



**Northern Ireland
Assembly**

COMMITTEE FOR SOCIAL DEVELOPMENT

Room 412
Parliament Buildings
BELFAST
BT4 3XX

Email: kevin.pelan@niassembly.gov.uk

Tel: 028 9052 1864

Fax: 028 9052 1667

12 March 2012

Our Ref: CSD/017/2011/SK

Mr David Doherty
Department for Social Development
Level 1, James House
Lighthouse Building
2-4 Cromac Avenue
Gasworks Business Park
Ormeau Road
Belfast BT7 2JA

Dear David,

Bereavement Benefit Consultation

1. Simplification of the System
 - (i). The Committee agrees that the current system is overly complex and welcomes this consultation to ensure that bereavement benefits are simple to understand and to claim.

2. Cost of Scheme
 - (ii). The Committee notes that the Ministerial Foreword states that the “primary aim” of the proposals is not to cut costs but to improve an out-of-date system. While the Committee welcomes this, it is concerned

that the use of the term “primary aim” does suggest that cost savings is an element underpinning the rationale for the proposed changes.

In the interests of transparency the Committee would like to see an explicit commitment that the total annual budget for this programme is not cut and that any changes are cost neutral.

3. What benefits and risks do you see in the proposal to move from the current payment system for bereavement benefits to a single lump sum payment?

- (iii). The loss of a spouse is devastating to the bereaved partner and the risk in providing a lump sum at this time relates to the fact that the ability to make rational decisions is likely to be greatly compromised.

Bereavement can be a long term problem for some people and a one off payment for those people may not resolve the problem.

However, the Committee can see the requirement for a single lump sum to assist with immediate expenses associated with bereavement as outlined below. The Committee also believes that financial support over a longer period of time is also required to allow for a clearer objective consideration by the bereaved on what financial arrangements suit them best given their specific circumstances.

4. Decision making can be extremely difficult after bereavement. What impact might this have on the effectiveness of options 1 and 2, or a choice between the two?

- (iv). Automatic payments should be made to cover the initial expense associated with a death and then a period of reflection should be allowed for the bereaved partner to consider his /her options in respect of payment options as noted in 3(iii) above. To facilitate this, a further lump sum payment should be made to support the bereaved over this time of reflection.

- (v). The Committee is disappointed that the opportunity wasn't taken to review Social Fund Funeral Payments (SFFPs) as part of this review

given that funeral arrangements as expenses are the immediate financial concern following bereavement.

In a survey from Sun Life Direct, results show that the total average cost of dying in the UK in 2010 was £6801. The *basic* cost of a funeral had actually risen from 2009 by 4.5% to £2857.

While acknowledging that the payments in the consultation document are for illustrative purposes, should a single lump sum be set around this general level a considerable proportion of it will be subsumed by funeral payments alone. This will limit the relief from financial pressures that the proposed financial assistance options can provide.

Furthermore, the consultation paper states that, "*SFFPs are available to anyone with responsibility for organising a funeral, regardless of their relationship to the deceased*". However, as stated in a submission received by the Committee from Advice NI, which quoted the Financial Expenses Payments Regulations, "*You cannot get a payment as a close relative or friend of the deceased if the deceased had a partner when they died*".

The Committee does not therefore accept the government's reasoning for excluding SFFPs from this consultation.

Incorporating consideration of funeral payments would have given an opportunity to consider these rules, which in practice also puts the onus on family members not in qualifying benefits to pay for funerals.

5. Is it right to apply the same time limit for bereavement benefit payments to people with dependent children and those without?
 - (vi). It is evident that a bereaved spouse with dependent children requires greater financial support than someone without dependent children. Consideration should therefore be given to an appropriate time limit for financial support that can address these additional stresses. For example, this period could be linked to the number of years the youngest child is in education e.g. up to and including secondary education.

6. How do you think the proposal to remove the current age split in determining the level of bereavement benefit payments would impact people?
- (vii). The Committee welcomes the proposal to remove the current age criteria. There is however the possibility that younger working age couples might not qualify under the contribution conditions i.e. paid in any one tax year sufficient Class 1, 2 or 3 National Insurance contributions to make a “qualifying year”. The Committee would therefore recommend that this potential exclusion loophole is considered with a view to providing at least partial help under the new scheme.

Yours sincerely

Kevin Pelan

Dr Kevin Pelan
Clerk, Committee for Social Development