work as self-employed must also submit a business plan at this stage. Claims must be made within five weeks of starting work.
Evidence of earnings/trading must be submitted at ten weeks after starting work; this means the two first pay slips or evidence of trading. Jobcentre Plus issues reminder letters for this evidence at eight weeks, and if no evidence is received, payments of RTWC stop. If suitable evidence is submitted, RTWC payments continue for another 16 weeks. Self-employed people may not yet be showing any evidence of profit, but may show other evidence of trading.

At 22 weeks there is an automatic issue of the form for reapplication for RTWC which is due at week 26. Evidence must be returned in ten working days; again, this means the two most recent wage slips or evidence of trading. If this evidence is satisfactory, RTWC is authorised for a further 26 weeks without further check of earnings or trading.

Recipients are told they must notify relevant changes in circumstances and that overpayments may be recovered, for example, if they stop working but do not tell Jobcentre Plus.

If recipients stop one job and move to another within five weeks there is no break in payment. People who finish one job and return to benefit can claim the ‘balance’ of the 52 weeks RTWC entitlement if they start work within 12 weeks of returning to benefit. This is termed the ‘balance of time’ provision by Jobcentre Plus. If people claim an incapacity benefit for more than 13 weeks, however, ‘balance of time’ no longer applies. Such people must make a new application for RTWC, and if entitled thereby requalify for a full 52 weeks payments.

Payments are made once a week. Jobcentre Plus promotes direct payments into bank or building society accounts, but people who do not have an account may receive girocheques.

RTWC is disregarded in determining entitlement to Housing Benefit (HB), Council Tax Benefit (CTB), WTC and Child Tax Credit (CTC), and does not affect liability for income tax or National Insurance Contributions. It is disregarded for purposes of the recipient’s or their partner’s claim for Income Support (IS) or Carer’s Allowance, or a partner’s claim for Jobseeker’s Allowance (JSA).

Basic information about RTWC is made available by Jobcentre Plus for customers in a booklet approved by the Plain English Campaign.

It is useful at this stage to summarise the main features of WTC: WTC is a non-contributory earnings supplement for people in work, administered by Her Majesty’s Revenue and Customs (HMRC). People with responsibility for children, people with a physical or mental disability putting them at disadvantage in getting work, and people aged 50 years or over must work at least 16 hours; other people qualify at 25 years of age and must work at least 30 hours weekly. The amount of entitlement depends on personal circumstances and income, and there are additional elements

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3 HMRC is the department created by merger of the previous Inland Revenue with Customs and Excise.
for ‘disability’, ‘severe disability’ and child care. The income assessment is initially based on the previous tax year’s taxable income (including taxable incapacity benefits and for those in paid work, gross earnings), and finalised in an end-of-year recalculation, and changes in circumstances may lead to within-year recalculations. At the time of this RTWC study, payments of WTC to employees were made with wages by the employer; payments to self-employed people and payment of the child care element into bank, building society or post office accounts. Payments of WTC through the employer were due to be phased out by April 2006.

1.4 Aim of study

As part of the overall evaluation of the Pathways pilots DWP required a small, qualitative, focused study of recipients’ experiences and use of RTWC. The main questions to which answers were sought included:

- how did people find out about RTWC and what were their initial perceptions?
- did knowing about RTWC influence views about work, and decisions made?
- what was/is the experience of the application process, delivery and renewal?
- how did/do people use RTWC monies, and what is the financial impact?
- what are people’s views on the amount of RTWC and duration of payment?
- among people whose RTWC has expired, what is their employment and financial situation?
- among people who left work, what role did RTWC have?
- among recipients, what are the expectations of, and views on, withdrawal of RTWC?

1.5 Design and methods

The researchers aimed to conduct 35 depth interviews with current or recent RTWC recipients in order to explore the issues set out in the previous section. It was important to include people at different stages of receipt, to provide opportunity to understand experiences during the early and later stages of a claim, and to understand the reasons for, and effect of, withdrawal of RTWC before the potential expiry date. We might expect some research questions to have more salience than others for particular groups of people. For example, people in the early period of receipt might have clearer recall of learning about RTWC and whether this influenced their views about working. For people in later stages of receipt, the imminent expiry of RTWC might be more salient. People whose RTWC was withdrawn before expiry might have useful information about why they stopped working and whether RTWC acted as an incentive to try work. People whose RTWC expires after 12 months are of particular policy interest, in relation to the financial impact of losing this earnings supplement and the decisions they made.
In order to include this full range of circumstances in relation to RTWC, the researchers identified four administrative groups of recipients, using start and end dates of RTWC awards on the DWP database of recipients. These administrative groupings were:

- people in their first period of receipt (up to 26 weeks);
- people in their second period of receipt (26-52 weeks);
- people whose RTWC award ended before the potential expiry date;
- people whose award expired after 52 weeks.

The aim was to include in the study group around seven or eight people in each of the first two groupings above, and around ten in each of the other groups. The aim was to achieve a balance of men and women, and to include people in all age groups, including people aged over 60 years, given the current policy interest in extending working lives.

People who work as self-employed may receive RTWC, but there were few recipients on the database recorded as self-employed. It was decided to focus on employees in this study.

A topic guide was designed to explore the issues to be addressed, and depth interviews were achieved with 35 people, 15 men and 20 women. Interviews were tape-recorded, with participant’s permission, and tape-recordings were transcribed for analysis. Appendix A provides full details of the recruitment of people to the study group; conduct of the interviews and research instruments; and analysis of data. Also appended is a description of the main characteristics of those who took part, in respect of gender, age, household arrangements, ethnicity, health circumstances and financial situations.

1.6 Structure of the report

Chapter 2 continues with an exploration of people’s knowledge and understanding of RTWC, and how far this influenced their decisions about work. Chapter 3 describes people’s experiences of receipt of RTWC, in terms of the difference it made and the roles it played. Chapter 4 presents views on specific elements including the amount, duration, method and periodicity of payments, and overall impressions of RTWC. Chapter 5 explains people’s expectations of the end of their RTWC payments and, for those no longer in receipt, financial and employment circumstances since the end of this financial support. Chapter 6 draws together the main findings and conclusions.

Sections in the following chapters draw variously on findings across the whole study group or from people in different sub-groups and we make this plain within the text. Short phrases or words in italics are those spoken by people who took part in the interviews, to show their conceptualisations and interpretations.
2 Knowledge and understanding of Return to Work Credit, and influence on decisions to work

This chapter explores people’s general knowledge and understanding of Return to Work Credit (RTWC), and their views on whether RTWC was an influence in decisions to move off incapacity benefit. Section 2.1 presents people’s recollections about how they first learned about RTWC and their initial perceptions. Section 2.2 reports what people said they understood about the rules at that stage. Section 2.3 presents retrospective views of whether knowing about RTWC influenced any decisions about moving off incapacity benefits into paid work, and how this happened.

2.1 Learning about Return to Work Credit and initial perceptions

The way in which knowledge about RTWC might influence decisions about working depends partly on when people learn about it. Most people interviewed remembered the circumstances in which they first heard about RTWC and began to think about its relevance to themselves. In this study group, it was more common for people to say they learned about RTWC after making arrangements to move into work than while they were thinking about it. These two groupings are important, analytically. Only people who learn about RTWC before moving into work can take RTWC into account when thinking about work and making decisions about their move. Some of the potential impact of RTWC as an incentive to encourage people to move to work is diluted when people make arrangements to move to work before knowing they can get RTWC. We, therefore, deal separately with these two groups in reporting findings about learning about RTWC and initial perceptions.
2.1.1 Learning about RTWC after making arrangements to work

An experience described by many was being told about RTWC and other forms of financial support such as Working Tax Credit (WTC) when they visited Jobcentre Plus to end a claim to incapacity benefit or, for one person, to talk about changes in work currently done as Permitted Work. At this point, Jobcentre Plus staff told people they would be eligible to apply for RTWC, and helped them make a claim. There was considerable surprise when people learned about RTWC in this way. Some found it odd that there was extra money from Jobcentre Plus for people who were already going back to work. This did not seem quite right to some people, sensitive to the idea that they might be seen by other people to be getting something for nothing. Some felt there was more need for extra money while claiming benefits than when people went back to work. Others could not square the extra payments with the government’s perceived intent to cut spending on people claiming incapacity benefits. Some remembered being doubtful they would actually turn out to be entitled, for example, if they were going back to a job held open, or if their partner had earnings. Despite assurances from Jobcentre Plus staff, some were ready to discover ‘some sort of catch in it’ when they signed applications.

People who learned about RTWC from sources other than Jobcentre Plus, after deciding on a job, identified friends in similar circumstances as their source of information.

We might expect those people who said they did not hear about RTWC until after arranging a move to work not to have been taking part in Pathways or New Deal for Disabled People (NDDP). Receiving information about the main financial incentives is often an important component of Work Focused Interviews (WFIs) with Incapacity Benefit Personal Advisers (IBPAs) (Corden and Nice, 2006). Some people in this group, indeed, had not been asked to go to meet an IBPA, and had not been in touch with a Job Broker. There were, however, several people who had been taking part in WFIs and/or received support and help from Job Brokers among those who said they only found out about RTWC when they went to Jobcentre Plus to sign off. We do not know whether they had been given information which was misunderstood or not retained. There is evidence from other qualitative research that IBPAs tailor their advice and information giving to individual needs (Knight et al., 2005). One woman suggested herself that in early work focused meetings when she did not feel ready for work, it was quite likely that she did not listen carefully or remember things. Another suggestion, from people who had been thinking about working as self-employed, was that they were not told about financial help that was available until they were definite in their decision. At this point, they remembered, they were told about various ways of supporting people starting self-employment, including grants for equipment and RTWC.

2.1.2 Learning while thinking about work

We turn now to those people who said they heard about RTWC while they were still considering moving into work, before they had definite plans or made any
arrangements. It is among this group of people that there might be examples of knowledge of RTWC influencing views about moving off incapacity benefits and behaviour in looking for work, or accepting job offers.

In nearly every case, people in this group were taking part in Pathways, including several who were taking part voluntarily as they were interested in support available to people who would like to work. So most people in this group had first heard about RTWC from an IBPA or staff in organisations known by the researchers to be NDDP Job Brokers. Some remembered being told initially about in-work benefits before they felt well enough to start working, and then reminded later when the information was more relevant.

The only person who heard about RTWC outside Pathways when she was already thinking of returning to work, said her husband had learned about it in Jobcentre Plus. She made an appointment at Jobcentre Plus to get more information.

Again, people remembered their response in terms of being pleased. Some were very surprised about financial incentives available, and there were again some feelings of suspicion that there would be catches in it somewhere.

2.2 Initial understanding of rules

Data from these interviews do not provide a full picture of people’s understanding of the RTWC rules at the time they were thinking about moving into work, or when they first applied. By the time of the research interviews, experiences of claiming, reapplication, ending or expiry had fed variously into people’s understanding of the way in which RTWC worked. Chapter 4 explores people’s current understanding of the main elements of RTWC, at the time of the research interview. While we cannot recapture fully how much people understood about RTWC when they first thought about it, what these data do show is some of the salience or importance of some of the rules when people first learned about them. People remembered particular rules that had seemed important at the time; some described learning things later that they thought they had not realised earlier; and some talked about confusions that subsequently arose linked to misunderstandings. This picture of initial understanding is thus partial, but provides useful insights into the early impact of learning about RTWC rules.

There was good evidence that when they first learned about RTWC, people generally grasped that RTWC was paid at £40 per week for 12 months. Just one person remembered that RTWC had been explained to her as a £2,000 payment for the first year’s work (as was also reported by people who took part in the longitudinal panel (Corden, Nice and Sainsbury, 2005)). The amount of money was critical for some people thinking through options in moving off benefits, as explained in the following section. Others remembered thinking straight away how they might use this unexpected £40, matching it to earmarked expenses, or deciding to put it towards general household budgeting. A lone parent who wanted to ease
herself back into work using financial support measures remembered that being
told RTWC was tax-free and would not affect other income assessments had made
an impact.

Some people remembered learning that eligibility depended on having spent a
certain period on incapacity benefits. There was some evidence that people had not
always found it easy to understand this rule, as some remembered being concerned
that they would not meet this requirement. In retrospect, people often did not
remember correctly the length of this period (at least 13 weeks) and there were
several suggestions of six months.

People generally remembered having been told about the requirement for a certain
number of hours of work. Again, the number of hours was critical for some people
thinking about their options for work, explained in the following section. Some
people understood that 16 hours was the current measure defining ‘work’ for
purposes of dealing with Jobcentre Plus and tax credits, and understood how the
RTWC rule here fitted rules of entitlement to other benefits and tax credits. Others,
however, thought the hours requirement for RTWC was variously 30, 32 or even 37
hours weekly. Such people tended to be working fairly long hours themselves, and
the RTWC hours rule had little salience in their circumstances. Some said that, in
retrospect, they were not sure what the rule was, but they had understood that their
intended hours of work fitted the rules.

People who remembered thinking about the earnings limit when they learned about
RTWC included people who hoped to move to higher earnings before long. For
example, people who hoped to be able to resume their normal working capacity
expected earnings to increase. It appeared that such people had understood that
RTWC payments might stop if this happened. One woman remembered being
concerned that whether she was entitled to RTWC might depend on the way her
employer reported earnings. A low basic salary would be augmented by payments
on duty, and her periods on duty would be variable and unpredictable. In retrospect,
a self-employed person would have liked to have better understood how his
earnings would be dealt with and how they would be averaged. This is discussed
further in Chapter 5.

An important finding was that many RTWC recipients, at the time of the research
interviews, were not well equipped to be able to explain the basic rules to other
people who might be interested, apart from the fact that £40 could be paid for 12
months. There was evidence of considerable confusion with the rules for WTC and,
often, overestimation of the number of hours work required. Some of those who
had most difficulty remembering the rules were people who had received RTWC for
a full 12 months, people currently receiving WTC, and people who learned about
RTWC after they had arranged a move to work.
2.3 Influences of Return to Work Credit on views and decision making about work

People described a number of reasons for wanting to move from incapacity benefits into work. Some said that their health had improved or their treatment had finished, and going back to work was the natural thing to do at that stage. They wanted to go back to jobs they enjoyed, or take further steps in chosen careers. Some saw returning to, or trying, work as a demonstration to themselves of their recovery, a way of getting their lives under control again, and being ‘normal’ again. People who had been claiming incapacity benefits for several years spoke about their boredom at home, and wanting more interaction with people again. Some mentioned encouragement from partners or parents, and GPs as influential when they thought about working. Those who said wanting more money was a strong influence included people supporting children; people who had run down savings while claiming incapacity benefits; people who were fed up with having so little to spend; people who wanted to pay off debts; or wanted to be able to afford to run their cars, renovate their homes, or move to live independently. Some people with working partners mentioned wanting some financial independence through their own earnings, or wanting to make their own financial contribution to the household. There was some dislike of having to deal with Jobcentre Plus, and feelings of guilt that arose from claiming benefits, and some felt some pressure from other members of their family.

There was, thus, a range of reasons for wanting to work, and a number of influences. It is the influence of RTWC that is the focus of this study. In this section about the perceived influence of RTWC on views and decisions about moving to work, we return to the two groupings established in Section 2.1.

2.3.1 People who learned about RTWC after making arrangements to work

Among people who learned about RTWC after making arrangements to move into work, as explained in Section 2.1, there was some surprise, and some feelings that it seemed too good to be true. Overall, people were very pleased. Knowing that there would be an extra £40 per week influenced how they felt, helping to boost confidence and positive feelings about going back to work. People felt they were being helped to do what they wanted to do. Knowledge about RTWC also came as a relief, helping to reduce concerns among some people about their potential financial situation in work. This was said to be particularly important by people who knew that stress of any kind made them vulnerable to recurrence of their condition. People shown a better-off calculation at this stage, with details of the work they had arranged, addition of RTWC and for some WTC, said they were delighted at how much better off financially they could be.

In terms of influences on behaviour at this stage, only one person said this had happened. Learning about RTWC influenced the hours of work agreed, in the job
she had been offered. She felt more confident in arranging just 16 hours work, to fit her personal circumstances and plans to start a college course at the same time.

There is some danger that people who move into work from incapacity benefits without knowing about RTWC will miss out because they do not know about their entitlement. (Claims must be made within five weeks of starting work.) Other qualitative research shows that people with little understanding of in-work financial support who find work themselves can miss out on entitlements (Corden and Nice, 2006). In this study group one person had missed out in this way when he first went back to his self-employed work. Discovering later that he could have claimed RTWC, he was angry that Jobcentre Plus staff had not told him about this. Recurrence of ill-health meant another spell claiming incapacity benefits, but he made sure he claimed RTWC immediately when he tried working again.

Another possibility, for people who decide to move off incapacity benefits before learning about RTWC, is that they might have perceived other options if they had known earlier about the payment. For example, taking a lower paid but more suitable job, or working fewer hours might have seemed an option for some, if assured of an extra £40 per week. Such considerations were too hypothetical for some people to have a firm view. One person wondered whether knowing about RTWC would have enabled him to look a bit harder for a more suitable job, or whether he would have gone back to work sooner. However, some were certain that knowing in advance about RTWC would not have influenced their decisions at the time. Included here were people who had firm plans to return to previous employers, had already been interviewed for, or accepted offers of, jobs they wanted, or were receiving support from voluntary organisations or mental health services in their phased return to work.

Some people, however, wished they had heard earlier about RTWC. One person said that she would not have made different decisions about work but would have been able to include the additional £40 in her plans for budgeting during the early weeks in work. Another person who had been working more than 16 hours while claiming incapacity benefits and knew he was breaking rules thought that he should have been told earlier about the RTWC option by one of his supporting organisations.

On the other hand, another person was glad not to have known earlier about RTWC. Experiencing financial pressures and with a job held open, she felt knowing about the extra money available might have encouraged her to go back to work before she was well enough.

### 2.3.2 People who learned about RTWC while thinking about working

We turn now to those people who had the opportunity to consider RTWC (and other financial incentives) in their plans to move into work, because they learned about RTWC when they were thinking about the move. Incapacity Benefit Personal Advisers feel that RTWC can be an incentive to return to work, for some people (Knight et al., 2005).
In this study group, knowledge about RTWC had been variously influential on views and behaviour in:

- deciding it was worthwhile financially to work;
- feeling more confident in returning to work;
- deciding more quickly to return to work;
- taking a job with shorter hours;
- taking lower paid work;
- taking 16 hours work to gain entitlement.

We now go on to explain how people talked about these influences.

Finding out what income they could expect on a return to work was a great surprise to some people. Some spoke of their ‘shock’ at that stage and how pleased they had been. One person said that she went to an interview with a disability adviser at Jobcentre Plus believing that it was not financially worthwhile for her to work. She had worked out herself that working full-time in the kind of job she was interested in would leave her only £20 better off. The better-off calculations done for her, including RTWC and her other benefit entitlements, changed her mind. She was certain that if she had not had seen the calculations she would not have gone to work.

There were also people who felt that RTWC had not influenced their behaviour but had made them feel financially more secure in deciding to return to work. This was particularly important for people who were facing financial problems, including debts and mortgage arrears.

For some people, the influence of RTWC had been in helping them decide to move off benefits more quickly, or making them feel more confident about planning such a move. People who wanted to go back to work, sometimes to jobs held open, had concerns about how they would manage financially, especially in the early weeks while waiting for wages. Parents wanted to be confident about the standard of living they could provide for their children before they committed themselves. People who had not worked for many years and were used to household budgeting with incapacity benefit had considerable concern about managing financially in low-paid work or shorter hours required to suit their condition. Seeing better-off calculations including RTWC and, for some WTC, made them more confident and helped them decide on the move.

Such people needed precise financial information before making decisions, and needed to be able to trust such information. One woman had visited the local Her Majesty’s Revenue and Customs (HMRC) office to get information about WTC and been pleased with the help received there. Another remembered her Personal Adviser saying that his WTC projection was an estimate only, and was glad he told her this. Her trust in the financial information received was increased because her
Personal Adviser and her Job Broker both said the same thing. She felt the information about RTWC, WTC, housing and council tax benefits, and the back to work grants from the Job Broker had all been important in her decision. People who thought they received good financial information spoke of RTWC as ‘a good incentive’.

Discussing better-off calculations with advisers or working out financial projections at home led some to discover that they could afford to work fewer hours, which would suit their condition or their family circumstances better. Some realised that they could take lower paid jobs which would suit them rather than searching longer for the higher paid work they had previously thought they needed to meet living expenses. Thus, one family breadwinner took a 30 hour job instead of the 38/40 hours work she initially thought she needed. Another decided it was possible to take a less stressful job with shorter hours than the kind of work which paid around £14,000, which she would have needed to pay mortgage and family expenses. People who saw the opportunity to take work which suited them but paid less spoke in terms of RTWC as ‘part of my wages’ or ‘compensating me’. They agreed that it had acted as an incentive to find a suitable job.

A different kind of influence was experienced by people who felt ready to start doing some work but could not manage many hours. When they discussed options available with advisers, including Permitted Work, the idea of coming off benefits altogether was attractive, as a mark of personal progress or ‘change in lifestyle’. Even when such people were not primarily concerned with the level of earnings they might get in work, hearing about different kinds of financial support and seeing a better-off calculation including the disability element of WTC and RTWC could be ‘an eye-opener’. Such people said they negotiated 16 hours work with a previous employer to fit the RTWC rules, or looked for a second part-time job in order to reach 16 hours and qualify for RTWC.

It is important to say that when people took into account both RTWC and WTC, it is often not possible to separate the influences of the different measures.

Although people influenced by RTWC were generally pleased about the income they would get in work, there were still some anxieties that it would turn out to be too good to be true, and there would be some unexpected problems. Chapter 3 goes on to describe what their experience was when they were receiving RTWC in work.

Not everybody who already knew about RTWC when they started looking for work felt this knowledge influenced them. These were people sharply focused on going back to work anyway. Some were relieved to be fit again, keen to be back at work and fairly confident they would manage at work. They found jobs which suited their skills and experience. For them, RTWC seemed ‘a boost’ and made going back to work a bit more attractive, but they said they would have taken their jobs anyway. Uncertainty about eligibility also meant that some people did not take RTWC into account. One man had found it hard to work out, from the RTWC leaflet, if he had been claiming incapacity benefit long enough to be entitled.
2.4 Discussion

This study shows that RTWC did meet policy intent in that some people were encouraged to move into work by seeing in advance what the financial returns would be from working with additional support from RTWC and, for some, tax credits. It enabled some people to make decisions to take the kind of jobs and arrange working hours that suited them. It also provided, for some people, greater confidence in attempting the transition from benefits, and reduced financial concerns. The study also underlines what we already know from many previous studies, that people who are keen to work anyway move into work without understanding different kinds of financial support that might be available to them.

The policy intent underlying RTWC was not just to provide incentives to move off benefits, however, but also to help people with the financial transition into work, in the recognition that settling into work and budgeting with earnings would take time for some people. The next two chapters explore people’s experiences when they received RTWC.
3 Experiences of receipt: What difference did Return to Work Credit make?

This chapter focuses on people’s experiences and views of how Return to Work Credit (RTWC) provided support in moving into and sustaining work. The varied ways in which people conceptualised the purpose and role of RTWC were linked to how the weekly payments were used. RTWC made a difference to people in two main ways: Firstly, in Section 3.1, RTWC made work financially worthwhile where people needed the extra £40 per week to try to balance income and expenditure. Improving financial security and freedom in spending was the second way RTWC was perceived as having made a difference, and is reported in Section 3.2. Over time, people could experience both these impacts in their lives. Some people however, experienced only one. In explaining how RTWC made a difference, people perceived a number of roles for RTWC. In contrast, Section 3.3 presents the views and circumstances of those who said RTWC had not made a significant difference.

3.1 Making work financially worthwhile

Although at the time of the interview, everybody was at least six months from their move off incapacity benefits, some emphasised the particularly valuable role RTWC played in helping make the transition into work. Regular RTWC payments seemed particularly important at the transition into work for some people who were paid monthly and had no other source of income after benefits ceased, who had been out of work for a long time, who were establishing their own business, who had one-off work-related expenses such as new clothes, who were waiting for Working Tax Credit (WTC) to come into payment, or who had homes to set up as well as new jobs to start. It was also helpful when wages took longer than a month to come into payment, sometimes because of employers’ errors. Early RTWC payments were relied upon to ensure travel costs were met. RTWC was not always enough during
these financially uncertain times and other help included money borrowed from family and friends. At this time when people were uncertain that their jobs would work out, it was reassuring to know that it was possible to return to benefits within a certain period.

Those who felt they would not have been better-off in work without extra income through RTWC and WTC, or thought they would struggle, were people living alone, people living with other benefit recipients and single parents, some with mortgages to pay or recovering from bankruptcy. Chapter 5 explains how dependence on the extra £40 per week was sometimes evident in how people responded to losing it. Reporting on the panel study of incapacity benefit recipients contains further evidence of people feeling financially better off in work with RTWC and other financial support (Corden and Nice, 2006).

Among people who did feel better off, RTWC was used in various ways. One way of using the money was to perceive it as part of the household income and put it towards general expenses. The money was spent as and when it was needed on household bills, shopping and to meet the rise in their outgoings in work such as travel costs, housing costs and council tax liability. Another way was to earmark the money for a specific expense, such as travel costs, work clothes and repaying debts. One person set up a separate bank account for RTWC payments, to ensure particular expenses would be met. In this way, RTWC removed concerns and provided reassurance that bills would be met.

Chapter 2 explained how some people were influenced in their decisions to leave benefits and try work by learning about RTWC. All who moved into work because RTWC gave them the confidence of knowing they could meet their financial obligations, found that receiving RTWC had indeed made work financially worthwhile.

People who were reported in Chapter 2 as saying they felt able to look for lower-paid and perhaps less stressful jobs because of RTWC, found that RTWC provided enough compensation to cover lower earnings. Work was also financially worthwhile for some people who deliberately took jobs with shorter hours because they knew RTWC, and sometimes WTC, would make up for any shortfall in earnings. The report on the second cohort of the longitudinal panel study also provides evidence that, without RTWC, some people could not have returned to work they felt able to manage (Corden and Nice, 2006).

Reliance on RTWC to balance day-to-day income and expenditure did not always last for the full 52 weeks. Some men and women who continued to receive RTWC past 26 weeks found that, as time went on and the payments continued, they were able to afford additional home improvements or to save some of the extra income as well as use it in regular household expenses. Some people here saw their earnings and RTWC together as having significantly improved their financial position. They found themselves much better off in work and attributed their much improved standard of living to the earnings they had brought in, as much as the extra £40 per week. Free from financial worry, one family was able to afford new furniture, a
fridge-freezer and a new television, as well as more food each week. There were also people who said they had relied on the regular £40 at particularly difficult and uncertain times. Having RTWC to supplement an employer’s sick pay throughout a six-week period of sickness absence meant that one man could afford to stay in work and not return to incapacity benefits. One finding from a separate study with incapacity benefit recipients was that regular RTWC payments were particularly helpful during the early stages of setting up a business when there was no other income (Corden and Nice, 2006).

Not all felt better off financially in work. People who did not feel better off all had children to support. Whilst £40 per week extra had helped, it had not provided these families enough of a boost and they were still struggling financially. It was hard to meet the extra financial burdens associated with working, including liability to pay rent and council tax, and repaying tax credit overpayments. One person here had taken fewer hours work believing that RTWC would help her bring home enough for what her family needed. So far, this calculation had not proved to be true. Forty pounds a week also did not go far when starting up a business and trying to meet associated costs, although it did provide an element of ‘peace of mind’, and knowing that payments would be deposited regularly felt like a ‘safety net’. Other qualitative research found that people with debts to repay and outstanding bills did not feel work had been financially worthwhile (Corden and Nice, 2006).

Some people who did not feel financially better off in work were in the first 26 weeks of receipt. As discussed already, some people who had experience of RTWC payments over a longer period of time relied less on the £40 payments in meeting regular expenses as they grew more accustomed to their new budgeting arrangements and saw their financial difficulties easing. It may be that people still struggling at the time of interview could also become gradually less reliant on RTWC over time.

Not everyone felt discouraged when they found themselves worse off financially in work. Some people found that they had personally been financially better off receiving benefits, sometimes with Permitted Work earnings. However, their household finances were helped by other sources of income, for example, small occupational pensions and partners’ earnings. They found RTWC useful in partly compensating for the fall in their personal income. One person felt misled by a better-off calculation that suggested a higher income than resulted.

### 3.2 Improving financial security and enabling freedom in spending

RTWC was not always relied upon to meet day-to-day expenses or pay household bills. People who did not rely on RTWC in this way lived with relatives or partners who contributed to the household income; were better off financially on their earnings alone; or had other sources of income, for example tax credits, benefits, small occupational pensions, or one-off boosts to finances such as the Adviser Discretionary Fund (ADF), which were considered equally or more valuable. Many
received WTC, without which some said they would not meet their outgoings. Working Tax Credit was mostly conceptualised as an element of earnings and part of the household income. It was, therefore, relied upon to meet the costs of living expenses. In only a few cases was WTC of less value than RTWC. The view that WTC is important in feeling financially better off in work was shared by some people who took part in the panel study of incapacity benefit recipients (Corden and Nice, 2006).

When RTWC was not relied upon to balance day-to-day finances it had important roles in improving financial security and enabling greater freedom in using money. The extra £40 each week was perceived as a ‘bonus’, ‘gift’ or ‘reward’, providing a boost to spending and saving.

Again, there were examples of people adding the RTWC payments to the general household income. Extra money helped to improve people’s standard of living, enabled more and better quality food, taking children out on trips, purchasing new clothes and eating meals out for example. Using RTWC to meet large one-off costs, such as legal fees or unexpected veterinary bills, had been important in preventing the creation or worsening of debt. Receiving extra money through RTWC was considered to be an incentive to keep a job that was not well liked. After combining the money with other income, some people earmarked RTWC as meeting specific costs, for example, nursery fees not met by other tax credits.

When the £40 per week was seen as a separate source of income or a temporary ‘bonus’, it helped some married women and young adults living at home to build up personal funds and, therefore, to feel more independent from family members. Diverting the money into a separate account meant that it could be drawn on to meet particular expenses, for example travel costs.

Perceiving RTWC as a temporary bonus, or finding a surplus after spending on more essential items, encouraged some people to use the money in ways that had not been possible before. Some had new opportunities for saving for example, to enhance their longer-term financial security or for particular expenses including holidays, weddings, cars and cookers. The extra money had given some people the opportunity to clear outstanding debts. Some people had used the money to finance much-needed home improvements, sometimes with a view to moving to a new area with greater employment opportunities. Repairing cars, or paying for driving lessons were expenses people had not been able to afford previously and were also perceived as important opportunities to enhance employment prospects. Learning to drive and purchasing a car helped people to become mobile and thus, broaden their search for suitable work. Becoming mobile was also a way of reducing social isolation and improving general wellbeing.

The psychological impact of feeling privileged and supported by society through the RTWC payments was sometimes considered more significant than the financial implications. Feeling comfortable and free from financial worry and stress was also highlighted, and was sometimes thought to have helped health conditions. Positive impacts on health were also said to result from being able to choose suitable jobs.
People who said this had looked for lower paid, and what they considered to be less stressful, jobs in the expectation that RTWC would make up for any shortfall in income.

### 3.3 Not making a significant difference

Despite finding RTWC helpful, people who had not needed to rely on the regular RTWC payments did not always feel receiving them had made a significant difference. People who felt like this said they did not return to work for financial reasons. They had not needed a financial top-up during their transition into work, nor at any other time since. People hypothesised that their lives would not have been much different if they had not received RTWC. Some people said they would continue to work without the extra £40 a week.

When researchers looked closely into people’s wider domestic and financial circumstances they found possible explanations for why RTWC had not made a significant difference to this group. No one in this group lived alone and most lived with partners or parents who were earning. Older women and women with children had earning partners and did not expect to contribute the bulk of the household income. This expectation was also held by young adults living with their parents. Some people recognised that the £40 per week payments might have been more valuable to them if they had lived independently of partners or parents. Those who were the main family breadwinners returned to their old jobs or self-employed work after relatively short periods off work and sometimes after having received occupational sick pay. They, therefore, resumed incomes they had become accustomed to and had not built up big debts whilst out of work. Some people said that tax credits formed an important element of their incomes and that the cessation of WTC or CTC would have more serious implications than the loss of RTWC.

One man who felt he could only manage short hours and do low-paid work thought that the combination of incapacity benefits and permitted work was more financially valuable to him.

### 3.4 Discussion

RTWC did help to make some people’s transitions into work financially worthwhile. People who lived alone, lived with other benefit recipients, or were lone parents felt that without this extra financial help they would have been struggling to meet financial demands. Included here were some people who responded to the incentive having learned about it before making arrangements to work. People who said they would not have gone to work without RTWC, or that the prospect of receiving RTWC had made them more confident about working, found that the financial information they received was accurate and that they were able to meet their outgoings.
Some people with children to support did not feel better off in work with RTWC. There were some people here who made decisions about trying work based on what they had learned about RTWC and expecting to feel better off in work.

For others, RTWC was not essential in making work financially worthwhile because they had other sources of income that they considered equally or more valuable. Their finances were helped by contributions from other household members, their own earnings, or other sources such as occupational pensions, benefits and tax credits. Receiving RTWC was important, however, in helping to improve financial security and creating opportunities for saving and spending.

Various roles for the weekly RTWC payments were perceived by people in the study group. These were:

- providing an element of reassurance;
- compensating for a reduction in income;
- raising living standards;
- easing transitions into work;
- providing support through periods of sickness and uncertainty;
- preventing the creation or worsening of debt;
- encouraging financial independence;
- providing opportunities to clear debts;
- encouraging sustained working;
- financing home improvements;
- enhancing future employment prospects;
- sustaining or encouraging improvements in health and general wellbeing.

Most people in the study liked receiving RTWC and had found it helpful. It seems, however, that it does not always make a significant difference to people who have relatively secure financial positions. People who thought their lives would not have been much different without RTWC did not feel it had been influential in their decisions to try work. Most lived with people who were earning and some did not expect to contribute the bulk of the household income. In some cases, being able to return to work relatively quickly, or to have received occupational sick pay during sickness absence, had helped to preserve healthy financial situations.

In terms of the impact of RTWC specifically on families with children, experiences varied. Parents with dependent children were represented among people who said RTWC helped to make work financially worthwhile, and people who felt more financially secure. They were also included among people who did not feel financially better off in work with RTWC, and those who did not feel receiving RTWC had made a significant difference.
4 Experiences of receipt: The elements of Return to Work Credit

This chapter further explores people’s experiences of receiving Return to Work Credit (RTWC) by focusing attention on elements of the RTWC design. Exploration of these elements helps to shed more light on how and when RTWC did or did not help individuals. People’s reflections on elements of RTWC are discussed in turn, beginning with views on the application and reapplication processes (Section 4.1), followed by the amount and duration of payments (Sections 4.2 and 4.3), and the method and periodicity of delivery (Section 4.4). Section 4.5 looks at people’s overall impressions of RTWC as a method of supporting people who return to work. The chapter ends with suggestions for changes to RTWC and alternative or additional ways of providing help to incapacity benefit recipients.

4.1 Application and reapplication

After making an initial application, people have to demonstrate evidence of earnings on a regular basis, for example by supplying copies of wage slips. People still eligible at 26 weeks are invited to make a reapplication for another 26 weeks receipt. These procedures were not always well remembered, especially by people whose claims had expired.

4.1.1 First application

What was remembered about the first application was that this was mostly a quick and easy process. Most people found completing the formal application easy because of the help received from a Personal Adviser. A signature and bank details were all that were needed where the Adviser had filled in the rest of the form. Some people remembered that their employers needed to verify their prospective earnings and working hours and that no problems were encountered regarding this. Payments usually appeared soon after, many within a couple of weeks of starting...
work, and were backdated to the job start date. If there were delays in receiving payments, this was especially problematic for people who had to wait until the end of the month for earnings. Not knowing what was happening to their RTWC application made things harder. Findings from a separate study with incapacity benefit recipients included similar experiences of delays and resulting financial problems when people had immediate expenses to pay and debts to repay (Corden and Nice, 2006).

Surprise at the speed and ease of application was expressed by some people who compared the experience to inconveniences and difficulties in applying for other benefits and tax credits. In comparison, incapacity benefits application forms were considered too long and complex. The administration of tax credits was slow, demanded a lot of personal information, and produced miscalculations resulting in overpayments.

4.1.2 Evidence of earnings

Although application had been easy, some remembered problems with providing evidence of continued eligibility. For many, providing evidence of earnings was a regular and simple task of providing copies of wage slips to Jobcentre Plus staff. However, problems occurred when people took too long to provide evidence, the evidence was not received by Jobcentre Plus, or when people did not have the required forms of evidence. The study group included people whose payments were stopped and then reinstated with backdated payments when Jobcentre Plus received appropriate evidence. Financial difficulties were experienced during the pause in payments by people who were reliant on the extra £40 a week. One person lost RTWC altogether at this point, as explained in Chapter 5. Several people remembered wage slips apparently being lost in the post. When wage slips were not kept, breaks in payments were avoided by asking the employer to verify wages paid.

4.1.3 Reapplication

Some of the people still in their first period of receipt at the time of the research interview were close to the point of the 26-week reapplication. We gain insights into how this process is understood at the time. Some said they had not realised until receiving a letter from Jobcentre Plus that they needed to reapply to receive RTWC for a full year. This was also the recollection of some who, at the time of interview, had gone through the reapplication process. They knew they needed to act quickly to ensure their payments continued. One person intended to visit Jobcentre Plus because the reapplication instructions were lost.

There is evidence that the reapplication process was not a distinct experience among people who had been receiving RTWC for longer than six months. They did not always distinguish the 26-week reapplication from regular requests to provide evidence of eligibility.

Among those who did remember a process of reapplication, some said this went smoothly. They remembered receiving notification well enough in advance and
being told that their reapplication had been successful. However, not all people who expected to be reminded before the reapplication date received advance notification. Some were surprised when their payments stopped. In this situation some people made enquiries at Jobcentre Plus and were able to make late reapplications. They did not always know if their missed payments would be backdated. Some people, however, discovered they were unable to reapply because they were out of time.

People did not always expect to remain entitled to RTWC at the point of reapplication and some said they were surprised when granted another 26-week period of receipt. For example, one person who conceptualised RTWC as an acknowledgement of his effort and progress, said he had been surprised that the government needed to encourage him any longer through RTWC, once he had spent a period of time in work.

Some people who felt more financially comfortable at 26 weeks were not concerned if their reapplication was successful or not, but went ahead and continued to receive RTWC.

4.2 Amount

People offered views on the rate of payment of £40 per week, and considered the advantages and disadvantages of alternative amounts.

People still receiving RTWC and people whose payments had come to an end were among those who considered £40 per week to be a ‘fair’ and ‘appropriate’ sum and some thought it generous. This had provided encouragement and had made a difference to their standard of living. Even where people had not felt receiving RTWC had made a significant impact overall, some said £40 had been helpful and ‘about right’.

There was, however, some disagreement among those who thought about the extent to which it provided a realistic help in meeting general living costs. Forty pounds was said to be enough when people matched it to particular outgoings, such as rent instalments. Where living expenses were said to be high and financial burdens heavy, £40 seemed a relatively insignificant amount and some would have liked a higher amount. One woman with a family to support and who continued to struggle financially, thought RTWC should be awarded according to need. One person mistakenly believed that there was a higher rate of £75 per week and that this should be made available to everyone.

Not all those who continued to struggle said RTWC payments should be higher. Conceptualising RTWC as a ‘bonus’ and recognising that she also received assistance through tax credits led one woman to feel that she couldn’t expect more than £40 a week. The idea of higher amounts was rejected by some who were concerned about being perceived as ‘greedy’ and those who wanted to ensure financial help was available to as many other people as possible.
Although some people considered any amount to be an extra and therefore welcome, the idea that payments might be lower than £40 led to some concerns. People argued that lower amounts might not be useful to people who return to work, that they might not provide an incentive to work, and that small amounts would be an ‘insult’ and not worth the costs of administration.

Views on the value of the payment could change over time. One man felt that £40 per week had been ‘handy’ whilst he received it, but had been no loss when it stopped.

When people compared RTWC with Working Tax Credit (WTC), one reason for preferring RTWC was that it was a set sum and could therefore be relied upon in managing budgets. One reason for preferring WTC was a higher value award.

4.3 Duration

In reflecting on the length of the RTWC award, there were mixed views. Both those who supported a period of a year or less, and those who thought the amount should last longer, included people who were still receiving payments and people whose entitlement had ended and were looking back on their experiences.

Arguments in favour of a year’s receipt centred on matching support to people’s needs, the purpose of RTWC, and ensuring resources are used effectively. There were people at all stages of receipt who thought that a year gave people long enough to adjust to working, earning and becoming independent. Some people showed how a year had, or would have, fitted neatly with developments in their working lives, such as a planned pay rise and moving from a trial period to full-time work. Knowing that it was designed as an incentive and being aware that it was funded by public money were arguments for why it could not run indefinitely. Twelve months’ receipt was considered to be enough of an incentive for people to stay in work, and a good yardstick for testing whether people with histories of health problems can sustain work. Two years of top-up payments was thought to be a waste of money by people who had finished the year in a relatively comfortable financial position.

Among those who distinguished WTC from RTWC, WTC was seen as providing ongoing support to low-income households, while RTWC met different needs. In providing an initial boost to finances it was not needed beyond a year.

Some people who had reached the end of a year’s receipt thought they could have managed with a shorter period. For them, six months would have been long enough to get started in work and settled in a new regime, and to have proved that work could be sustained. There was a suggestion that RTWC would not be missed after a shorter period of perhaps three months, where people enjoyed their job and did not need a financial incentive to continue. There was some concern that a year’s receipt had encouraged reliance. Looking back, some felt a gradual reduction in payments after nine months might be appropriate for people to adjust to the loss of payments.
Receipt of RTWC for more than 52 weeks was advocated by people who faced periods of adjustment that they felt would last longer than a year. People starting new businesses predicted the second year to be just as difficult financially as the first. People whose return to work represented a new start after a significant time out of work felt they needed longer to build up their finances, especially if they had accrued large debts. Two years would perhaps be long enough to get a better idea of whether their steps into work had been successful, and whether they still needed a ‘safety net’. There were suggestions that the duration of RTWC should reflect the needs of individuals, so that RTWC would continue for as long as financial hardship and low wages continued. A man in his 60s wished that RTWC could provide support until he reached retirement age.

4.4 Method and periodicity of delivery

Almost everybody said their RTWC payments were paid into bank accounts by direct debit. No problems were perceived with this arrangement. It was preferred to payment by giro cheques because it was more secure and convenient. Giro cheques were the usual method of payment for someone who did not have a bank account. People had also received Giro cheques when money was backdated.

Views on the periodicity of RTWC payments were linked to pre-existing financial positions, the timing of other income and outgoings, and perceptions of the purpose of RTWC and its use. There was strong support for weekly payments. There were also people who would have preferred monthly lump sums, or had no preference (as discussed below).

Weekly payments were particularly useful to people who relied on RTWC or were assured by its regular presence throughout the month. People struggling to meet their outgoings appreciated its stability and frequency. Having money to meet particular expenses, or to fall back on throughout the month was helpful to some people whose wages were paid monthly. The continuation of weekly RTWC payments during a transition from weekly to monthly pay had helped one family adjust their budgeting and avoid debt. Weekly RTWC payments had also fitted well with weekly earnings where wages did not go far, where people were used to managing weekly budgets and could, therefore, keep track of their finances more easily, or where receiving all income together each week encouraged saving. One advantage noted was that if payments stopped unexpectedly this would be noticed sooner and less money would be missed than if payment was by monthly instalments. Weekly payments were also preferable to one lump sum which might be spent inappropriately and might have to be repaid if work was not sustained for a year.

The transition from benefits into work was a time when £40 on a weekly basis was especially useful. Knowing it would be available to draw on each week gave some people reassurance that rent or travel expenses would be covered when benefits had stopped and pay arrangements were uncertain, or wages would not arrive until
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the end of the month. It was also available to help with extra expenses in starting work, such as purchasing work clothes and paying childminders.

People who were otherwise happy with weekly payments thought that the weekly issuing of payment advice slips was wasteful.

People who would have preferred monthly payments were among those who said RTWC had not made a significant difference. Most were paid monthly at work and seemed to base their budgeting around this. Monthly RTWC payments would, therefore, fit better in how they managed their money. There were suggestions that monthly payments would give people more freedom in how they spent it. A larger sum would enable spending on larger expenses, such as car insurance. When regular outgoings were all debited together at the same time each month, a larger RTWC payment would have been helpful. Monthly administration of RTWC payments was thought to be more cost-effective for the government. It would also reduce the bank charges one person paid in having RTWC paid into his business account.

People who expressed no preference in the delivery of RTWC were people who did not rely on RTWC to remain solvent. The periodicity of payments did not matter to some people who saved the money in separate bank accounts. Being out of synchronisation with earnings was not a problem for some people who lived with others who contributed to the household income and who did not always use the money until it was needed.

When people made comparisons with WTC, the delivery arrangements for WTC were less favourable. Giro cheques had to be collected from the Post Office, WTC payments were not made as frequently as RTWC, and they could not be relied upon to fall on the same day each month.

4.5 Overall impressions

People’s overall impression of RTWC was that this was a good way of helping people starting work again, especially those who had been out of work for a long time, had low incomes and who had existing financial problems. It was also an encouragement to give work a try, perhaps even to people who might not otherwise choose to work. As for whether RTWC encouraged people to stay at work, opinion was divided. Some felt that it did not provide an incentive to stay at work after a year’s receipt had ended, although as set out in Chapter 5, none of those whose RTWC period had expired had left work, and nobody approaching the expiry of their claim was thinking about leaving work. One person, who thought about how other people might find RTWC helpful, said that it could facilitate gradual returns, or boost the incomes of those used to higher earnings.
Among the elements of RTWC that people liked best were:

- an easy application process;
- personal control over its use;
- delivery separate from wages and tax credits;
- continued payments when moving between jobs.

Some concerns were expressed about entitlement to RTWC and how the money was used. It seemed unfair that colleagues working for similar low wages, but who had not spent a spell on benefits, were not entitled. Some people thought that being able to make a fresh claim for RTWC after 13 weeks on benefits might encourage people to stop working and return to benefits so that they renewed their entitlement. There was some feeling amongst people who saved RTWC that it was not being used to cover the costs of returning to work, as the government had intended. Concerns about the effects of expiry on people who become reliant on RTWC are discussed in Chapter 5.

4.6 Suggestions for changes and alternative forms of support

In giving their overall opinions on RTWC, people were asked how things could be done better. Suggestions included ways in which the administration of RTWC could be improved and alternative ways of supporting people.

4.6.1 Suggestions for changes to RTWC

Improvements suggested reflected people’s frustrations from their own experiences in claiming RTWC, as well as ideas about how other people might be helped. Suggestions were:

- providing more information and publicity to raise awareness and to help people become more informed about the purpose and conditions of RTWC support;
- means-testing awards of RTWC, so that financial support matches needs;
- greater flexibility in calculating earnings of self-employed recipients by taking into account their broader financial positions;
- extending the period of entitlement after returning to benefits (see Chapter 1 for discussion of the ‘balance of time’ rule);
- gradually reducing payments during the last few months before expiry, to manage adjustment to the loss of RTWC;
- extending financial support during the transitional period to every benefit recipient moving into work;
- seeking repayment from people who do not stay in work.
4.6.2 Suggestions for alternative forms of support

Few people thought the money available could, or should, be spent in a different way. Of the suggestions made, many related to services currently available through Jobcentre Plus. People were not always aware of the availability of support they mentioned, although some reiterated the value of support known to be offered, for example, Condition Management Programmes (CMPs).

Some people reflected on needs they had when they were not ready for work. Counselling services and greater financial assistance would have been helpful at this time.

People with particular health conditions suggested forms of support that might be helpful, including college courses for people with dyslexia and non-residential rehabilitation facilities. Suggestions for more general support were in-work training, guidance on suitable jobs for particular health conditions and help in dealing with employers who may not understand conditions and people’s capacity for work. There was a need for advice on staying in work when absent through sickness. Providing support to meet all needs was felt to be important.

A suggested alternative to giving people RTWC was to make contributions towards training, or driving lessons. In these ways people receive help in achieving long-term security through enhanced skills and job prospects. The money could also be spent as a tax allowance, enabling those with higher earnings to qualify for some support; as direct contributions towards travel expenses; or by Jobcentre Plus paying people’s bills directly. Some people recognised that paying bills in person was good for self-esteem and that this would be lost if they only received financial support indirectly.

4.7 Discussion

On the whole people were positive about RTWC. It was considered a good way of helping people in poor financial positions and people who might need an incentive to try work. Many people could not think of better ways of supporting people who want to work. There were some concerns about who is entitled, for how long and how the money is used. Some people made suggestions for improvements based on their frustrations in experiencing RTWC.

Finding the application process quick and easy was important for people, especially when they temporarily had no other sources of income. There were some administrative problems that could perhaps be resolved. Early and clear information about the requirement to reapply at 26 weeks could perhaps alert more people to the fact that their entitlement does not automatically last for a full year. Reminding people of what is required in good time of the reapplication date, and at other times when they need to provide evidence of eligibility, might also help to avoid breaks in payments or the loss of RTWC altogether.
In general, £40 per week was considered to be fair, but there were arguments for alternative sums. People with higher financial burdens thought the amount should be higher, or be calculated according to people’s needs. However, higher payments were not supported by people concerned about being perceived as ‘greedy’, or people who wanted this kind of support to be available to more people. Lower amounts were rejected by some people for not providing enough of an incentive to work, and not being worth the costs of administration. It is worth noting that views about the rate of pay could change over time. Finding £40 useful initially but no loss when payments ceased, perhaps supports findings that people’s needs for financial support are greater during the early months in work, and are not always ongoing.

This argument ties in with some people’s reflections on the duration of payments. There were some people who, in finding themselves in much better financial situations at the end of a year’s receipt, thought it would be wasteful for the payments to continue for longer. Adjusting to new budgeting arrangements upon returning to work had taken time for some people and a year of RTWC payments had provided some certainty in what was otherwise an uncertain period. A year of RTWC had also provided an initial boost to finances and was thought to be a cost-effective use of resources. There were however, people who said they were only just better off financially in work and who felt a continued need for support. Individuals’ and families’ needs, and the cost of everyday living in different localities, could perhaps be taken into account in deciding how much is paid and for how long.

Weekly payments of RTWC were well liked. They were important for people managing tight budgets, especially when earnings and tax credits were paid monthly. People who would have preferred monthly lump sums did not have strong objections to weekly payments.
5 Expectations and experiences of the end of Return to Work Credit

Return to Work Credit (RTWC) payments go on for 12 months for people who continue to meet the eligibility criteria. Some people lose entitlement during the 12-month period, for example, through leaving work or increasing annual earnings beyond £15,000, and some people fail to renew their application after the first 26 weeks. A focus of interest in this study was how far people understood how RTWC would or might end, whether they made any plans in anticipation, what was the financial impact of the loss of £40 per week, and decisions made in response to RTWC expiring or ending mid-term. It is important to remember here that RTWC does not interact with other benefits or tax credits, so that the end of RTWC does not in itself mean an increase in entitlement to housing benefits or tax credits. We look first at those in the study group who received their maximum entitlement of 12 months’ RTWC, and then those whose payments ended before the 12-month expiry date. The final section explains how people currently receiving RTWC when interviewed viewed the end of RTWC.

5.1 Expiry

When interviewed, ten people in the study group were no longer receiving RTWC because it had expired after a full 12-month payment period. All were still in work. Although we did not seek detailed comparative financial information we can say that most had gross earnings equal to, or higher than, the levels of wages to which they moved from incapacity benefits. The one person who was currently earning less had reduced working hours from 40 to 30 after an accident at work.

This sub-group included men and women in their 20s, 30s and 40s, some single people and some people with partners, with and without children. This section draws on their views and experiences.
5.1.1 Anticipation of the end of RTWC

All said they understood in advance that their RTWC would come to an end after 12 months’ receipt. They had been expecting payments into their bank accounts to stop, although not everybody had remembered the exact date at which this would happen. One person had been surprised that payments continued for a few weeks beyond the time she was expecting to lose them, but did not query this with Jobcentre Plus. Although people had been generally expecting RTWC payments to stop after 12 months, it had seemed to some rather an abrupt ending, and there was some feeling that it would have been helpful to receive a letter from Jobcentre Plus confirming the end of the payments.

People who had not made specific financial plans to deal with the ending of RTWC said they had expected to manage this when it happened. Others had thought ahead, however. One way of preparing for a drop in income of £40 per week was to make sure there were no outstanding bills in the last months of RTWC, in order to get off to a good start in budgeting on a lower income. Others who had taken opportunities to increase their earnings said that eventual loss of RTWC had been in their minds when they made their arrangements. One person who had already decided to change their job after injury at work looked for better paid work, conscious that RTWC was ending soon. Another person had discussed with his employer long-term plans for recovery. When he returned to work they agreed a pay rise conditional on a year’s trial employment to coincide with expiry of RTWC.

5.1.2 Financial impact

The timing of the study meant that RTWC had expired fairly recently for people in this group. At the time of the research interview, the longest period without RTWC was five months.

Those who had only a month’s experience, or less, of budgeting without RTWC said they were yet to feel the full financial impact. Being fairly confident that loss of RTWC was not going to be a problem was linked with feeling financially secure, hoping to continue in full-time work with entitlement to WTC, and having built up savings during the previous year. However, people who had found it hard to budget within their income while receiving RTWC knew they were going to have to be even more careful until there were opportunities for higher earnings. There were budgeting problems already for one person whose loss of RTWC had coincided with a change of job. Waiting for the first wages from the new job, delays in payment of outstanding wages from the previous job, and loss of £40 RTWC had all happened at the same time for this person.

People who had been without RTWC for two months or more at the time of the research interview, had more experience of living without this support. Experiences differed, according to personal circumstances and situations.

People who had put RTWC into savings accounts said they were sorry not to be able to do this any more. People who said they missed the money for day-to-day
budgeting included those who had used it for work-related expenses (clothes, travel to work, nursery fees not met by Working Tax Credit (WTC)) which still had to be paid for, and those who had used RTWC in general household budgeting. Included here were people whose working hours had to be fitted to their health condition or child care responsibilities, and who relied on WTC to boost incomes. Having a high mortgage and debts to service were linked by one person to feeling only about £10 per week better off in work than on benefit, now that RTWC had ended. He wished he had seen a better-off calculation that would have indicated this.

Those who said they did not miss RTWC were people who had already been able to take opportunities to increase their earnings, as explained below.

5.1.3 Decisions made in response to loss of RTWC

Decisions already taken or plans being made which were linked by research participants to loss of RTWC included:

- arranging increased earnings with the same employer;
- thinking of asking for increased earnings from the same employer;
- moving to a better paid job;
- thinking of looking for a better paid job;
- taking a second job;
- changing spending patterns;
- changing saving patterns;
- expecting to change spending or saving patterns.

When interviewed, some people had already achieved an increase in earnings in the same job, which they linked with anticipation of loss of RTWC. Section 5.1.1 described how one person made long-term plans with a helpful employer which included pay rises. Among people whose earnings had not increased during their first year at work and who were finding it hard to budget without RTWC, were some who were currently thinking of asking for a pay rise or hoping for higher pay when new contracts were issued. People who enjoyed their job, and whose condition limited the kind of work they might otherwise do, faced hard choices if they were not optimistic about getting a pay rise. Some people who did perceive opportunities for higher earnings in their current job did not ask to work longer hours or take overtime available because of family responsibilities or the impact of their health condition.

Another way of increasing earnings might be by taking a better paid job with a different employer. Section 5.1.1 described how a person wanting a change of job anyway was influenced in looking for better paid work by awareness that RTWC ended soon. When interviewed, this person had just started a new job, with variable hours, and was yet to find out what overall earnings would be. Others in the group said they were currently thinking about looking for different jobs with higher pay, and one man said this might happen if he failed to get a pay rise.
Taking a second job was one way of replacing some of the RTWC. The person who did this said his occasional earnings brought in less money than RTWC but was flexible and enjoyable work.

Whether people saw options for increasing earnings depended partly on family and health circumstances. Some did not want to work longer hours or look for new jobs. People like this reported response to loss of RTWC more in terms of cutting spending, or reducing amounts they were able to save. People who had become used to relying on RTWC for some of their general household budgeting, and said they now had to be very careful, included parents and people living on their own. Some women said that although their husband’s earnings meant that they were generally financially secure, loss of RTWC meant that they had to cut spending on some items that had previously given them some independence, such as getting a taxi to work on ‘bad days’.

It is important to note that decisions about working taken since RTWC expired were not all thought of as related specifically to loss of RTWC. For example, deciding to take a second job was reported as influenced by having found a part-time opportunity which suited skills and qualifications. Deciding to accept promotion, with longer hours and a small hourly increase in pay was said to be influenced by perceiving opportunities for widening experience, and feeling well enough again for full-time work.

5.2 Ending Return to Work Credit before expiry

At the time of the interviews, 12 people had seen their claim end before expiry. Ages within this sub-group ranged from people in their 20s to those in their 60s. There were single parents, people who lived alone or in shared accommodation, and people who lived with their partner or a relative, some of whom were earning or had an income from benefits. Some young single people lived with their parents. Most of this sub-group had not yet reached the 26-week reapplication stage when their receipt of RTWC ended. Two people received RTWC for a total of between seven and eight months; a third person received payments for 11 months before returning to incapacity benefits. This section draws on their experiences.

Most people whose claim for RTWC had ended before expiry, saw their claim end because they stopped working and returned to incapacity benefits or Jobseeker’s Allowance (JSA). Included here was one person who kept a job within Permitted Work rules. Some people stopped working because they felt too ill or because their health problems prevented them from carrying out parts of their job. A number of people were dismissed by their employer, or resigned after difficulties at work. This included people who said their employers had not been understanding when they had needed to take time out of work to attend hospital appointments. Another reason for returning to benefit was the ending of temporary work.
A small number of people lost RTWC when they were still in work. Their claims had ended short of 12 months because they had exceeded the earnings limit, appeared to be working reduced hours under the 16 hours threshold, or because Jobcentre Plus had not received evidence of earnings to ensure continued receipt.

5.2.1 Anticipation of the end of RTWC

Most of those who stopped working knew that this would bring their claim for RTWC to an end. Knowing this did not influence decisions to end paid work, as health and relationships at work were more important factors. A number of people in this sub-group said they knew the RTWC payments would expire after a year in work.

People did not always seem to be aware of the rule allowing RTWC claims to continue if new jobs were found and benefits were not claimed within five weeks of jobs ending. One person was, therefore, surprised that the payment did not stop automatically when his job finished. Knowing Jobcentre Plus should be informed of changes in circumstances did not always encourage people to make contact until making claims for benefits some weeks later.

Losing RTWC in other ways was more unexpected. It was a surprise to learn that claims could not be continued where evidence of earnings had not been received within a time limit. RTWC was not always regained after disputes about meeting the qualifying criteria.

Even where the rules about eligibility were understood, the loss of RTWC could still be unexpected. It was a surprise to discover that the £15,000 per annum earnings limit was deemed to have been exceeded on the basis of the first few months’ self-employed earnings. There was disappointment that the broader financial perspective had not been taken into account.

Given that many had not expected their claims for RTWC to end when they did, people had not done anything in anticipation of it ending at this time. Some had thought about managing its loss after expiry at 12 months. This thinking had led some to earlier decisions not to rely on it for budgeting purposes, or to hopes of working longer hours with their employer to replace the lost income. Some people hoped to have found themselves in a better financial position by the time of expiry.

We know from earlier research that when people think about moving into work they can sometimes be concerned about the financial implications of not sustaining work. This study group included one woman who had tried work after receiving assurances from a Personal Adviser that she would be able to regain incapacity benefits if needed. When she could work no longer she experienced a smooth transition back to benefits. Separate research on the client panel study shows that this process does not always go smoothly, with people facing problems regaining higher rate benefits and being asked to repay some of the RTWC payments (Corden and Nice, 2006).
5.2.2 Impact of RTWC ending before expiry

The interviews took place between two and six months after people’s claims had ended. There had, therefore, been only a short time to adjust to not having the £40 credit and in some cases, returning to benefit incomes. However, some decisions had been made and people had started to think about working in the future. This sub-section explores the impact of RTWC ending on people’s decisions and thinking about work, with a particular focus on people’s financial positions after RTWC ended. People whose claim for RTWC ended when they returned to benefits are looked at separately from those who were still working. This is an important distinction because people who return to benefits see their finances affected by the loss of earnings and other in-work financial assistance including RTWC.

People who returned to benefits

The impact of health conditions and experiences of working and earning money were important influences in people’s thinking about their future employment prospects. Leaving a job due to health problems was linked to a focus on getting better before thinking about work again. Hospital appointments and sessions with psychologists (possibly part of the Condition Management Programme (CMP)) were planned or expected. Some of these people felt that their last job had been unsuitable or wanted to develop new skills and had decided to enrol on college or training courses with a view to broadening their future employment options. Other factors influencing people were missing the company of colleagues and feeling ‘low’ out of work, and being able to find suitable job opportunities to take them into retirement. Although there were, therefore, a number of influences on people, the focus of this study was on the financial impact of losing earnings and financial supplements and how decisions and plans were affected.

All who returned to benefits after ending a job said they were now in a worse financial position. The loss of earnings, RTWC and sometimes WTC, was felt particularly hard by people living on their own, and where there was no other earner in the household, some of whom were lone parents. These people had pooled RTWC with other income in the balancing of expenditure. Some people found that they needed to reduce their spending on food, fuel and travel costs and no longer had extra money for clothes or trips out. For those who had managed so far, there was some concern about continuing to meet expenses, especially during colder months. Some young single people had found it difficult to meet housing costs and had moved back to their parents’ homes after stopping work.

The financial impact of stopping work appeared less where people had not needed to rely on RTWC. Some women had saved at least part of their RTWC instalments and managed their living expenses through their earnings and, in some cases, their partner’s income. Although they had lost spending money or the opportunity to save, household expenditure appeared to be met by benefits or partners’ incomes upon their return to benefits.
People accustomed to budgeting on benefit incomes felt able to manage when they returned to benefits, even though they were worse off financially than they had been in work.

There were people in the study who, in losing RTWC and returning to benefits, faced financial penalties. Some people had knowingly failed to report relevant changes in circumstances. The resulting penalty of repaying RTWC overpayments whilst on low incomes left them in serious financial difficulties.

As well as feeling financially worse off without earnings and income supplements, the experience of receiving RTWC and knowing what difference it could make influenced some people to think about, and sometimes take steps towards, returning to work. Upon finding new work some people said they hoped to make a fresh application for RTWC, although not everyone was aware that this was possible. RTWC and tax credits were seen as important in budgeting for higher costs once in work, such as travel expenses, tax and rent. Some people drew confidence from knowing that the financial help available in RTWC and WTC removed the risks of trying work. One person felt encouraged to look for lower-paid work because finding a job would be quicker and easier, and receiving RTWC would help her to be better-off in work. She was motivated to find a new job quickly by believing, wrongly, that her original claim for RTWC would continue if she found work within 17 weeks of ending her previous job.

Having received and lost RTWC, and feeling restricted to low-paid work with short hours, one man felt that claiming Incapacity Benefit (IB) and receiving Permitted Work earnings was more valuable to him.

**People still working**

Looking at the financial impact of losing RTWC on those who continued to work helps us understand how important RTWC is in helping people’s finances and perhaps in staying in work.

Among people still working after RTWC ended short of 12 months, most felt financially secure without any extra financial support. To them, the loss of the extra £40 per week had not made much of a difference. They had good earnings or lived with parents who met most of the household expenditure. They said they had not needed RTWC at the time they lost it and had not used it as part of their regular budgeting.

In contrast, another person who had sole responsibility for making mortgage repayments, was struggling financially without an extra £40 to boost weekly income. The loss of RTWC had had an impact on her standard of living, such that she could no longer afford taxis to travel to work and had reduced the amount spent on food and household fuel. Determined to stay in work, she intended to ask her employer for an increase in hours, and therefore in earnings, and if necessary to look for a second job. There is evidence from separate research with incapacity benefit recipients that some people who feel worse off financially after RTWC ends consider returning to benefits (Corden and Nice, 2006).
All people who were still working when RTWC ended before expiry wanted to keep working. Wanting to stay in work was not only influenced by financial gain from earnings. People were influenced by doing a job they enjoyed, the increased social contact that came with working, plans to complete home renovations before retirement, and feeling that working had boosted their confidence, pride and self-respect.

5.3 People in receipt of Return to Work Credit

At the time of the research interviews, 13 people were currently receiving RTWC payments, some of whom had apparently renewed their application and were, thus, moving towards expiry. Again, this sub-group included men and women, across all age groups, and some people with responsibility for children. This section draws on the views of this group of people.

5.3.1 Understanding expiry of RTWC

Nobody in this group was expecting RTWC to end short of 12 months as a result of reducing their working hours or stopping work altogether, or because they expected a pay rise or job change to take them over the earnings threshold.

Everybody knew that RTWC would expire. They were all clear that it lasted 12 months, and knew the month in which their last payments were due. Those in their first period of receipt knew they could get another six months’ RTWC; a few people who were coming to the end of their second period knew RTWC payments would stop in the next couple of weeks. People whose initial payments had been late were sometimes not certain exactly which week would be the last. There was some feeling that it would be helpful to have a letter in advance from the Department for Work and Pensions (DWP), notifying the date of the final payment. Section 5.1.1 showed that this view was shared by some people who had experienced expiry of RTWC.

Looking back, one woman remembered when she claimed that her Personal Adviser encouraged her to keep the end date in mind, so that missing £40 each week did not come as a shock. Another woman remembered being concerned about the potential impact of loss of RTWC, when she made her application. She said this concern continued throughout the period of receipt, and was increasing as the end date drew near.

5.3.2 Thinking towards expiry

The general finding was that this group of people expected to go on working after expiry of RTWC. They were generally hopeful that their recovery would continue or symptoms would remain under control.

Only one person felt that eventual expiry of RTWC was unlikely to have much impact. With improved health, she was pleased to be back part-time in her previous
job, which she enjoyed, and hoped to continue. Her husband’s well-paid work meant that RTWC had been only a small component of their income, and she did not expect to miss it much. Most people said losing £40 weekly would have a financial impact, and some said this would be considerable.

We look first at those people whose RTWC was due to expire within the next few weeks, for whom the end of RTWC was an immediate issue. All said they were thinking ahead to how they would manage the reduction in income, and all said they would have to budget more carefully. People who thought they could work longer hours and had opportunities to do this had already taken steps, deciding to work more overtime in the same job, or having already taken a second part-time job. People already working long hours with support from WTC did not expect to be able to increase earnings. They had purposefully used the increased income from RTWC during the past 12 months to increase their savings, or pay off debts rather than for day-to-day household budgeting. They expected not to save as much when RTWC expired, but were not anticipating big financial problems. One was already planning a career change by building up previous qualifications in order to use skills and move to more interesting work with better long-term financial prospects.

The person who was most concerned, among those due to lose RTWC within the next month, was the person who had been anxious about this from the start. She worked 16 hours by going daily between two part-time jobs. She said that without RTWC this way of working might not seem worthwhile, and there were few other opportunities. She believed herself ineligible for WTC but we do not know if this was correct.

We turn now to those people who knew they had at least another four months of receipt of RTWC, for whom the end of RTWC was further away. People who were in jobs which suited them and did not want to work longer hours said they were just going to have to be more careful with their budgeting. One person who had been put off making enquiries about WTC by belief that entitlement would be low, said that the point at which RTWC ended might be the time for investigating WTC. (The researchers observe that some people applying for WTC 12 months after leaving incapacity benefits may no longer be entitled to the disability element.)

Other people expecting several more months of RTWC were less confident that they would be able to manage financially in the same job without RTWC, talking about ‘dreading it’ or ‘expecting trouble’. Included here were people with outstanding debts (including benefit overpayments from previous transitions into work), people with high travel expenses and people who did not claim WTC. One such person had already experienced a spell without RTWC, due to problems in renewing their application at 26 weeks, and said it had been a real struggle to get through until reinstatement of payments.

An important finding from this sub-group is that nobody currently receiving RTWC talked about the possibility that when RTWC expired they would stop working as a result of financial pressure. One was taking steps to return to previous better-paid
and more enjoyable work, and one was thinking about local possibilities for a second part-time job. Some said they tried not to think too much about RTWC ending, although they recognised this was not a sensible way of dealing with concern.

5.4 Discussion

The findings suggest that people were well informed that RTWC expires after 12 months. People were also aware that entitlement ends upon stopping working. There is perhaps some need for more information about other ways in which entitlement can be lost.

People took different approaches in thinking ahead to expiry of RTWC. Some made plans in anticipation, for example negotiating higher earnings, and some preferred to see what impact the loss of £40 per week would have and then to make an appropriate response.

The loss of RTWC affected people financially in different ways. The study shows that people do variously make decisions and take steps in response to experience of the loss of RTWC where they feel a response is necessary. People had not, however, stopped working in response to no longer having the supplement to their earnings, although it is important to remember that nobody in this study, at the time of the interviews, had spent a significant period without RTWC. Nobody who was currently receiving RTWC talked about the possibility that they would stop working when RTWC expired. People had strong personal and financial reasons for wanting to work.
6 Discussion and conclusions

This report has presented the views and experiences of 35 Return to Work Credit (RTWC) recipients across the seven Pathways to Work pilot areas of Derbyshire; Bridgend, Rhondda, Cynon and Taff; Renfrewshire, Inverclyde, Argyll and Bute; Essex; Gateshead and South Tyneside; East Lancashire and Somerset.

The study group included people of different personal circumstances and at different stages in the 12-month RTWC period of receipt. Previous chapters present findings about RTWC recipients’ knowledge and understanding of RTWC and the influence of this knowledge on decisions about working. We described recipients’ experiences of receipt of RTWC and the difference it made, and expectations and experiences of the end of a period of receipt.

This chapter brings together the main findings and discusses policy implications. The first part returns to the research questions and provides answers from our findings. The second part looks across the findings within the wider policy context, to inform further development in supporting incapacity benefits recipients who want to do paid work.

6.1 Study findings

6.1.1 How did people find out about RTWC?

Most people found out about RTWC through contact with a Personal Adviser at Jobcentre Plus. There were occasions when people heard about RTWC from friends or relatives who had been in touch with Jobcentre Plus. Whilst the study group included people who learned about the extra financial help when thinking about work, it was more common for people to find out after making arrangements for work and when signing off benefits. Some people who learned about RTWC after making plans and decisions about work had been involved in Work Focused Interviews (WFIs) and/or meetings with Job Brokers.
6.1.2 What were initial perceptions, and how did these influence decisions about work?

When learning about RTWC for the first time people remembered being pleased. There was some surprise that financial support of this kind and at this level was available and some suspicion that there would be a ‘catch in it’.

In general, people had understood that RTWC was paid at £40 per week for 12 months. There were some misunderstandings and confusion about other rules of entitlement, and people did not always distinguish RTWC from tax credits.

People who learned about RTWC whilst thinking about work were encouraged to think more seriously about work, to consider a range of options regarding arrangements for working, such as lower-paid jobs and shorter hours, and were encouraged to return to work more quickly. Discussions informed by detailed better-off calculations were particularly helpful.

For people who found out about RTWC after making arrangements for work, knowing about the extra £40 per week influenced how they felt. They felt more positive about returning to work and said their confidence had been boosted. It was a relief to know that they would be helped financially. There were mixed views about preferring to have learned about RTWC earlier. Some people expressed some discomfort about the idea of getting extra money. It did not seem right to get something for nothing. There was some feeling that the money was needed more when claiming benefits rather than when returning to work. Some were doubtful that they would actually be entitled to the extra money.

6.1.3 What was the experience of the application process and renewal?

Applying for RTWC was generally remembered as being a quick and easy process. Jobcentre Plus Personal Advisers were helpful in completing application forms.

Problems that were encountered were mostly associated with providing evidence of continued eligibility and renewing applications. Problems arose when evidence of earnings were not provided within the time limit, when people did not have the required forms of evidence, or when wage slips were apparently not received by Jobcentre Plus. Reapplication was problematic where people did not remember getting advance notice of the date for renewal. These problems sometimes resulted in RTWC payments stopping. Not all payments were later reinstated and backdated.

6.1.4 How do people use RTWC monies, and what is the financial impact?

People used RTWC in various ways. Some people perceived RTWC money as part of the household income and used it for general expenses such as fuel bills, shopping and repaying debts. Others earmarked the extra £40 for specific expenses, for example work clothes, travel expenses, or driving lessons, and sometimes kept it entirely separate from other monies. Some people chose to save RTWC payments.
The ways people conceptualised the money and used it were linked to the impact RTWC had made. There were two ways in which RTWC was described as having made a difference: Firstly, it helped to make work financially worthwhile for some people. In particular, receiving RTWC was important for some people in coping with periods of uncertainty, such as the transition into work after benefits stopped and before wage payments started. Most people who were influenced by the knowledge of RTWC to make decisions about work found that their decisions had been well informed and well judged, and that they were indeed better off in work. Not all people felt financially better off in work. These people had children to support and although the extra £40 per week was helpful, they felt they were struggling financially.

The second way that RTWC made a difference was in helping some people to feel more financially secure and providing greater freedom in using money. Having more money available helped to improve general living standards and to avoid debt by meeting unexpected costs, such as legal fees or veterinary bills. It also helped some people to feel financially independent from other earners in the household. Some people saw the extra £40 per week as an opportunity for spending in ways they had previously been unable to afford, for example making home improvements, or repairing cars. It was also seen as an opportunity to save money.

There was a sub-group of people who felt that receiving RTWC had not made a significant difference. For them, it was other sources of income, for example their own or others’ earnings, which led them to feel financially better off in work.

6.1.5 What are people’s views on the amount, duration and delivery of payments?

The amount, duration and delivery of payments were largely acceptable to the study group. Some felt that any amount of extra income was welcome. Twelve months’ support was thought to be suitable by people who saw their financial position improve over time and who felt able to manage without the £40 per week after a year’s receipt. In contrast, people who were struggling financially would have liked more money and for longer. Weekly payments were well liked, particularly amongst people who relied on its regular availability throughout the month.

There were a few suggestions for different rules for determining entitlement, such as means-testing, or reducing payments as earnings increased.

6.1.6 What is the employment and financial situation among people whose RTWC claim has expired?

Everyone whose RTWC had expired by the time of the interviews knew in advance that the payments would stop after 12 months. In anticipation, some had cleared outstanding bills, taken opportunities to raise earnings, made plans to change jobs or had agreed a pay rise.
The financial impact of expiry varied. Feeling that the loss of RTWC was manageable was linked to feeling financially secure, receiving Working Tax Credit (WTC), hoping to stay in work and having built up savings. Losing £40 per week was significant for people who had included it in their day-to-day budgeting or towards expenses that still needed to be paid. Low pay and heavy financial burdens, such as mortgages and debts to services, were linked to feeling only slightly financially better off in work after RTWC payments stopped.

No one had stopped working after RTWC expired. People had made decisions to stay in work and had made arrangements and plans to ensure work continued to be financially viable. In practical terms, people variously sought and gained higher earnings to compensate for the loss of £40 per week, or were determined to alter spending and saving patterns to ensure they lived within their means. Some people said their health condition and family responsibilities prevented them from altering working arrangements.

6.1.7 What is the experience of people whose RTWC ended before the expiry date?

Most of those whose claim for RTWC ended before the expiry date said this was because they stopped working and returned to benefits, and this was mostly due to the effects of health conditions. Focusing on health and building up skills were priorities for some such people at the time of the interviews.

Some people were already thinking about returning to paid employment. After losing earnings and any income supplements, people felt financially worse off on benefits. People who had used RTWC in day-to-day budgeting made changes to spending and some had concerns about meeting expenses in the longer term. Some young people could no longer afford to live independently and returned to live with parents. The financial impact of stopping work appeared less where people had not needed to rely on RTWC.

Some people felt encouraged to seek work again, and sometimes to do so quickly, by their experiences of trying work and being helped by RTWC. Not perceiving financial disadvantages in trying work was important in some people’s thinking.

Other people lost RTWC whilst still working. People here were judged by Jobcentre Plus staff to have exceeded the earnings limit, to be working reduced hours, or to have failed to provide evidence of earnings within the time limit. There was some surprise that they could not regain RTWC. Everyone wanted to continue working. People who felt financially secure without RTWC did not feel the need to respond to its loss. However, where RTWC had been relied upon to meet general expenses, people had cut spending and said they intended to seek increased earnings from longer hours or a second job.
6.1.8 How do current recipients view expiry of RTWC?

Everyone currently receiving RTWC at the time of the research interviews knew that RTWC payments would expire after a year in receipt. They expected to go on working after the payments stopped. There were, however, some concerns about the financial impact of RTWC expiring. Among the most concerned were people who had outstanding debts, people with high travel expenses and people who did not receive WTC. People were also concerned when they felt their part-time earnings might not be high enough to make them better off in work and that there were few other opportunities. Some people thought ahead to how they might manage the reduction in income and considered budgeting more carefully, starting a second job or finding new work. Some had already taken steps to increase earnings, for example, working overtime.

6.2 Implications for policy

One of the key features in the Pathways to Work pilot (DWP, 2002) was the creation of clearer incentives to try work. A range of financial incentives already existed to help incapacity benefits recipients move into work, including tax credits. The aim in Pathways was to create an improved package of clear and easily understood financial support, including the innovative RTWC. RTWC was designed to make a highly visible and significant difference to financial incentives to return to or try work. The 12-month period of receipt would, it was hoped, provide reliable financial support during the first year of transition. Together, the financial advantages and security of income provided would help to address some of the concerns of incapacity benefits recipients when considering making the transition to work.

Our findings show that these policy aims have been achieved, to some extent. There was evidence that some people who learned about RTWC while claiming incapacity benefits but considering working were influenced by this knowledge. They said they would not have gone to work, would not have returned so quickly, or would not have been confident about being better off financially unless they had seen a better-off calculation.

While RTWC (sometimes along with WTC) did, therefore, incentivise some people to move into work, there was also strong evidence that people keen to work often accept jobs without full understanding about what their financial situation in work will be. Put simply, they do not need additional incentives to go back to work. Most of the participants in this study did not find out about RTWC until they had arranged to start work. For them, RTWC had not been the highly visible financial incentive as initially conceptualised as an element within Pathways, although of course not all participants in the study had taken part in the full Pathways programme.

Whether RTWC was taken into consideration before moving into work or whether it turned out to be an unexpected bonus, it was generally thought to be helpful. Again, RTWC met policy aims to some extent in that some people who did feel better off financially in work knew that it was in-work financial support, including RTWC,
which made this difference. While some relied on RTWC for day-to-day budgeting, others saw new opportunities for saving or spending in ways that improved general living standards and overall financial security. So RTWC was also meeting the policy aim in supporting and stabilising transitions into work.

People who did not feel better off financially than when claiming incapacity benefits were generally people with children and people who had moved into work fairly recently. This may be an indication that it takes time to adjust budgeting to earnings.

There was evidence that the relatively simple structure of RTWC did help people understand the rules, and take decisions in response. Any changes in the rules, such as introducing means-testing as suggested by a few people, would run counter to the strong support for a simple arrangement.

Of considerable interest is what happens at the end of the period of entitlement to RTWC. While WTC can be paid as long as people remain entitled, RTWC payments to people who stay in work end after 12 months. Of key policy importance is whether people are prepared for this drop in income, and make plans accordingly. Also important is whether the people concerned are then firmly established in work which they consider financially worthwhile and intend to continue despite loss of £40 per week or whether this reduction in income leads to financial problems and discouragement from working.

This study shows that those whose RTWC had expired after 12 months, all planned to stay in work. All knew in advance that RTWC was due to expire. Those who had relied on RTWC for day-to-day budgeting had made plans and arrangements to ensure work continued to be worthwhile financially. This may well be evidence of RTWC, along with WTC for some people, supporting firm and lasting transitions into work, although we should emphasise here that at the time of the research interviews nobody had spent a significant period without RTWC.

In contrast to the general understanding that RTWC expired after 12 months, there was evidence that the process of renewal is not fully understood by some recipients. This may be a point at which there is need for more focused information giving and advice by Jobcentre Plus staff. While the initial application was generally experienced as quick and easy, problems with provision of evidence of earnings did lead, in some cases, to loss of RTWC. Delays, both in making payments at renewal and in withdrawing payments when no longer eligible, led to financial problems for some. There was also evidence that assessment of self-employed earnings can be problematic.

Those who returned to incapacity benefits before completing a full period of receipt of RTWC said this was generally due to recurrence of symptoms or the effects of their health condition. Nobody said that low incomes in work had led them to leave work.

There was not a strong general argument for weekly payments of higher value. Forty pounds per week for 12 months seemed fair to most although, as we would expect, people experiencing particular financial problems would have liked higher payments.
In summing up, there is good evidence from this study that paying RTWC for 12 months does support lasting transitions to work from incapacity benefits for some people. It does this not only by enabling people to manage day-to-day budgeting with earnings, but also by enabling people to clear debts, start saving, and extend spending to increase living standards and enhance future job prospects. There is also good evidence that knowing about RTWC in advance of making decisions about work acts as an incentive for some people. On the other hand, there is strong evidence that people keen to move off incapacity benefits often find and move into suitable work, without knowing about RTWC. There is also evidence that the extra £40 per week, for some people, is more of a bonus or reward, welcome but generally not significant in terms of overall household income.
Appendix A
Return to Work Credit focused study: Research methods

A.1 Recruiting participants

In designing the research study it was felt important to include people at different stages of receiving Return to Work Credit (RTWC) payments. Researchers hoped that identifying people in this way would provide the opportunity to understand people’s experiences during the early and later stages of receipt, and to understand the reasons for, and effect of, withdrawal of RTWC before the potential expiry date. There were expectations that some research questions would have more salience than others for particular groups of people. Some people were expected to have clearer recall of more recent events such as learning about RTWC. The expiry of the payments was thought to be more salient to people in the later stages of receipt. There were also expectations that people whose RTWC was withdrawn before expiry might have useful information about why they stopped working and whether RTWC acted as an incentive to try work. There was particular policy interest in the impact of the loss of this earnings supplement upon expiry, and the decisions people made.

The database enabled people to be identified in one of four descriptive categories: those in the first 26 weeks of receipt (first period); people in the second 26 weeks of receipt (second period); those whose claim had ended before it was due to expire (ended); and people who had completed a full year’s receipt (expired). These administrative groupings became one of the main criteria for selecting the study group. The Department for Work and Pensions’ (DWP’s) database extract showed that, at the time fieldwork was expected to take place, more people would be in the ‘ended’ or ‘expired’ categories and therefore, the targets for recruitment reflected this distribution of recipients. Additional sampling criteria were age and sex. All sampling targets are recorded in Table A.1.
Table A.1  Sampling targets

<table>
<thead>
<tr>
<th>Sampling criteria</th>
<th>Target</th>
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<tr>
<td><strong>Stage of RTWC receipt</strong></td>
<td></td>
</tr>
<tr>
<td>First period of receipt</td>
<td>7</td>
</tr>
<tr>
<td>Second period of receipt</td>
<td>8</td>
</tr>
<tr>
<td>Ended before expiry</td>
<td>10</td>
</tr>
<tr>
<td>Expired after 52 weeks</td>
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<tr>
<td><strong>Sex</strong></td>
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<tr>
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<tr>
<td><strong>Age</strong></td>
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<tr>
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<td>10-14</td>
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<tr>
<td>50 and over</td>
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An extract from the DWP’s database was used to identify potential participants in each pilot district. Letters were sent to a total of 300 people across the seven pilot areas, introducing them to the research and explaining that a researcher may be in touch to invite them to take part in an interview. Recipients of the letter had the opportunity to opt out of the study at this stage by returning reply slips in prepaid envelopes or contacting the researchers by telephone. Forty-eight people chose to opt out at this stage by reply slip or telephone. Six letters were returned without reaching the addressee. At this stage, some people contacted the research team to say they would like to take part and were included in the final sample.

Using the information held in the database, the remaining people in the sample were identified as falling into one of the four RTWC receipt groups outlined above. Researchers then selected and recruited the people to the study group by telephone. In total, as Table A.2 shows, 42 people were contacted at this time and six people declined to take part. Reasons for not taking part were being too busy with work and domestic responsibilities, having experienced problems in receiving RTWC, and not wanting to take part. One person was willing to take part but the researcher could not arrange an interview. The person had moved into a new RTWC receipt group, the quota for which had already been filled. They were thanked for their interest.
Table A.2 Recruitment

<table>
<thead>
<tr>
<th>Description</th>
<th>People across all seven areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invitation letters sent</td>
<td>300</td>
</tr>
<tr>
<td>Opted out</td>
<td>48</td>
</tr>
<tr>
<td>People contacted by telephone</td>
<td>42</td>
</tr>
<tr>
<td>Refusals</td>
<td>6</td>
</tr>
<tr>
<td>Willing but over sampling quota</td>
<td>1</td>
</tr>
<tr>
<td>Interviews completed</td>
<td>35</td>
</tr>
</tbody>
</table>

An important element of these phone conversations was to check the stage of the RTWC claim, to ensure a spread across the four receipt categories was achieved. An interview was not arranged with one willing participant because they had moved to a new stage of receipt and accepting them would have produced an imbalance across the receipt categories.

Appointments for the face-to-face research interviews were arranged on the telephone and confirmation letters were sent afterwards. When it proved difficult to contact by phone some people who had previously opted in to the study, a letter was sent inviting them to suggest convenient dates and times for an interview. After responding to this letter in writing, contact was established by phone and appointments arranged.

A.2 Conducting the research interviews

Based on the core aims of the research study, a topic guide (see Appendix B) of key questions and areas for exploration was produced. The main areas of enquiry were:

- the key influences on people’s movements from benefits into work and the influence of RTWC in particular;
- recipients’ knowledge and understanding of RTWC;
- people’s experiences of applying for and receiving payment of RTWC;
- how RTWC payments were used and the impact they had on people’s standard of living;
- the impact of RTWC payments ending;
- recipients’ overall views on the experience of receiving RTWC.

The headline questions, marking each new line of questioning, were to be asked as written by all the interviewers so that responses to these questions could be collected from all participants. Suggested prompts in each section of the topic guide enabled researchers to move through the interview in a responsive way, tailoring questions and prompts, and time spent, to the topics most salient to individuals’ circumstances.
Before fieldwork commenced, a briefing session was held for fieldwork researchers to discuss how to use the topic guide and to identify and clarify the key topics of enquiry in the interviews. A representative from the DWP attended this meeting. All present found this to be a useful way of preparing for the interviews.

Most interviews took place at respondents’ homes; one was conducted in a town centre public house as suggested by the participant who did not want to meet at home. Respondents invited family members to contribute to interviews on occasions, because partners or family members had supported people during contacts with Jobcentre Plus. On one occasion, a second researcher observed the interview to inform their training.

After explaining the purpose for the research and what topics would be explored in the interview, the researchers discussed how the interview was confidential and that participants could withdraw from the research at any time. All participants were asked if they consented to take part and all signed in agreement (see consent form in Appendix B). A money gift of £20 was given to participants as a token of thanks. Permission to tape record the interview was asked of all participants. One person preferred that the interview was not tape recorded, and in this case, handwritten notes were made during and after the interview. In general, interviews lasted for around one hour.

A.3 Data analysis

Following the interview all tape recordings were transcribed professionally except for one interview, where transcription was made difficult by excessive background noise. The researcher who conducted the interview was, however, able to use the recording and notes made after the interview in completing data extraction for qualitative analysis.

The data was analysed systematically and transparently, using the Framework method originally developed by the National Centre for Social Research (Ritchie and Spencer, 1994). Data were extracted after each interview by either the researcher who conducted the interview or a member of their own research unit team.

A thematic framework was developed for classification and summary of the data from interviews according to the themes emerging. This approach meant that the analysis was grounded in respondents’ own accounts, at the same time enabling analysis to address key policy interests and issues. The building of the charts enabled data interrogation and comparison both between cases, and within each case, and the researchers used the data to build descriptions and search for explanations.

Two members of the research team took responsibility for this analysis of the data and first draft of the report.
A.4 Characteristics of participants

Targets for purposive sampling were a balance of men and women and a spread of ages. Fifteen men and 20 women took part in the study. Table A.3 shows the ages of the study participants.

Table A.3 Age and sex of participants

<table>
<thead>
<tr>
<th>Ages</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>30-49</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>50 plus</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

A.4.1 Stage of Return to Work Credit receipt

As discussed above, the aim was to speak to people at different stages of receiving RTWC who might be expected to have had different experiences. People were, therefore, recruited to one of the four administrative groupings: first 26 weeks of receipt; second 26 weeks of receipt; claim ended before expiry; and expired after a full year’s receipt.

Due to the time that had elapsed between obtaining the database extract and conducting the interviews, some people had progressed to a different category of RTWC receipt. At the time of the interviews three people had moved into their second 26-week period of receipt and two people who had very recently stopped receiving RTWC, having reached the end of their 52-week entitlement.

A.4.2 Household arrangements

People’s views on working and their income requirements are strongly related to household and family circumstances. At the time the research interviews took place, a number of family types and households were represented by the participants, as demonstrated in Table A.4.

Table A.4 Household types amongst participants

<table>
<thead>
<tr>
<th>Household type</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two parents and dependent children</td>
<td>8</td>
</tr>
<tr>
<td>One parent and dependent children</td>
<td>4</td>
</tr>
<tr>
<td>Parent(s) and adult children</td>
<td>7 (2 of whom were parents and 5 were adult children)</td>
</tr>
<tr>
<td>Living with partner</td>
<td>7</td>
</tr>
<tr>
<td>Living alone</td>
<td>7</td>
</tr>
<tr>
<td>Other arrangements</td>
<td>2</td>
</tr>
</tbody>
</table>
Many of the participants were parents with dependent children. It was not clear whether the single parents in the study received financial assistance from their ex-partners. One father who did not live with his children made financial contributions to their household. Most people’s domestic partners worked full-time, although some worked part-time or did not work and cared for their children. The study group included parents and adult children of households where young people lived with their parents. The extent to which adult children were reliant on their parents for financial security varied, as some were earning and made financial contributions and some did not work. Seven people lived with their partner and another seven lived alone.

Recent changes to living arrangements had occurred for some people when they spoke to the researchers. Since making the move into work and receiving RTWC some younger people had organised their own accommodation and moved out of the family home. There were also some people who had returned to live with their parents after the break-up of a relationship, as their health condition had worsened, or upon encountering financial difficulties.

At least one participant was a member of a minority ethnic group and their partner was from a different minority group.

### A.4.3 Health

People’s health conditions were not used in purposively selecting the sample. The expectation was that a spread across different kinds of conditions, particularly over the three main types of conditions reported by incapacity benefits recipients, would emerge naturally amongst those eventually selected. People told researchers about health complaints that had contributed to their decision-making in claiming incapacity benefits and that affected their capacity to work. Some of these health conditions continued to affect people’s day-to-day activities at the time of the interviews and had sometimes been influential in decisions to stop working again. Some people had multiple health problems and all those mentioned to the researchers are recorded in Table A.5 below.

<table>
<thead>
<tr>
<th>Self-reported health conditions</th>
<th>All self-reported conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musculoskeletal</td>
<td>15</td>
</tr>
<tr>
<td>Mental health</td>
<td>14</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
</tr>
</tbody>
</table>

Some musculoskeletal conditions had appeared gradually. Other musculoskeletal problems were the result of road traffic accidents, or injuries sustained at work. Arthritis and repetitive strain injuries were amongst conditions reported. A variety of anxiety and depressive illnesses, some of which had affected sufferers for a number
of years, were identified as main health conditions. Relatively few people in the sample discussed having cardiovascular illnesses. Conditions talked about were heart problems, strokes and embolisms. Among other conditions people talked about were a number of types of cancer, ME, digestive disorders, eye conditions, epilepsy, alcoholism, and drug abuse.

### A.4.4 Financial situation

In giving information about their circumstances prior to claiming RTWC and the influences on their decisions to return to work, people spoke about their financial situation before they had started working. Most participants, of whom some were entitled to National Insurance credits only, had received Incapacity Benefit (IB), or Income Support (IS). The duration of people’s benefit claims prior to their return to work varied widely, ranging from a couple of months to more than 20 years. Disability Living Allowance (DLA), Industrial Injuries Disablement Benefit (IIDB) and Child Benefit (ChB) were additional benefits received by some.
Appendix B
Research instruments
Dear

I am writing to ask for your help with some important research commissioned by the Department for Work and Pensions with people involved in the government’s new scheme to give more support to people claiming Incapacity Benefit. Your name was selected from people who have been receiving or are still receiving the £40 a week payment called Return to Work Credit (RTWC). This payment is new and only available in selected parts of the country and we would like to find out about your experiences and views about it.

The research is being carried out by a group of independent research organisations: the Social Policy Research Unit at the University of York, the National Centre for Social Research and the Policy Studies Institute.

A researcher from one of these organisations may be in touch in the next few weeks to see if you would like to take part in an interview and to answer any questions you might have. They will also talk to you about a suitable time to meet for an interview and discuss any requirements you may have which will make it easier for you to take part. The interview would last about 60 minutes. **Your answers will be treated in strict confidence in accordance with the Data Protection Act.** Everyone who is interviewed will be given £20 as a small token of thanks for their help.

I hope that if contacted by a researcher you do decide to take part in the study. If you do not wish to take part, please let us know by Friday 14 October. You can either use the reply slip at the end of this letter and the pre-paid envelope or telephone Sally Pulleyn on 01904 321951. If you would like to know more about the research, you can also call me, Elizabeth Cole on 0114 209 8256.

**Please be assured that your involvement is completely voluntary and will not affect any benefit you receive, or any dealings you have with any government department or agency.** I hope you will be able to take part in this important study and enjoy talking to the researcher.

Yours sincerely

Elizabeth Cole
Department for Work and Pensions

IF YOU REQUIRE THIS INFORMATION IN LARGER PRINT, ON AUDIO TAPE, IN BRAILLE OR IN ANOTHER FORMAT PLEASE CONTACT SALLY PULLEYN ON 01904 321951.
Study of Return to Work Credit

Consent Form

I have received the information sheet and understand the purpose of the research and what it involves. I understand that the information I give to the researchers will be treated in strict confidence according to the Data Protection Act. The research report will include my views along with the views of other people, but I will not be identified. I understand that I can withdraw from the research at any time without giving a reason.

I agree to take part in an interview with a researcher YES/NO

Name ..................................................................................................................

Signature ...........................................................................................................

Date .................................................................................................................
Return to Work Credit focused study

Topic guide: depth interview with user

Interviewer’s introduction

Introduce self. Explain that this research is funded by the Department for Work and Pensions, and is one part of their overall research to see what is happening as a result of trying new services for people receiving incapacity benefits. The research units conducting the work are all independent organisations.

Explain that they were invited to take part because they have experience of Return to Work Credit (the £40 per week on top of wages). This is new and the government needs to know about people’s experiences and views. So in this interview we would like to talk about:

- the experience of getting RTWC
- whether RTWC influenced your thinking
- the financial impact of RTWC, and
- your general views about this kind of support.

Hearing about this will help DWP understand better how RTWC works out for people.

The interview will take around one hour, and will be in the form of a discussion.

Ask for permission to use tape-recorder.

Explain that tape-recordings will be typed up, professionally. Explain confidentiality and how material will be used – a report for DWP in which their views are included, but they will be quite anonymous. Explain that taking part will have no effect on any benefits or tax credits, or any dealings with Jobcentre Plus or any other organisations.

Check informed consent. Give money gift.

1. **First of all, can I check how long you have had RTWC?**
   - when started, stopped or ongoing
   - how this fits dates of starting, leaving paid work (jobs taken, ongoing, left)
   - current situation: part-time/full-time work; not working; receipt of RTWC/WTC.
2. I would like to talk generally about what led to your moving into work from benefits.
   • length of receipt of IB/IS; reason for claiming
   • developments in health/condition
   • financial circumstances and expectations (including incentives)
   • wanting to work/problems perceived
   • family/household circumstances (partner’s work/benefit circumstances)
   • contacts with Jobcentre Plus
   • contacts with support and advice services: CMP, JBs, other e.g. CAB
   • role of other kinds of support

   What were the strongest influences on moving into work among those we’ve talked about?

3. Can we talk now about finding out about RTWC?
   • sources of information received (JC+ staff; leaflets; advertising; friends/family)
   • timing of receiving information (in relation to thinking about work; Pathways process)
   • did you have the information you needed (missing information)
   • what did you think about RTWC when you heard about it – pros/cons?
   • did you have concerns/anxieties
   • understanding of rules of RTWC (inc. when they found out). [NB spontaneous response initially, then prompt]
     minimum hours
     time limits
     earnings limits
     amount paid
     reapplication after 26 weeks
   • understanding of other kinds of financial support
     difference between WTC and RTWC
     understanding of disability/50+ elements in WTC
4. Did knowing about RTWC influence:
   • your thoughts about working (at what stage did RTWC influenced thinking)
   • looking for jobs (at what stage did RTWC influenced thinking)
   • the job you took (hours, wages, type of work)

   Did you see a better-off calculation with/without RTWC?
   • probe reasons

   Can I ask what your earnings were in the job you moved into?

   Do you think you would have taken the job if there had been NO RTWC?
   • probe reasons

5. May we think about how you got RTWC, how you applied and how the money was paid.

   What was your experience of putting in an application?
   • how handled (JC+ staff involvement; form-filling)
   • how easy was this
   • any problems, delays, negative experiences or feelings
   • match with expectations
   • comparison with other benefits/tax credits
   • experience of reapplying at 6 months

   And what has been your experience of the way RTWC is paid to you?
   • choice available, and made (bank/building society account; PO account; giro), suitability
   • experience of speed of setting up, regularity of payments, problems how do weekly payments suit you? preferences for other periodicity; fit with periodicity and payment method of earnings, tax credits.

6. We are interested in how you have used the RTWC payments and what difference it has made financially. Have you used the money for something in particular, or put it into the general pot?
   • use for general housekeeping; big bills/items: what in particular
   • work expenses
   • ‘extra’ treats/items, e.g. holidays, presents, leisure
   • substitute for extra hours/partner’s earnings
   • who controls its spending – preferences, usual patterns, compare with tax credits

Appendices – Research instruments
• any change in use over time
• What was it like moving from benefits to work in the first month or so? How smoothly did it go? Did RTWC play a role?

**Overall, what is/has been impact on standard of living?**

7. **It is also important to know what impact there is when RTWC stops being paid.**

**If RTWC has stopped on leaving work:**
• Did you understand RTWC would end when you left work?
• What influenced your leaving work this time?
• Has experience of receipt of RTWC influenced your thinking about working again?
• Looking back, were you better off financially in work than on IB/current situation? How much?
• What part did RTWC play in this?
• How would you describe your financial situation now?

**If RTWC has expired after 12 months receipt:**
• Were you expecting RTWC to end when it did?
• Had you made plans for this (financial, budgeting, increasing income in other ways)
• What was the financial impact of losing RTWC?
• If subsequently left work, was losing RTWC an influence?
• Looking back, were you better off financially in work than on IB? How much?
• What part did RTWC play in this?
• Do you expect to go on working/try working again? What will influence this?
• How would you describe your financial situation now?

**If still receiving RTWC:**
• When do you expect your RTWC to stop?
• How will this affect you financially?
• Do you have/will you make any plans for dealing with this?
• Do you expect to go on working? What will influence this?
• Do you feel better off financially than on IB? How much?
• What part does RTWC play in this?
• Do you expect to go on working? What will influence this?
• How would you describe your financial situation now?

8. In the last part of our discussion, can I ask you to look back on your experience of using RTWC?
   How do you feel about this way of supporting people moving into work from incapacity benefit?
   How important was RTWC in influencing you to make this move?
   How important has RTWC been in your staying in work? (NB compare as appropriate with financial and other support)
   How do you feel about the amount of money, and the time it lasts?
   How does RTWC compare with WTC?
   Would there be a better way of spending this money to support a person like you?
   Finally, was it worth returning to work?
      financially
      for other reasons

Thank respondent.

Check they agree to our using the information provided.
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