

FAMILY RESOURCES SURVEY

2002/2003

SHOW CARDS

P2140

English

Scottish

Welsh

Irish

British

Other answer

Scottish

English

Welsh

Irish

British

Other answer

04/2002

CARD A - Wales

Welsh

English

Scottish

Irish

British

Other answer

White

- British
- Any other white background (please describe)

Mixed

- White and Black Caribbean
- White and Black African
- White and Asian
- Any other Mixed background (Please describe)

Asian or Asian British

- Indian
- Pakistani
- Bangladeshi
- Any other Asian background (please describe)

Black or Black British

- Caribbean
- African
- Any other Black background (please describe)

Chinese or other ethnic group

- Chinese
- Any other (please describe)

04/2002

CARD C

Own it outright

Buying it with the help of a mortgage or loan

Pay part rent and part mortgage (shared ownership)

Rent it

Live here rent-free (including rent-free in a relative's /friend's property; excluding squatting)

Squatting

**The local authority/council/New Town
development/Scottish Homes**

**A housing association, charitable trust or Local Housing
Company**

Employer (organisation) of a household member

Another organisation

**Relative/friend (before you lived here) of household
member**

Employer (individual) of a household member

Another individual, private Landlord or Letting Agency

CARD E

Company licence - some organisations or employers let out accommodation allowing people to live there for a specified period

College licence - some colleges let out accommodation allowing students or staff to live there for a specified period

Non-exclusive occupancy agreement or licence - the tenant agrees to share the accommodation with any person the landlord may name

Holiday let - the accommodation is let for holiday purposes only

Low season let - the tenants agree to leave when the accommodation is needed for holiday purposes

04/2002

CARD F

Heating

Lighting

Hot water

Fuel for cooking

TV Licence fees

04/2002

CARD G

To make improvements or extensions to this property

**To help purchase a major item like a car, boat, caravan,
or second home**

To get a better, or fixed, interest rate

In connection with a business

To buy out another person's share in the property

**For essential repairs to make the property fit for
occupation**

Some other purpose

04/2002

CARD H

25% OR 50% STATUS DISCOUNT BECAUSE:

There is only one adult living here

OR

This household includes:

- **a severely mentally impaired person**
- **a person aged 18 or over who is still at school**
- **a student**
- **student nurses**
- **apprentices**
- **YT trainees**
- **care workers**

04/2002

CARD I

Ground rent

Feu duties (applies in Scotland)

Chief rent

Service charge

Compulsory or regular maintenance charges

Site rent (applies to caravans only)

Factoring (payments to a land steward)

Any other regular payments

Insurance cover (please include any insurance provided by an employer or pension scheme):

Personal accident

Private medical

Permanent health insurance

Critical illness cover

Friendly society sickness benefit

To provide an income while in hospital

Nursing home/ long-term care

Any other sickness insurance

Unemployment / Redundancy

Keeping an eye out, 'being there':

Being available if needed
Making your whereabouts known so you can be contacted if needed

Social support and assistance:

Sitting with
Chatting with/ listening to/reading to
Making/receiving telephone calls to talk to them
Encouraging them to do things for themselves

Accompanying on trips out to go:

Shopping
To hospital/ GP/optician/dentist/chiroprapist
To the park/church/restaurant

Paperwork/official/financial:

Helping with paperwork
Dealing with 'officials' (including by phone)

Home and garden:

Making meals
Going shopping for someone
Washing/ironing/changing sheets
Cleaning /housework
Gardening
Odd jobs/maintenance

Medical:

Collecting prescriptions/giving medication
Changing dressings

Moving about the home: Giving help with

Getting up and down stairs
Moving from room to room
Getting in and out of bed

Personal care: help with

Getting dressed
Feeding
Washing/bathing/using the toilet

0-4 hours per week

5-9 hours per week

10-19 hours per week

20-34 hours per week

35-49 hours per week

50-99 hours per week

100 or more hours per week

Varies – under 20 hours per week

Varies – 20-34 hours per week

Varies – 35 hours per week or more

Mobility (moving about)

Ability to lift, carry or otherwise move everyday objects

Manual dexterity (using your hands to carry out everyday tasks)

Continence (bladder control)

Communication (through speaking, listening, reading or writing)

Memory or ability to concentrate, learn or understand

Understanding when you are in physical danger

Other area of life

- I am unable to work at the moment
- I am restricted in the amount or type of work I can (or could) do
- I am not restricted in the amount or type of work I can (or could) do

BECAUSE OF ILLNESS,
INJURY OR DISABILITY

04/2002

CARD O

Youth Training (YT)

Training for Work (TfW)

Work Trial

Project Work

Career Development Loans/Youth Credits

New Deal for 18-24 year olds

Any other training scheme

The Gateway

Employment Option

Full Time education or training

Voluntary Sector

Environmental task force

04/2002

CARD Q

REASON FOR EARLY RETIREMENT:

Because of my own ill-health

Ill-health of a family member, other relative or friend

Compulsory redundancy / dismissed

I had reached my employer's fixed retirement age

I was offered reasonable financial terms to retire early or take voluntary redundancy

To spend more time with my family

I wanted to give up work / wanted a change

Other reason - involving own choice

Other reason (none of the above)

Employee

OR:

Running a business or a professional practice

Partner in a business or a professional practice

Working for myself

A Sub-Contractor (includes SC60)

Doing freelance work

Self employed in some other way

CARD S

Unemployed/looking for work

Student /training

Looking after the family / home / children

Caring for a disabled or elderly person

Temporarily sick or injured

Long-term sick or disabled

Didn't need employment

Retired

Made redundant

04/2002

CARD T

Statutory Sick Pay

Statutory Maternity Pay

Income Tax refund

Mileage allowance or fixed allowance for motoring

Motoring expenses refund

Tax Credit

Items relating to this accommodation only:

Rent

Mortgage payments

Council Tax

Water/sewerage rates

Insurance on structure

Gas

Electricity

Telephone

Any other business expenses relating to this accommodation (please specify)

Luncheon Vouchers

Free Meals (Including free canteen at work)

Subsidised canteen

Free or subsidised goods (incl. store vouchers)

Childcare provisions and/or childcare vouchers

Free/subsidised medical insurance (for yourself or your family)

Shares or share options

Payment of school fees for family members

Provision of a phone for personal use as well as work

Company Vehicle

Any other payments in kind

CARD W

Money from the work account:

- used for payments to yourself and any other personal spending,
- used to pay domestic bills (including standing orders),
- transferred to a private account,
- used for any other NON-business use?

09/2002

CARD X

**New Tax Credit (either Working Tax Credit,
Child Tax Credit, or both, payable from April 2003)**

Working Families' Tax Credit

Disabled Person's Tax Credit

Children's Tax Credit

Do you (or your employer) pay contributions to:

a personal or private pension fund, or retirement annuity

a company or occupational pension scheme run by my employer

a stakeholder pension scheme fund

Contributions are taken out of my pay each week or month

The scheme is non-contributory but I do pay something - to make additional provision for myself or my dependents

The scheme is non-contributory. No-one takes money off my pay each week or month.

Child Benefit

Guardian's Allowance

Invalid Care Allowance

**Retirement Pension (National Insurance), or
Old Person's Pension**

**Widow's Pension, Bereavement Allowance or Widowed
Parent's (formerly Widowed Mother's) Allowance**

War Disablement Pension or War Widow's Pension

Severe Disablement Allowance

04/2002

CARD BB

**Disability Living Allowance
(Care Component)**

**Disability Living Allowance
(Mobility Component)**

Attendance Allowance

04/2002

CARD CC

Jobseeker's Allowance

Income Support / Minimum Income Guarantee

Incapacity Benefit

Maternity Allowance

Industrial Injuries Disablement Benefit

04/2002

CARD DD

A grant from the Social Fund for funeral expenses

**A grant from the Social Fund for maternity expenses /
Sure Start Maternity Grant**

A Social Fund Loan or Community Care grant

Winter Fuel Payment

A Back to Work Bonus

**Extended Payment of Housing Benefit/rent rebate or Council
Tax Benefit (4 week payment only)**

Bereavement Payment (Lump Sum)

Child Maintenance Bonus

Lone Parent's Benefit Run-On

Any National Insurance or State benefit not mentioned earlier

Mortgage interest

Rent arrears

Fees for nursing home or residential care

Gas or electricity bills

Service charges for heating or fuel

Water charges

Council Tax arrears

Fines

Maintenance payments

04/2002

CARD GG

Unemployment/redundancy insurance

Trade Union sick pay or strike pay

Private medical scheme

Personal accident insurance

Permanent health insurance

Hospital savings scheme

Friendly Society sickness benefit

Critical Illness Cover

Any other sickness insurance

Employee pension from a previous employer

Widow's employee pension (from a previous employer of deceased spouse or relative)

Personal pension

Pension as a member of a Trade Union or Friendly Society

Annuity (includes home income plan or equity release)

Payment from trust or covenant

Share of employee or personal pension from an ex-spouse/partner

CARD II

Rent from any property

**Royalties, for example from land, books
or performances**

Income as a sleeping partner in a business

**Occupational pension from an overseas government
or company, paid in foreign currency**

Repairs, maintenance and renewals (do not include capital improvements)

Interest on a loan to purchase the property

Rent, rates, insurances paid on the property

Legal and professional costs relating to the purchase

The cost of services provided (cutting grass, maintenance etc.)

**A regular allowance from a friend or relative
outside the household**

A regular allowance from an organisation

**Allowance from a Local Authority for a foster
child**

**Allowance from a Local Authority for an
adopted child**

04/2002

CARD LL

Babysitter

Mail order agent

Odd job, occasional work or professional advice

ACCOUNTS:

Current account with a bank or building society, supermarket/store or other organisation

National Savings Bank (Post Office):
Ordinary account

National Savings Bank (Post Office):
Investment account

TESSA (Tax Exempt Special Savings Account)

ISA (Individual Savings Account)

Savings account, investment account/bond, any other account with bank, building society, supermarket/store or other organisation

INVESTMENTS:

Government Gilt-edged stock (inc. War Loan)

Unit Trusts or Investment Trusts

Stocks, shares, bonds, debentures or any other securities

PEP (Personal Equity Plan)

Profit Sharing

Company Share Option Plans

Member of Share Club

04/2002

CARD OO

National Savings Capital Bonds

Index-linked National Savings Certificates

Fixed interest National Savings Certificates

Pensioner's Guaranteed Income Bonds

Save-As-You-Earn (National Savings/Bank/Building Society)

Premium Bonds

National Savings Income Bonds

National Savings Deposit Bonds

FIRST Option Bonds

Yearly Plan

Fixed Rate Savings Bonds

CARD PP

- 1. Less than £1,500**
- 2. From £1,500 up to £3,000**
- 3. From £3,000 up to £8,000**
- 4. From £8,000 up to £20,000**
- 5. Over £20,000**

04/2002

CARD QQ

Regular Income after tax from:

Jobs

Pensions

Benefits

Maintenance

Savings and Investments

CARD RR

1. £1- 50
2. £51- 100
3. £101 - 250
4. £251 - 500
5. £501 - 1000
6. £1,001 – 2,000
7. £2,001 – 3,000
8. £3,001 – 5,000
9. £5,001 – 10,000
10. £10,001 – 20,000
11. £20,001- 30,000
12. £30,001 or over

April 2002

*Note: this Guide is for interviewer use only.
It is not intended to be an authoritative
statement on benefits; it is designed to give
FRS interviewers a basic picture of benefits
for which details are required from
respondents to the survey.*

Benefits marked with 'm' are means-tested, where the claimant's (and partner's) earnings, savings and other income (including some benefits), are taken into account. It is the benefit unit that receives the money, so adults in the same BU should not both be in receipt of the same means-tested benefit.

Order book number(s) are shown for benefits that can be paid by order book. Some benefits are paid on more than one book number, usually if paid in combination with other benefits.

Weekly rates are shown for certain benefits (mainly those not means tested). Rates are not usually shown if they vary according to age, number of dependants etc, or have a basic rate plus various premiums or allowances.

Attendance Allowance

book 10, 13 or 14

Paid to disabled persons aged 65 or over living at home who need help with personal care because of their illness or disability. There are two rates; a lower rate for attendance during day OR night (£37.65); and a higher rate for day AND night (£56.25). Note that respondents can get AA even if no one is actually giving them the care they need.

Back To Work Bonus

People who have received Income Support or Jobseeker's Allowance for 13 or more weeks and who work less than 16 hours a week can accrue a bonus to be paid when they come off the benefit and go into full time work. The amount accrued depends on how much is earned over the disregard level.

Child Benefit

book 5

Paid for each child under 16 years of age, or aged 16-18 and still in full-time further (but not higher) education. Usually received by the mother. Three rates apply: £15.75 for the only/ elder/eldest child of a couple, £17.55 for the only/elder/eldest child of a lone parent, and £10.55 for each subsequent child.

Childcare Tax Credit

Paid to parents if they are using registered child care for children aged 15 years or less. (16 years if a disabled child). Both parents must be in paid work for at least 16 hours per week (or one parent, if the other is disabled).

Child Maintenance Bonus

Paid to claimants who have a child for whom maintenance is being paid, and who leave Income Support or Income-based Job Seeker's Allowance. The bonus builds at up to £5.00 a week whilst the claimant is on benefit and child maintenance is being paid. The maximum bonus is £1,000.

Children's Bonus

Recipients of a number of benefits automatically receive this. It should not be recorded anywhere on FRS.

Children's Tax Credit

Is an income tax relief that reduces tax by up to £520 a year or £10 per week

Community Care Grant from the Social Fund *m*

Mainly for priority groups who get Income Support eg. elderly or disabled people, families under stress, people leaving institutional care.

Council Tax Benefit (CTB)

m

Paid by the local authority to the people who are liable for the tax - usually the householder(s). It is either a **main benefit** if householders have a low income, or a **second adult rebate** if there are other adults in the household who are not liable, do not pay rent to the householder, and have a low income

CTB should not be confused with CT *exemptions* (eg. for student households), or *discounts* (eg. for one-adult households). People on Income Support or income-based Jobseeker's Allowance will usually get the benefit. For properties in Bands F-H the maximum benefit is limited to that for Band E, if the claim began after April 1998. For tenants in multi-occupied accommodation (eg. bedsits) the landlord is usually liable for the tax, and adds an amount to the rent; here, the tenant will not be able to get CTB.

Disability Living Allowance *book 7, 10, 13 or 14*

Persons under 65 can claim for DLA if they need help with personal care and/or with getting around. Once an initial claim is made there is no upper age limit. DLA can be paid even if no-one is giving the care needed. There are two components:

(i) **Care Component** which covers things like washing, dressing, using the toilet, cooking a main meal. Paid at one of 3 rates: Higher (£56.25), Middle (£37.65), or Lower (£14.90).

(ii) **Mobility Component** for persons who can't walk or have difficulty in walking. Paid at Higher (£39.30) or Lower (£14.90) rates.

Disabled Person's Tax Credit

IR book CC

Replaced Disability Working Allowance from April 2000. Disabled persons who are employees have the credit paid directly by their employer rather than administered to them by the Inland Revenue (IR) as a benefit. Self-employed individuals or those not working receive the credit as a benefit from the IR by cheque or credit transfer. The various modules of the tax credit are Single Persons Tax Credit (£62.10), Lone Parent/Couple (£92.80), 30 hours credit (£11.65), Child credit – birth to Sept following 16th birthday (£26.45), Child credit – from Sept following 16th birthday until day before 19th birthday (£27.20), Disabled Child's Allowance (£35.50). If the tax credit is of a nominal amount, the recipient is given the opportunity to receive the credit in a lump sum rather than as a periodic payment.

Educational Maintenance Allowance (EMA)

An allowance paid to encourage children aged 16 to 19 years in low income families to stay on at school. Based on a means test, there are 4 variants payable to the young person. Payment of EMA will be made in term time only, an average of 38 weeks per year.

Extended Payment of Housing Benefit or Council Tax Benefit

These benefits may be received for a further 4 weeks by people aged under 60 when they start working full-time following a period of at least 6 months being unemployed, on a Govt Training Scheme, or on Income Support as a lone parent or carer.

Funeral Expenses

m

A grant from the Social Fund can be obtained if the respondent or partner gets Income Support, Income-based Jobseeker's Allowance, Working Families Tax Credit, Housing Benefit, Disabled Person's Tax Credit, Housing Benefit or Council Tax Benefit.

Guardian's Allowance

book 5

Can be claimed for a child who is in effect an orphan and who lives with the claimant, or whom they help to maintain, whether or not they are the legal guardian. Rate for only, elder/ eldest child is £9.65; for subsequent children £11.35.

Housing Benefit

m

Paid by the local authority to people who need help with rent. Council tenants on HB get a *rent rebate* which means that their rent due is reduced by the amount of rebate. They are however responsible for their own water charges so those on 100% rent rebate do pay a weekly or fortnightly amount to cover these and other charges, where other charges are involved. Private tenants and Housing Association/Registered Social Landlords' tenants usually receive Housing Benefit (or *rent allowance*) personally, although sometimes it is paid direct to the landlord. People on Income Support or income-based Jobseeker's Allowance usually get maximum Housing Benefit. The recipient, or the recipient and their partner, must

not have over £16,000 in savings.

Incapacity Benefit

book 14

Paid to people who have been medically assessed as incapable of working, if they have paid enough National Insurance contributions. People ineligible for Statutory Sick Pay (SSP) may receive it. If a person is/was receiving SSP, Incapacity Benefit replaces it after 28 weeks. There are three basic rates depending on the period, age of the individual(s) and severity of incapacity and a number of supplements may be received. Medical assessments to review eligibility may be carried out periodically.

Income Support (IS)

book 10, 11, 14 m

The main benefit for adults with a low income who are not eligible for Jobseeker's Allowance and are not working 16 hours a week or more on average. It is made up of *personal allowances* for each member of the benefit unit, *premiums* for any special needs, and *housing costs*, principally for mortgage interest payments. Those on IS are likely to be getting Housing Benefit (if in rented accommodation) and Council Tax Benefit (if liable). Often paid to top up other benefits, or earnings from p/t work.

Industrial Injuries Disablement Benefit

book 12

Provided for employees injured at work or suffering from an industrial disease. The amount depends on degree of disablement. Some recipients may also be entitled to Unemployability Supplement. Those whose disablement is assessed as 95% also get **Constant Attendance Allowance** at one of four rates, and may also be eligible for **Exceptionally Severe Disablement Allowance**. Also see **Reduced Earnings Allowance**. Those whose disablement is assessed as 100% are paid a rate of £114.80.

Industrial Death Benefit Widows Pension

Widows of those employees killed at work or by an industrial disease may be entitled to this pension. Paid at 2 rates:- the higher rate is £75.50 and the lower rate is £22.65.

Invalid Care Allowance (ICA)

book 13

A weekly benefit for people aged 16-65 who are not earning more than £50 a week, and who give regular and substantial care (for 35+ hrs per week) to a severely disabled person who themselves gets either DLA or Attendance Allowance. Paid at two rates, the Allowance itself is £42.45 and the Adult Dependent ICA is £25.35.

Jobseeker's Allowance (JSA)

Replaced Unemployment Benefit and Income Support for unemployed people in October 1996. The claimant must be out of work or working less than 16 hours a week, actively seeking work and have an agreement with the Employment Service. There are two types: contribution-based, dependent on the amount of NI contributions paid, and income-based, dependent on income and savings. There are fixed age-related allowances, plus for income-based JSA only, extra allowances and premiums.

Lone Parent's Benefit Run-On

The Lone Parent's Benefit Run-On will give lone parents who leave IS or JSA (IB) to go into work an extra 2 weeks IS provided the lone parent has been on IS or JSA (IB) continuously for at least 26 weeks, they have been a lone parent throughout that period, and the work is for at least 16 hours a week and expected to last for at least 5 weeks.

Maternity Allowance

book 13

For women who have paid enough Class 1 or 2 NI contributions but are not entitled to Statutory Maternity Pay because, for example, they are selfemployed or recently changed jobs. Payment can be made for a period of 18 weeks beginning 11 weeks before the baby is due (later if still working)

Sure Start Maternity Grants (formerly maternity expenses) *m*

A grant from the Social Fund for maternity expenses is available if the respondent or partner is getting either Income Support, Income-based Jobseeker's Allowance, Disabled Person's Tax Credit or Working Families Tax Credit, and have savings under £500 (£1,000 for persons 60 and over). One-off payment of £500.

New Deal Schemes

People on New Deal schemes may be offered work in the Voluntary Sector or with the Environmental Task Force. They are usually paid an allowance equal to their Jobseeker's Allowance. The schemes include: New Deal for people aged 18-24, New Deal for people aged 25 plus, New Deal for lone parents, New Deal for Disabled People, New Deal for partners and New Deal 50 Plus. The New Deal 50 Plus scheme is explained in more detail below.

One Parent Benefit

book 5

In April 1997, this was replaced by a new lone parent rate of **Child Benefit**, which is only applicable if the claim began before July 1998.

Over 80 Pension

book 10 or 13

Also called "Old Person's Pension" is payable when a person reaches 80 and does not get a NI Retirement Pension or whose NI pension is less than the Over 80 Pension. Standard rate is £45.20.

Reduced Earnings Allowance

Paid to people who cannot return to their regular occupation or do work of the same standard due to disablement caused before October 1990 by industrial accident or disease. It should be included in the 'other state benefits' category.

Retirement Pension (National Insurance)

book 10 or 13

Paid to women aged 60 or over and to men aged 65 or over. This is the normal State pension and is the same for men and women who have paid their own NI contributions at the standard rate, and for widows on their husband's NI contributions. The pension may be deferred, for at most 5 years; if so, extra increments will be paid. Persons on this pension may also get Minimum Income Guarantee (MIG) and so you should always check the pension book for details. If there is no pension book because payments are made directly into the bank, ask to see the pension notification form. The majority of pensioners you interview will be getting this pension.

Severe Disablement Allowance

book 14

Paid from the 29th week of illness to persons of working age who do not qualify for Incapacity Benefit. Persons getting this can also claim Income Support. Be careful not to confuse this benefit with Incapacity Benefit. Basic rate for a single person is £42.85 and for a spouse or other adult dependent the rate is £25.45. Age additions can be paid in conjunction with Severe Disablement Allowance at 3 rates:- Higher rate £14.90, middle rate £9.50 and a lower rate of £4.75.

Social Fund Loans

Repayable interest free loans are available: **Budgeting Loans** to those on Income Support to help spread budgeting costs for certain items and **Crisis Loans** to people who cannot meet short term expenses in an emergency.

Statutory Maternity Pay (SMP)

Received by employees during maternity leave. It is paid by the employer. The respondent must have been in the same job for at least 26 weeks and earning enough to have to pay NI contributions. SMP can be paid for up to 18 weeks. The employer may also add 'made-up' pay. It should only be recorded in the last/usual pay. The rate is £75.00

Statutory Sick Pay (SSP)

Paid by employers to employees who earn enough to have to pay NI contributions. It is paid after 4 consecutive sick days for a maximum of 28 weeks in any spell or linked spells of sickness. (After 28 weeks, or if the employer's obligation to pay SSP ends before then, the respondent will usually transfer on to Incapacity Benefit). The employer may also add 'made-up' pay. It should only be recorded in the last/usual pay. The standard rate is £63.25

Unemployment Benefit

Replaced by **Jobseeker's Allowance** in October 1996.

War Pension

book 6

For claimants who were injured or disabled in the Armed Forces between 1914 and 1921 or any time after 2 Sep 1939.

War Widow's Pension

Payable to widow/ers and children of someone killed in the Armed Forces or who died as a result of injury sustained in the Armed Forces.

New Bereavement Benefits (see below)

book 13

Bereavement Allowance, payable to widows and widowers who are widowed when aged 45 and over. The benefit is time limited and paid for one year only. There will continue to be an age related scale for those widowed aged 45-55.

Bereavement Payment, (replaces Widow's Payment) a lump sum (£2000) paid at the time of death to new widows and widowers.

Widowed Parent's Allowance, (formerly Widowed Mother's Allowance) a weekly basic benefit plus an allowance for each dependent child for whom the parent gets Child Benefit. The child(ren) must be the child(ren) of the widow/widower and their late husband/wife. The standard rate is £75.50

Widow's Pension, a weekly benefit for women aged 45-65 (or 40-65 if widowed before 11 April 1988), paid when their husband dies or when their Widowed Mother's Allowance ends. Replaced by Bereavement Allowance on 1.4.2001 although existing widows will continue to receive it.

Working Families Tax Credit (WFTC)

IRbook BB

Replaced Family Credit from April 2000. Employees nominated to receive the tax credit have it paid directly by their employer through their pay packet, rather than as a benefit payment. Self-employed people have the tax credit administered by the IR and paid to them as a benefit, as do nominated non-working partners of employees. The only cases where WFTC is not administered by an employer, is where the employer does not operate PAYE or where there are less than 3 pay periods within the dates the employer is responsible for paying the tax credit. The various modules of the tax credit are Basic Tax Credit (£60.00), 30 hours credit (£11.65), Child credit – birth to Sept following 16th birthday (£26.45), Child credit – from Sept following 16th birthday until day before 19th birthday (£27.20). If the tax credit is of a nominal amount, the recipient is given the opportunity to receive the credit in a lump sum rather than as a periodic payment.

Winter Fuel Payments

Winter Fuel Payments are made to people over the age of 60 to help with heating bills, regardless of whether they are in receipt of any other state benefits. For households where only one person qualifies a full Winter Fuel Payment of £200 is paid. For households where more than one person qualifies a reduced Winter Fuel Payment of £100 is paid. Payments may also be made in arrears for past winters.

Other Benefits may include:

Cold Weather Payments, to certain groups on Income Support. Earnings Top-up, to people on low income working 16+ hours per week. Reduced Earnings allowance - see above.

April 2002

*Note: this Guide is for interviewer use only.
It is not intended to be an authoritative statement
on savings and investments; it is designed to give
FRS interviewers a basic picture of savings and
investments for which details are required from
respondents to the survey.*

The FRS asks adults about all liquid assets - that is, money held in accounts and investments - because these financial holdings can affect people's eligibility for means-tested Benefits. There is a huge variety of financial products available. For convenience, the FRS distinguishes three main types:

Accounts - Cash holdings for day to day use and for longer term savings

Investments - Investments in the financial markets, eg. ISAs, PEPs, Unit Trusts, stocks and shares

National Savings - Investments issued by the Department of National Savings to finance Government borrowing

After Tax or Before Tax?

Accounts and investments typically pay interest *after tax* ('net of tax'). In such circumstances, the bank, building society, supermarket/store, investment fund, etc. will deduct the tax due and pays it directly to the Inland Revenue. Sometimes the interest after tax may not be separately identified on a statement/passbook. Although the gross interest and the tax deducted will be shown, the net interest will not. There is a question on the FRS which covers the different possibilities and asks whether the interest recorded is after tax, before tax but tax has been/will be paid, or before tax because the person is a non-taxpayer.

Most National Savings products pay interest *before tax* ('gross'), ie. without deduction of tax. A few products are *tax-free*, not subject to tax at all: eg. the PEP, TESSA, ISA, SAYE, and National Savings Certificates. Non-taxpayers, - eg. children, students, non-working spouses, some retired people - can fill in a special form to register their accounts with the Inland Revenue, and thereby receive the interest gross of tax. On other investments, or on accounts not registered, non-taxpayers may be able to claim back the tax deducted, from the Inland Revenue.

A Note on 'Bonds'

There are at least 3 financial products called 'bonds'. Best-known are **National Savings** products, such as Income Bonds, Pensioners Guaranteed Income Bonds, Childrens Bonus Bonds. On FRS these are recorded separately from other investments.

Friendly Societies, insurance companies, and more recently banks and building societies issue 'bonds', whereby large sums are deposited, long-term, to earn high rates of interest. On FRS these are not counted as investments - they cannot be bought and sold on the financial markets - and so are included with bank/building society, etc. **savings accounts**.

Less common than either of these however are the bonds issued by private companies ('corporate bonds'), foreign governments, local

authorities and others in order to raise money. Because investors can usually trade these securities on the financial markets, they are counted as **investments** on FRS, along with other holdings of stocks, shares, etc.

Current Account with Bank, Building Society, Supermarket/Store or other organisation.

Such an account is used for day to day transactions and will have a cheque book and generally offers both the facility to withdraw cash by means of a card and an overdraft. Internet and telephone accounts should be included. Any interest on such accounts will normally be minimal. The majority of respondents will have a current account.

National Savings Bank/Post Office Ordinary Account

Interest is credited to the account on 31 December each year. Interest is paid before tax, and is taxable except for the first £70 earned each year (£140 if joint holding).

National Savings Bank/ Post Office Investment Account

Similar to the Ordinary account, but interest rate is higher, and 1 month's notice is required for withdrawals. Interest is credited to the account annually, on 31 Dec, gross of tax.

Tax Exempt Special Savings Account (TESSA)

Usually arranged via a bank or building society, these accounts last for five years and, provided the savings are left there for that time, any interest earned will be tax free. From 5 April 1999 no new TESSAs can be taken out, but those opened before that time are able to run their course. Up to £9,000 may be deposited gradually over the 5 years. Interest is usually credited to the account once a year. Up to March 1999, at the end of the 5 years, a follow-on TESSA could be opened, and up to the full £9,000 deposited at once. From 5 April 1999 the capital from a maturing TESSA could be transferred into a TESSA-ISA – these must be counted as an ISA (see below), not a TESSA.

Individual Savings Account (ISA)

Introduced on 6 April 1999 to replace PEPs and TESSAs, ISAs are tax-shelters from which the income is tax-free. There are 3 components – cash (including National Savings), securities (stocks and shares, unit trusts etc) and life insurance – which may be held singly (known as 'mini ISAs') or collectively (known as 'maxi ISAs'). Each year savers can either subscribe to one 'maxi' ISA, which must offer a stocks and shares component and can have either or both of the other two components, or up to three 'mini ISAs', one for each component. Savers can subscribe up to £7000 in each tax year until 5 April 2006, and £5000 in subsequent years. Of this no more than £3000 may go into cash and £1,000 into life insurance. Husbands and wives will have their own individual subscription limits. One TESSA-ISA may be opened with the capital from a maturing TESSA (see above) on an annual basis and does not affect entitlements to other ISAs. TESSA-ISAs should be counted as ISAs, not TESSAs. The securities component similarly should be counted as an ISA, not recorded at the question on stock market investments.

Save-As-You-Earn (National Savings/Bank/Building Society)

A government scheme which allows tax concessions to persons making regular savings from their salaries into certain building society, bank and National Savings accounts. Although National Savings SAYEs were abolished in November 1994, previous schemes remain valid. Bank and building society schemes still exist. Under some of these schemes people can save money to purchase share options tax-free, provided it has been approved by the IR. Under these schemes you pay a fixed monthly amount over 3, 5 or 7 years with fixed interest.

Premium Bonds

These don't earn interest, but are entered in a monthly draw for tax-free money prizes.

National Savings Income Bonds

Minimum purchase £500, maximum £1,000,000, sole or joint. Interest is paid monthly, before tax (but taxable), into a bank/building society or similar account. On the FRS, please be sure to differentiate clearly between National Savings Income Bonds and National Savings Deposit Bonds.

Fixed Rate Savings Bonds/FIRST Option Bonds

FIRST Option Bonds went off sale on 21/10/1999 and were replaced with Fixed Rate Savings Bonds. People who held FIRST Option Bonds from before October 1999 can keep them and receive interest at the rate for a one year Fixed Rate Savings Bond. Fixed Rate Savings Bonds can be purchased with the interest guaranteed for 1, 3 or 5 years. Interest can be credited annually or monthly and is paid into a bank or building society account or added to the value of the bond. The minimum holding is £500 and the maximum holding is £1,000,000. For FRS purposes it is important to obtain the month and year of purchase, the issue, the value, the length of period (1,3,5 years) and whether or not interest is paid monthly or accrued to the bond.

Yearly Plan

Yearly plan certificates can still be held, though new applications stopped in January 1995. Under the scheme monthly standing order payments of £20 were made (to a max. of £400); after 12 months a Yearly Plan certificate was issued. The certificates earn tax free interest, paid monthly, and reach maturity value after 4 years. After the 4th year interest is paid 3-monthly at a lower rate.

Children are not asked about individual accounts held or the income from them, just whether they have any savings and the total amount held (banded). This would include any of the types mentioned above, plus Children's Bonus Bonds.

Children's Bonus Bonds

(nicknamed Baby Bonds) are long term tax free investments for children, with interest rates guaranteed for 5 years at a time and a special bonus on every fifth anniversary of purchase. Anyone over 16 can buy bonds for anyone under 16. Any sum from £25 to £1,000 can be invested per child in the current issue. The bond will accrue low interest in the early years, but sustain a large 'bonus' in the five year anniversary of purchase or whenever the child reaches 21 years.

Savings or investment account/bond with Building Society, High Street Bank, Supermarket/Store or other organisation

Savings (or 'deposit') accounts/bonds and investment account/bonds are not normally used for day to day transactions, and typical features are a minimum deposit and a period of notice for withdrawals. Interest can be paid yearly, half-yearly, quarterly, or monthly, and will be relative to the amount of money in the account and current interest rates.

Government Gilt-Edged Stock (incl War Loan)

'Gilts' raise money for the UK Government by offering a secure ('gilt-edged') investment, usually over a fixed period and with a fixed rate of interest, although some are index-linked. Gilts can be bought and sold. At the end of the fixed term the holder is repaid the original purchase price. Interest is paid half-yearly, before tax if bought from the National Savings Stock Register. The *value* of the gilt is its current market price.

For the FRS it is important to get the name of the gilt (eg. 'Treasury 7.25%') the year in which it will be repaid, (called the redemption date) and the period plan. Gilts can be 'shorts' (up to 5 years to redemption date), 'mediums' (5 to 15 years) 'longs' (over 15 years) or undated (no fixed redemption date). The certificates will give this information. Note that gilts held in a PEP should be coded as a **PEP**.

Unit Trusts

Collective funds which allow private investors to pool their money in a single fund, thus spreading their risk, getting the benefit of professional fund management, and reducing their dealing costs. Investors buy 'units' of a fund that invests in shares, stocks, gilts, etc. Interest (the 'dividend') is paid net of tax, usually half yearly, but some schemes pay a monthly income, or reinvest the interest. Investment decisions are made by professional fund managers appointed by the trustees. These managers make annual charges. There are many types of scheme. The value of the units is the amount of money they would raise if they were sold (the 'bid' price). In the Assets block, enter the full name of the company and the investment. Note: a Unit Trust holding via a PEP should be coded as a **PEP**.

Investment Trusts

Pooled schemes similar to Unit Trusts, giving their investors exposure to markets that they may not be able to reach themselves. The difference is that the Trust is a company, and investors hold shares in that company, rather than directly in its various investments. For FRS purposes, the value of a shareholding is its current market price. Note: if held in a PEP, then code under **PEP**.

Stocks, Shares, Bonds, Debentures, other securities

Types of investment usually bought and sold on the financial markets. A **share** is a single unit of ownership in a company. The

units are of equal value, hence 'equities'. (Interviewers need to record whether the shares are 'ordinary' shares or 'preferential' shares to enable the value to be determined). **'Stocks'** is the general term for various types of security issued by companies to attract investment in the form of loans. **Bonds** and **debentures** are two such types of stock; others include unsecured loan stock and convertible loan stock. (Bonds issued by foreign governments and local authorities should also be recorded here.)

Unlike shares, whose dividend earnings may fluctuate, stocks give a fixed-interest return. They are issued for a set period, during which time they can be traded by investors; at the end of the period they are redeemed at the original price. Dividends on shares and interest on bonds and other loans is typically paid half-yearly, net of tax. The value of these holdings is their current price on the financial markets. Note: if held in a PEP, then code under PEP. [Note: A few investors may hold stocks and shares that cannot be publicly traded, eg. in 'private' companies not listed on the Stock Exchange. If so, in the Assets block enter the price of the investment, and the date of purchase.]

PEP (personal equity plan)

A PEP is designed to allow persons over the age of 18 to invest in UK and EC companies. A PEP is a tax-sheltered, managed investment in the financial markets of a lump sum or regular savings. The maximum investment amounts are £6000 for a general PEP and £3000 for a single company PEP per tax year. Since 6 April 1999 no new investments have been allowed to be placed into PEPs following the introduction of ISAs. As there was no time limit imposed on length of investment, existing PEP holders are free to encash their PEP anytime. It is not permissible to transfer PEP holdings into an ISA. PEPs can include holdings in Unit Trusts, Investment Trusts, bonds, and gilts. Any dividend earnings and growth in value are free of tax.

National Savings Capital Bonds

Minimum purchase £100, maximum holding £250,000. Interest is fixed for 5 years, and is credited annually, gross (before tax), but is taxable. For the FRS it is important to obtain the series number.

National Savings Certificates

Two types of investment for lump sum savings: fixed Interest and Index-linked certificates (where the value is linked to changes in the Retail Prices Index). Minimum investment £100, maximum investment £10,000. Certificates can be held with a maturity after 2 years and extended up to 5 years. The interest on both investments is tax-free.

Pensioner's Guaranteed Income Bond

Available only to people over 60 years. It pays out monthly interest before tax at a fixed rate for either 1, 2 or 5 years. The interest is taxable. Minimum investment £500. Money can be withdrawn early, but there is a 60 or 90 day interest penalty.