

The Macfarlane Trusts, The Eileen Trust and MFET Limited

To whom it may concern

1. INTRODUCTION

This letter explains how payments from the Macfarlane Trusts, The Eileen Trust (“the Trusts”) and MFET Limited are treated for social security purposes. It also sets out how these payments that are passed on to certain other people may affect their benefits. This letter is not intended to be a full statement of the law; however you may want to keep it in a safe place in case you need to refer to it again in the future.

The benefits which may be affected are:

- Income Support
- income-based Jobseeker’s Allowance
- income-related Employment and Support Allowance
- Pension Credit
- Housing Benefit
- Council Tax Benefit
- Social Fund payments, and
- help with social care costs

Other social security benefits are not affected by these payments.

Note - Throughout this letter:

- ‘Eligible person’ means the person who has contracted an illness as a result of treatment.
- ‘Beneficiary’ is the person who is entitled to a payment from the Trusts or from MFET Limited and includes an eligible person and a partner or dependant of an eligible person. (A beneficiary does not include a person who receives a payment from or on behalf of a beneficiary.)

2. PAYMENTS FROM THE TRUSTS OR MFET LIMITED TO BENEFICIARIES

If you are a beneficiary of any of the Trusts or of MFET Limited, payments will not affect any benefit you receive from Jobcentre Plus or a local authority. In addition you do not need to tell Jobcentre Plus or a local authority that you have had a payment or if you decide to save the payment or invest it in property or shares for example.

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These rules also apply to money that derives from a payment, for example, if you invest in property, which is sold for profit, this will not affect benefit.

However, if you keep the money in the same account as other savings you may have to tell Jobcentre Plus or your local authority how much of the mixed money is from a Trust or MFET Limited payment. This is so that they can work out how much can be ignored when calculating your entitlement to benefit.

3. PAYMENTS FROM AN ELIGIBLE PERSON TO THEIR PARTNER OR CHILDREN

If you are an eligible person and you give or leave money that you received from the Trusts or from MFET Limited to your partner, your dependent child or to the guardian of your dependent child, the money will not affect their benefit.

This rule applies whether the gift or bequest is in cash or has been converted into something else, for example, National Savings Certificates or property.

If the money is not kept separate from other savings your partner, your dependent child or child's guardian may need to tell Jobcentre Plus or the local authority about the money that initially came from a Trust or MFET Limited payment. This is to make sure that the correct amount of savings is taken into account.

4. PAYMENTS FROM AN ELIGIBLE PERSON TO THEIR PARENTS

If you are an eligible person and you do not have a partner or a dependent child you may wish to give or leave money you receive from the Trusts or from MFET Limited to your parent, step parent or guardian*.

In this case the money will not affect their benefit during your lifetime and for two years after the date of your death. (Again, they may need to tell Jobcentre Plus or the local authority about money that initially came from a Trust or MFET Limited payment if it is not kept separate from other savings.) After the two years they will need to tell Jobcentre Plus or the local authority about all of their savings, which could affect their benefit depending on how much those savings are.

This rule applies whether the gift or bequest is in cash or has been converted into something else, for example, National Savings Certificates or property.

***Note** - This rule can only apply to money given or left to your guardian if you have no parent or step parent and you have not completed your full-time education.

5. PAYMENTS FROM PARTNERS OF ELIGIBLE PEOPLE

If you are the partner (or the surviving partner) of an eligible person you may decide to give or leave money that you have received from the Trusts to another person. If the money goes to, or is for the benefit of, your eligible partner or their dependent child it will not affect the recipient's benefit.

This rule applies whether the gift or bequest is in cash or has been converted into something else, for example, National Savings Certificates or property.

As stated previously, Jobcentre Plus or the local authority may need to know about the money, and where it initially came from, if it is kept with other savings

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6. PAYMENTS TO OTHER PEOPLE

If you give or leave any money to any other person not covered by this letter, he or she must tell Jobcentre Plus or the local authority if they are claiming any of the benefits listed at the beginning of this letter. This is because any payment made to them may affect their benefit.

This also applies if you give money to your child who is no longer dependent on someone looking after him or her.

7. TAX CREDITS – CHILD TAX CREDIT AND WORKING TAX CREDIT

Tax credits are administered and paid by HM Revenue and Customs. Awards are made for a tax year and persons claiming tax credits are generally required to report their annual taxable income (or their combined annual taxable income in the case of a claim made by a couple). For tax credit purposes, income from the Trusts or from MFET Limited is disregarded and does not have to be declared.

8. REMEMBER - IF YOU HAVE OTHER INCOME OR SAVINGS

You, or anyone claiming for you, must tell Jobcentre Plus or the local authority about any other income or savings that you, your partner or your children (if you are claiming for them) have.

9. FURTHER INFORMATION

If you are in doubt about any of the information in this letter or have any other questions you should contact Jobcentre Plus or your Pension Centre (for Pension Credit) by visiting www.direct.gov.uk or you can find the telephone number for Jobcentre Plus in your phone book. The Pension Centre contact number is 0845 606 0265. The Macfarlane Trust can also put you in touch with an independent welfare rights advisor.

For information on Child Tax Credit and Working Tax Credit contact the tax credit helpline on 0845 300 3900, or visit the HM Revenue and Customs website www.hmrc.gov.uk



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