



Health Department
Directorate of Primary Care

NHS Management Executive
St Andrew's House
Regent Road
Edinburgh EH1 3DG

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Common Services Agency
NHS Management Executive
St Andrew's House
Regent Road
Edinburgh EH1 3DG

Dear Colleague

**WORKING FAMILY TAX CREDIT (WFTC) AND
DISABLED PERSON'S TAX CREDIT (DPTC)**

Summary

1. This letter advises Health Boards and Trusts of the introduction of Working Families Tax Credit (WFTC) and Disabled Person's Tax Credit (DPTC) on 5 October 1999. These tax credits will replace the benefits Family Credit (FC) and Disability Working Allowance (DWA).
2. Prescriptions and other relevant NHS forms are being revised to ensure patients receiving WFTC and DPTC can claim passported exemption from prescription and other NHS charges. (Details are in Annex 1 to this letter.)
3. Tax credit recipients will establish their eligibility for passported benefits (eg free NHS prescriptions) via the figure on the Tax Credit Award notice showing the amount of tax credit withdrawn. Where the Award notice specifies that £70 or less has been withdrawn, the person or family will qualify for passported benefits. Where more than £70 has been withdrawn they will not qualify. Full details are contained in Annex 2 to this letter.

Action

4. Health Boards and NHS Trusts are asked to bring this letter and the attached Annexes to the attention of all general practitioners and hospital based prescribers, general dental practitioners, community dental practitioners, nurse prescribers, community and hospital pharmacists and dispensing doctors.

Yours sincerely

AGNES ROBSON
Director of Primary Care

22nd July 1999

Addressees

For action:
General Managers,
Health Boards

General Manager,
Common Services Agency

General Manager,
State Hospitals Board for
Scotland

General Manager,
Health Education Board
for Scotland

Chief Executives, NHS Trusts

For information:
Unit General Managers

Executive Director,
SCPMDE

Enquiries to:

Mrs Maureen McFarlane
Room 57B
St Andrew's House
EDINBURGH
EH1 3DG

Tel: 0131-244 2597
Fax: 0131-244 2326

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AUGUST 1999 PRESCRIPTIONS

1. NHS prescription forms will be revised to take account of WFTC and DPTC. The first issue of the revised forms will reach Health Boards in the West of Scotland during January/February 2000. Health Boards in the East of Scotland and NHS Trusts will receive their first delivery of the revised prescription stationery during March 2000 (for orders of form GP14 please see paragraph 9 below).
2. Changes will only affect the reverse of the prescription form.
3. WFTC and DPTC will be introduced in October this year. No revised prescription forms will be available until January 2000. Patients exempt from prescription charge should be asked as an interim measure to tick the Family Credit box when they are in receipt of WFTC, and the Disability Working Allowance box when in receipt of DPTC.
4. Other minor changes may be made to the front of the prescription form. These are not associated with the introduction of WFTC and DPTC and will not affect software compatibility.

Prescribing on the Revised Prescription Stationery

5. The new version prescriptions may be used immediately on receipt. However, prescribers are asked to use up existing stocks until the final date of change over to the revised stationery, which will be notified at a later date.

Ordering and Stock Levels

6. Orders for the current version of prescription forms should now be kept to a minimum to permit the earliest possible introduction of the new prescription forms.
7. We ask you to keep stocks of prescription forms to a minimum level. Ideally, this should equate to about 3 months usage of any form. Maximum recommended level is no more than 6 months stock held between the prescriber and Health Boards or NHS Trust (as appropriate).

Point of Dispensing Checks

8. Revised versions of the Pharmacists' and Dispensing Doctors' Guides to Prescription Exemption, include examples of WFTC and DPTC award notices, will be issued to pharmacists and dispensing doctors before October.

Dental Prescription Form GP14

9. The revised form GP14 will be placed in store at the Stationery Office in due course.

Other Forms

10. Hospitals should arrange for forms HSA5 (Supply of Drugs and Elastic Hosiery to NHS Hospital Out-Patients) and WF1 (Supply of Wigs and Fabric Supports to NHS Hospital Out-Patients) to be amended in due course to take account of WFTC and DPTC.

11. Form EC57 (Application for a Refund of Prescription Charges) and leaflet HC11 will be amended in due course to take account of WFTC and DPTC.

Dental Forms

12. Optical and Dental forms will also be revised as required. Further information will also be circulated as soon as possible.

WORKING FAMILIES TAX CREDIT AND DISABLED PERSON'S TAX CREDIT

Revised Prescriptions and Other Relevant NHS Forms for October 1999

1. In October this year the Working Families Tax Credit (WFTC) and Disabled Person's Tax Credit (DPTC) will replace the benefits Family Credit (FC) and Disability Working Allowance (DWA). Currently, receipt of FC and DWA is used as a "marker" for entitlement to other Departments' help for people on low income, for example DETR's Home Energy Efficiency Scheme (HEES) and the NHS Low Income Scheme. WFTC and DPTC will be considerably more generous than the benefits they replace and provide help to around 500,000 extra families further up the income scale. This will mean that tax credit recipients will be better off than other Departments have previously expected and so the tax credits may no longer be a suitable way of targeting families for other benefits. A full list of the benefits to which Family Credit and DWA recipients are passported are shown below:-

- NHS Low Income Scheme
- Home Energy Efficiency Scheme (DETR)
- DSS Social Fund Payments (maternity and funeral payments)
- Help with Travel Costs to Visit Prisoners
- Help with Legal Advice and Assistance and Court Fees

Proposed Approach to Passporting

2. The scheme will work very simply. Families with net incomes below £11,250 would be passported onto other benefits and those with incomes above this point would not. The income cut-off has been drawn on the principle that it ensures that households in receipt of tax credits with incomes less than half the average family income would receive passported benefits. It also broadly protects families who would previously have been eligible for Family Credit (FC).

3. Initially we are proposing that tax credit recipients will establish their eligibility for exemption from NHS charges on the basis of the figure on the WFTC award notice showing the amount of tax credit **withdrawn**. The notice will show what is the maximum tax credit a recipient is entitled to and how much of that has been withdrawn on the basis of the family's net income. In the case of tax credit recipients claiming help with free prescriptions, for example, they would show a pharmacist the award notice. If the amount withdrawn was less than £70 the recipient would qualify for free prescriptions.