

## WELFARE REFORM ACT 2007

### EXPLANATORY NOTES

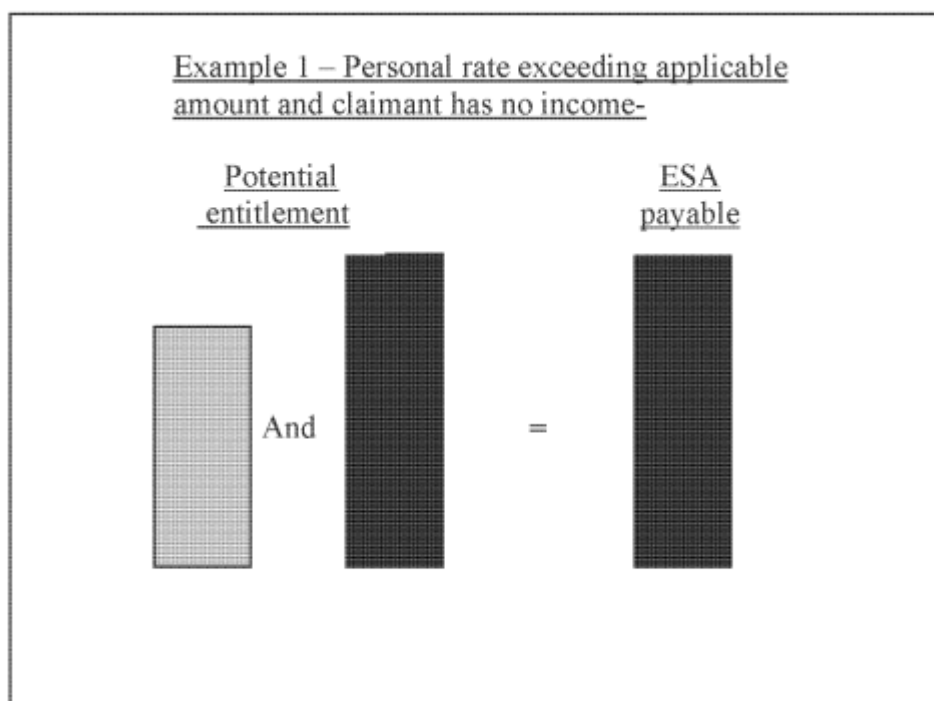
#### COMMENTARY ON SECTIONS

#### PART 1: Employment and Support Allowance

##### Entitlement

##### *Section 6: Amount payable where claimants entitled to both forms of allowance*

64. This section provides for cases in which a person is entitled to both a contributory allowance and an income-related allowance. In this section the amount calculated in accordance with section 2(1) (amount of contributory allowance) is called the “personal rate”. If the person has no income and their personal rate is higher than their applicable amount (for the purposes of income-related allowance), they get the personal rate. If the claimant has no income and their applicable amount exceeds their personal rate, they will get their personal rate, plus an additional amount of income-related allowance equal to the excess. If the person has an income, the amount payable will be the greater of his personal allowance and the amount by which his applicable amount exceeds his income.
65. Below there are some illustrations to show how this would work in the case of a person with no income. The applicable amount (which is relevant to the income-related allowance) is illustrated in grey. The personal rate (which is relevant to the contributory allowance) is illustrated in black.



*These notes refer to the Welfare Reform Act 2007  
(c.5) which received Royal Assent on 3rd May 2007*

Applicable amount (income related): Grey

Personal rate (contributory): Black

