



Department
for Work &
Pensions

Analysis of EEA Migrants' Access to Income-Related Benefits Measures

Analysis relating to the measures introduced to restrict access to income-related benefits for EEA migrants from December 2013

August 2016

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Executive Summary

Background

From December 2013, the Government introduced a set of measures to restrict access to benefits for migrants from the European Economic Area (EEA). These included:

- From December 2013, the introduction of a stronger, more robust Habitual Residence Test (HRT).
- From January 2014, no immediate access to Jobseeker's Allowance (JSA) for those arriving in the UK.
- From January 2014, EEA nationals can only claim Jobseeker's Allowance for a limited period of time.
- From April 2014, newly arrived EEA Jobseekers cannot claim Housing Benefit (HB).

The analysis presented in this publication uses a combination of DWP management and administrative data sources to provide information on the numbers affected by the measures and the trends on JSA and HB benefit caseloads, onflows and durations for EEA and UK nationals.

Key Findings

- In 2015/16, 92% of JSA claims by EEA jobseekers lasting three months or longer were cut short because the claimant was unable to provide evidence of a Genuine Prospect of Work (GPoW).
- Over the initial period in which measures were introduced (November 2013 to August 2015), there was a 45% fall in new JSA claims by EEA nationals and a 68% fall in the JSA EEA national caseload.
- Over the initial period in which measures were introduced, there was a 73% fall in new HB claims by EEA jobseekers (March 2014 to August 2015) and a 75% fall in the overall HB caseload for EEA jobseekers (February 2014 to August 2015).
- In 2015/16, 66,440 income-based Jobseeker's Allowance (JSA (IB)) claims by EEA nationals required a HRT, of which 81% passed.
- The majority of HRT failures for JSA claims by EEA nationals to date are due to the three month residence requirement not being met.
- In the quarter before the measures were introduced (October to December 2013), around 7% of EEA national JSA claims began within 90 days of arrival in the UK. After the measures were introduced this fell to 3% and has continued to steadily decline.

Background

From December 2013, the Government introduced a set of measures to restrict access to benefits for migrants from the European Economic Area (EEA). This was part of the Government's response to public concerns about immigration and the benefits available to new EEA migrants via the free movement rules established beneath the EU treaties.

This publication provides analysis of the following measures:

- From December 2013, a strengthened Habitual Residence Test (HRT) was introduced requiring those claiming income-related benefits after coming to the UK to answer more robust and individually tailored questions, provide more detailed answers, and submit more evidence before they can be eligible to receive benefits.
- From January 2014, people coming to the UK must have been living in the UK for three months before they can claim income-based Jobseeker's Allowance (JSA (IB)).
- From January 2014, new EEA jobseekers or former workers have had to show that they have a Genuine Prospect of Work (GPoW) to continue to receive JSA (IB) after six months.
- From November 2014, the length of time new EEA jobseekers could claim JSA (IB) was reduced from 6 months to 91 days (after satisfying an initial 3 month residence requirement) unless they passed a GPoW assessment. In February 2015 this measure was extended to existing long-term claimants.
- From April 2014, new EEA jobseekers were excluded from accessing Housing Benefit (HB).

Delivery of measures is ongoing: this publication is an initial assessment of progress to date on a selection of measures. Full details of all the measures introduced are included at Annex One.

This release is classed as an ad hoc statistical publication. No further updates are planned at this time.

Methodology

This analysis provides an initial assessment of measures introduced from December 2013. A combination of DWP management and administrative data sources is used to provide information on the numbers affected by the measures and an early indication of their impact on JSA and HB benefit caseloads, onflows and durations.

Some outputs are based on management information used to support implementation and monitoring of the policies. This means our estimates are not the same as Official Statistics, which are quality assured to standards set out by the UK Statistics Authority. For some measures, appropriate data are not readily available and so they are not examined. Additionally, the measures introduced may have had further impacts, such as deterring migrants from seeking access to benefits, but these are not examined in this report. For more detailed methodological information, please refer to Annex Two.

Management Information (MI)

Three main sources of MI are used within this publication:

- **Electronic Habitual Residence Test (e-HRT)** – Information collected directly from the on-line e-HRT application used during the HRT interview. The e-HRT provides detailed information on claimant characteristics, volumes and outcomes, and is used as our main data source on HRTs.
- **Manual Records** – In addition to data automatically collected by the e-HRT application process, DWP staff also manually record the outcome of completed HRTs. We refer to manual records for detailed information on the reasons for passing or failing the HRT, as these are not included in the e-HRT data. The Manual Records data are, on the whole, substantially more limited than the e-HRT data. They do, however, record higher volume of HRT decisions made (around 16%), though similar decision outcome rates. Please refer to Annex Two for more detailed discussion of the differences between the two sources.
- **Decision Making and Appeals Case Recorder (DMACR)** – This is a further management information tool used by operational staff to record decisions, and the main data source on volumes and outcomes of the genuine prospect of work assessment (GPoW).

These data sources were developed to support the implementation of policies rather than support any robust statistical assessment of the efficacy of the policies, and so we advise some level of caution in their interpretation: please refer to Annex Two for more details.

Administrative Data

The following sources of administrative data were used to support this publication:

- **HMRC National Insurance and Pay As You Earn System** – This provides a list of National Insurance numbers assigned following application (as opposed to automatic allocation¹), along with accompanying information on the date of arrival, registration, and nationality at the time of registration.
- The **National Benefit Database (NBD)** – A 100% extract of Departmental administrative data, used here to analyse JSA onflows, durations, and date of claim.
- The **Work and Pensions Longitudinal Study (WPLS)** – A 100% quarterly extract of Departmental administrative data, used here to analyse JSA caseloads and expenditure.
- The **Single Housing Benefit Extract (SHBE)** – A monthly extract of Local Authority data which is the main source of information on Housing Benefit.

Please refer to Annex Two for more information as to how these data sources have been used.

Nationality Groups

The way in which nationality is identified differs between the two types of data. The MI refers to data collected in the process of carrying out operational actions, and so nationality will have been established as part of processes, e.g. by examination of documents. DWP administrative data do not include nationality information, and so we use HMRC National Insurance and Pay As You Earn System data to establish the individual's nationality at the point they registered for a National Insurance number (where applicable). As such, the analysis of administrative data for EEA nationals undertaken here is based upon nationality at the time individuals first registered for a National Insurance number, rather than current nationality. Please refer to Annex Two for more information.

¹ The vast majority of those born and resident in the UK are automatically assigned a National Insurance number at 16. These data relate to those who have been required to apply for a National Insurance number, predominantly foreign nationals.

Throughout this publication we refer to the following nationality groups:

Nationality Group	Description
UK and Common Travel Area (CTA) nationals	Immigration Rules state that the United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland collectively form a Common Travel Area (CTA). A person who has been examined for the purpose of immigration control at the point at which they entered the CTA does not normally require leave to enter any other part of it. Though nationals from the United Kingdom and the Republic of Ireland are part of the EEA, as different immigration rules apply for persons from the UK and CTA, statistics are recorded in separate tables for the purposes of this publication.
EEA nationals	EEA nationals have the right to live and work in the UK. Please note that although the UK and Republic of Ireland are members of the EEA, as different immigration rules apply for persons from the UK and CTA, statistics are recorded in separate tables for the purposes of this publication, i.e., they are <u>not</u> included in the EEA nationals or EU15 groupings. The EEA as understood for the purposes of this publication comprises the following groups of countries.
EU15	<i>Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden. Note that the UK and Republic of Ireland would usually be included in this group, but for the purposes of this publication are treated separately, as different immigration rules apply for persons from the UK and CTA. We have retained the EU15 label for consistency.</i>
EU8	<i>Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia</i>
EU2	<i>Bulgaria, Romania</i>

Continued overleaf.

Other EEA

Iceland, Liechtenstein and Norway are not EU members but are members of the EEA. Switzerland is neither an EU nor EEA member but is part of the EU single market. This means Swiss nationals have the same rights to live and work in the UK as other EEA nationals. Croatia joined the EU on 1 July 2013 and its nationals have restricted access to the UK labour market for an initial period of 5 years. Croatian nationals who have satisfied the conditions of the relevant accession worker regulations and who have satisfied the Habitual Residence Test may be entitled to claim income related benefits. All of these nations are included within the "Other EEA" grouping, along with Malta and the Republic of Cyprus (which do not customarily fall within any of the other groupings).

Right to Reside Status

The ability of EEA nationals to claim benefits in the UK is affected by the particular "right to reside" they are exercising in the UK. The main types of right to reside are as follows:

Right to Reside Status	Description
Jobseeker	A person who is looking for work in the UK and is registered as unemployed.
Retained Worker	A person who has previously held the right to reside as a "worker" in the UK, but lost their job involuntarily and is registered as unemployed.
Self-Employed Worker	A person who is engaged in genuine and effective self-employment in the UK and registered as such with HMRC.
Self-Sufficient Person	A person who has the means to support themselves in the UK and holds comprehensive sickness insurance.
Student	A person who is in the UK to study, and is registered with an accredited institution.
Worker	A person who is engaged in genuine and effective employment in the UK.

Those who have been legally resident in the UK for a continuous period of 5 years or more can qualify for a permanent right to reside. It is also possible to derive rights of residence from another EEA national, e.g. as a dependent family member of an EEA national.

Income-Related Benefits

The income-related benefits referred to in this publication are as follows:

Benefit	Description
Employment and Support Allowance (ESA)	A benefit to support those who are unable to work due to illness or disability. The two main groups of claimants are the Work Related Activity Group (where work is feasible in the short to medium term), and the Support Group (for those people with more severe conditions). ESA can be Contributory (for those with sufficient Class 1 National Insurance contributions), or Income Related (means-tested).
Income Support (IS)	A benefit intended to help people on low incomes who do not have to be available for employment. The main types of people who receive it are lone parents with young children and carers.
Jobseeker's Allowance (JSA)	A benefit that can be claimed by people who are available for and actively seeking employment, including those in remunerative work for less than 16 hours a week. JSA can be Contributory (for those with sufficient Class 1 National Insurance contributions), or Income Based (means-tested).
Pension Credit (PC)	A benefit directed towards pensioners at the lower end of the income scale, with elements which support those people who have made some modest provision for their retirement.

Contact Details

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Results

A Stronger Habitual Residence Test

Access to income-related benefits depends upon a person's right to reside status². All those claiming income-related benefits after coming to the UK are subject to a Habitual Residence Test (HRT) to determine their status.

The HRT has two elements: a legal right to reside and an objective assessment of factual evidence of habitual residence which includes evidence of intention to remain in, and attachment to, the UK. For JSA (IB), people coming to the UK must also have been living in the UK for three months before they can claim. This was added to – and tested as part of – the HRT since 1 January 2014.

All EEA nationals applying for benefits in the UK are required to take the HRT. Table 1 shows the number of HRTs taken, passed and failed by EEA nationals in the two full financial years since the test was strengthened.

Table 1: Habitual Residence Tests taken and passed by benefit and EEA nationality group (non-UK and non-CTA), 2014/15 and 2015/16

Benefit/Nationality Group	2014/15					2015/16				
	Claims requiring HRT interviews	HRTs Passed	(%)	HRTs Failed	(%)	Claims requiring HRT interviews	HRTs Passed	(%)	HRTs Failed	(%)
Employment and Support Allowance (Income Related)										
EEA	3,740	1,720	46%	2,020	54%	9,690	4,490	46%	5,200	54%
EU15	1,310	620	48%	690	52%	3,290	1,570	48%	1,720	52%
EU8	2,150	990	46%	1,150	54%	5,620	2,610	47%	3,010	53%
EU2	230	70	33%	150	67%	630	240	38%	390	62%
Other EEA	60	30	51%	30	49%	150	70	46%	80	54%

Continued overleaf.

² See methodology for an explanation of each of these.

Analysis of EEA Migrants' Access to Income-Related Benefits Measures

Benefit/Nationality Group	2014/15					2015/16				
	Claims requiring HRT interviews	HRTs Passed	(%)	HRTs Failed	(%)	Claims requiring HRT interviews	HRTs Passed	(%)	HRTs Failed	(%)
Income Support										
EEA	7,320	2,780	38%	4,540	62%	8,080	2,780	34%	5,300	66%
EU15	2,370	990	42%	1,380	58%	2,640	970	37%	1,670	63%
EU8	4,500	1,690	38%	2,810	62%	4,860	1,660	34%	3,200	66%
EU2	360	70	20%	290	80%	460	110	24%	350	76%
Other EEA	90	30	32%	60	68%	120	40	33%	80	67%
Jobseeker's Allowance (Income Based)										
EEA	80,940	69,810	86%	11,130	14%	66,440	54,130	81%	12,310	19%
EU15	34,120	30,010	88%	4,110	12%	28,670	23,540	82%	5,130	18%
EU8	39,710	33,910	85%	5,800	15%	30,760	25,150	82%	5,610	18%
EU2	5,940	4,860	82%	1,080	18%	5,970	4,590	77%	1,380	23%
Other EEA	1,180	1,030	88%	150	12%	1,040	850	82%	190	18%
Pension Credit										
EEA	1,070	760	71%	310	29%	1,590	1,190	75%	400	25%
EU15	450	320	71%	130	29%	720	520	72%	200	28%
EU8	430	320	75%	110	25%	640	520	81%	120	19%
EU2	140	90	67%	50	33%	170	120	71%	50	29%
Other EEA	50	20	47%	30	53%	50	30	50%	30	50%

Source: e-HRT data. Figures rounded to the nearest ten. Cells may not sum due to rounding. Please refer to the supplementary workbook for a full country-level breakdown.

Although UK nationals and those from the CTA have an automatic right to reside in the UK, those who return to the UK after an extended period of absence must demonstrate that they are habitually resident to be eligible for income-related benefits and so are also subject to the HRT where this is tested. Table 2 shows the number of HRTs taken, passed and failed by UK and CTA nationals during 2014/15 and 2015/16.

Table 2: Habitual Residence Tests taken and passed by benefit group, UK and CTA nationals, 2014/15 and 2015/16

It has always been the case that individuals claiming income-related benefits after an extended period of absence abroad are required to demonstrate they are habitually resident in the UK before they are eligible to claim, including UK and CTA nationals. Only a very small proportion of claims from UK and CTA nationals require a HRT interview. In 2015/16, for example, an estimated 1% of JSA new claims were subject to a HRT interview. By contrast, the vast majority of EEA nationals applying for JSA are automatically required to participate in a HRT interview. UK and CTA nationals required to participate in the test are more likely to be unsuccessful if they have recently taken up residence but have not yet settled in the UK for an established period at the time when the HRT interview took place.

2014/15					2015/16				
Claims requiring HRT interviews	HRTs Passed	(%)	HRTs Failed	(%)	Claims requiring HRT interviews	HRTs Passed	(%)	HRTs Failed	
Employment and Support Allowance (Income Related)									
540	450	84%	90	16%	1,280	1,090	85%	190	15%
Income Support									
630	540	85%	90	15%	930	820	88%	110	12%
Jobseeker's Allowance (Income Based)									
24,820	13,850	56%	10,980	44%	20,960	12,370	59%	8,590	41%
Pension Credit									
370	350	95%	20	5%	920	880	96%	40	4%

Source: e-HRT data. Figures rounded to the nearest ten. Cells may not sum due to rounding.

No Immediate Access to Jobseeker's Allowance After Arrival in the UK

Since 1st January 2014, people coming to the UK must have been living in the UK for three months before they can claim JSA (IB)³. This was added to, and is tested as part of, the HRT.

Manual records capture those who were refused JSA (IB) whilst making a claim during the three month residence requirement period. However, the data do not show the overall picture as it does not capture people who were deterred from claiming on arrival in the UK due to the likelihood of refusal.

Table 3: Habitual Residence Test, reasons for failure, EEA nationals, 2014/15 and 2015/16

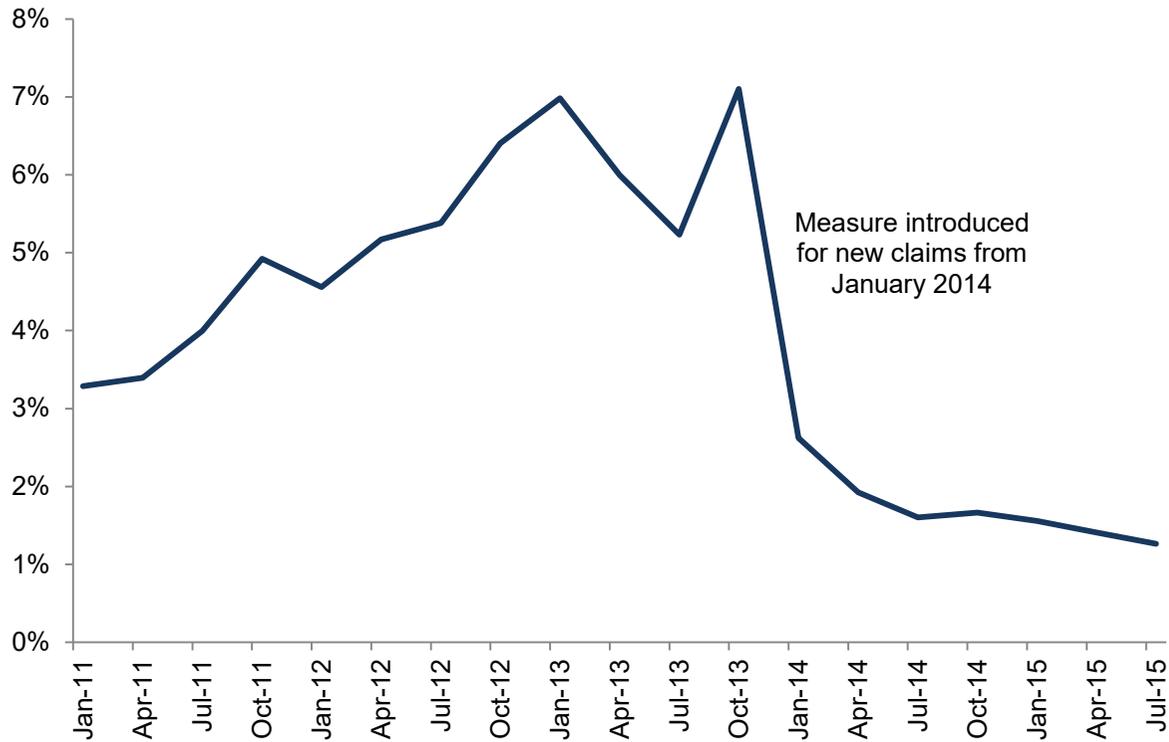
Reason for Failure	2014/15	2015/16
Three month residence requirement not met	76%	54%
Failure to supply appropriate identification	8%	5%
Other	16%	41%

Source: Manual Records

Whilst the majority of EEA nationals failed the HRT due to the three month residence requirement, in a substantial proportion of cases the data collected does not allow us to establish the reason for HRT failure (classed as 'other' here). Possible reasons falling into this category include situations where EEA national claimants fail to demonstrate an eligible right to reside (including where a previous right to reside has expired). It is also possible that in 2015/16, more HRT failures were recorded in the 'other' category where EEA nationals had already served the three month residence requirement but made repeat claims to benefit without a right to reside after failing the GPoW assessment.

³ From 9 November 2014, returning members of the Armed Forces, Crown servants and other workers who had paid UK National Insurance during their absence abroad were exempted from this three month residence requirement.

Figure 1: Proportion of total JSA claims by EEA nationals beginning within 90 days of arrival in the UK by quarter of onflow, January 2011 to July 2015



Source: NBD.

Figure 1 shows the proportion of EEA national JSA claims per quarter in which the individual claiming had arrived in the UK within the last 90 days. The remainder were made by individuals who had been in the UK for 91 days or more.

In October 2013 (the quarter before the measure was introduced), around 7% of EEA national JSA claims began within 90 days of their arrival in the UK. After the measures were introduced, from January 2014, this fell to 3% and has continued to steadily decline. Please refer to Annex Two for further discussion of this figure.

UK and CTA Nationals

UK and CTA nationals have the right to reside in the UK, and therefore the vast majority of HRT failures were as a result of UK and CTA nationals claiming JSA (IB) after an extended period of absence abroad and not meeting the three month residence requirement. These claimants would have to make a fresh claim to JSA (IB) at a later date if they were still seeking work.

Table 4: Habitual Residence Test, reasons for failure, UK and CTA nationals, 2014/15 and 2015/16

Reason for Failure	2014/15	2015/16
Three month residence requirement not met	97%	92%
Failure to supply appropriate identification	1%	2%
Other	2%	6%

Source: Manual Records

Figure 2: UK and CTA national JSA onflows, February 2011 to August 2015

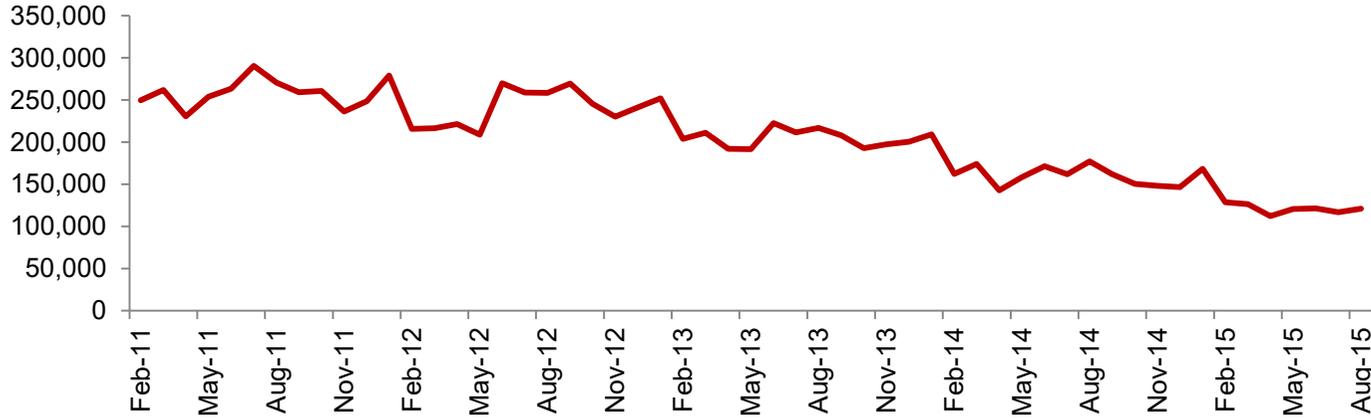
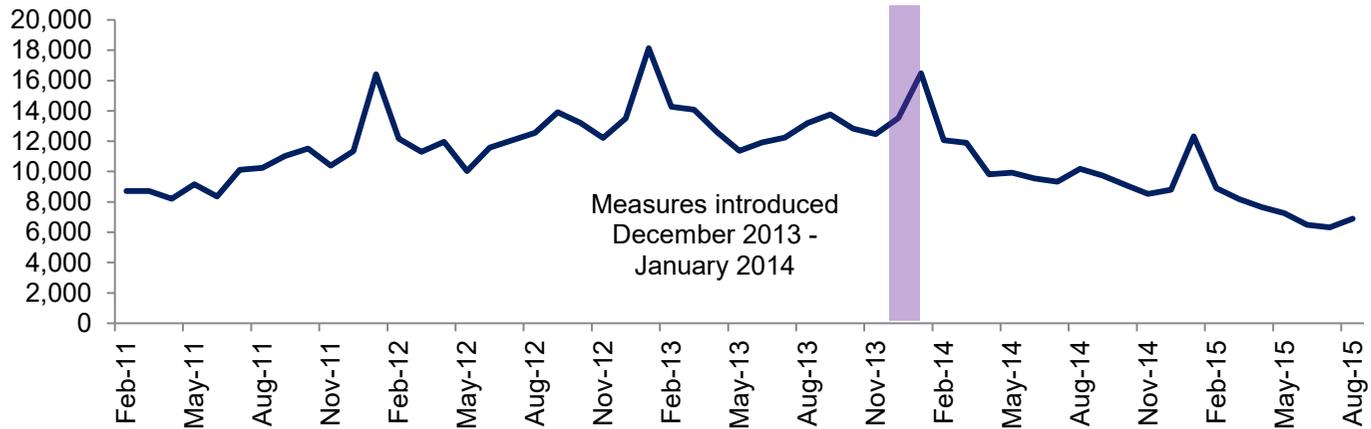


Figure 3: EEA national JSA onflows, February 2011 to August 2015



Source: NBD. These data refer to all JSA claims, not only JSA (IB) – please refer to Annex Two for more information.

Figures 2 and 3 show the numbers of new JSA claims (“onflows”) on a monthly basis, showing that:

- The numbers of UK and CTA nationals beginning JSA claims has been steadily reducing in recent years.
- By contrast, the volumes of new JSA claims by EEA nationals had been gradually increasing, up until January 2014, when restrictions were introduced.
- Between November 2013 (month before measures introduced) and August 2015 (latest available data), the numbers of new claims by EEA nationals fell from over 12,000 to just under 7,000, a 45% drop. In the same period the numbers of new claims by UK and CTA nationals fell from just over 197,000 to just under 121,000, a 39% drop.

EEA Nationals Can Only Claim Jobseeker's Allowance for a Limited Time

The GPoW assessment considers whether the claimant has provided compelling evidence of starting work imminently or a recent change of circumstances leading to a job offer. If the EEA jobseeker or retained worker does not have a genuine prospect of work, the claimant can no longer demonstrate a right to reside in the UK and therefore entitlement to JSA (IB) is terminated. EEA jobseekers and retained workers who provide compelling evidence of a genuine prospect of work are entitled to a short extension of JSA (IB).

Table 5: Genuine Prospect of Work assessments undertaken and resulting in a JSA extension, 2014/15 and 2015/16

	Number of GPoWs undertaken	Number of GPoWs resulting in a JSA extension (%)	Number of GPoWs not resulting in a JSA extension (%)
2014/15 (Three quarters of data)			
Q2	2,640	340 13%	2,300 87%
Q3	3,440	330 10%	3,100 90%
Q4	7,370	650 9%	6,720 91%
Total	13,450	1,320 10%	12,120 90%
2015/16			
Q1	11,420	890 8%	10,530 92%
Q2	5,640	450 8%	5,190 92%
Q3	4,550	390 9%	4,160 91%
Q4	5,440	420 8%	5,020 92%
Total	27,050	2,150 8%	24,900 92%

Source: DMACR. Figures rounded to the nearest ten. Cells may not sum due to rounding.

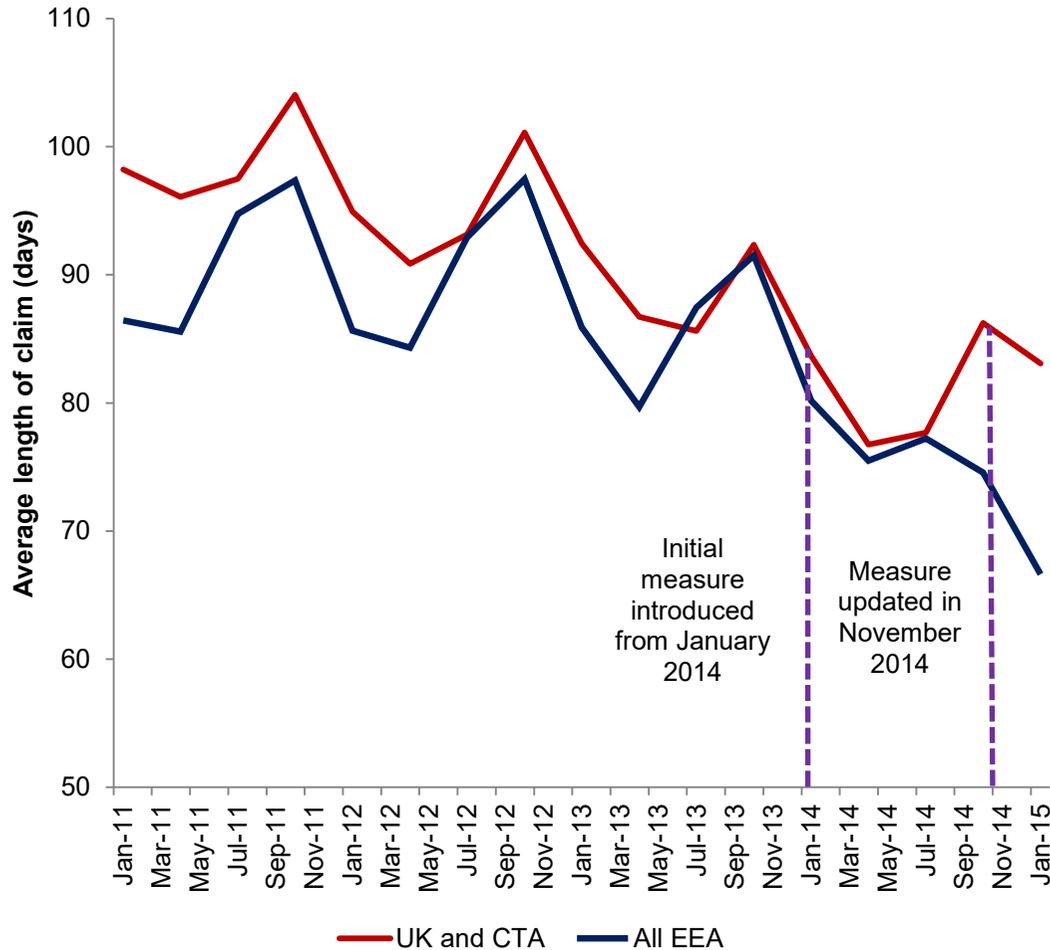
DWP does not hold management information on the precise reasons for failing the GPoW assessment, though in the majority of cases it can be assumed to be because the claimant does not offer evidence that satisfies the test.

However, DMACR data do provide some insight as to the reasons for JSA being extended following a GPoW check. In the most recent available year (2015/16), of 20,430 GPoW checks undertaken⁴:

- 92% did not result in an extension.
- 8% resulted in an extension of which:
 - 5% were extended as a result of the claimant providing evidence of an offer from an employer to commence work imminently.
 - 2% were extended as a result of the claimant providing evidence of circumstances which interrupted their jobseeking activity.
 - 1% were extended as a result of the claimant providing evidence of undertaking training which significantly improved their prospect of starting work.
 - Less than 1% were extended as a result of the claimant providing evidence of relocation to a different labour market which significantly improved their prospect of starting work.
 - Less than 1% were extended for reasons that cannot be identified from the data.

⁴ Percentages do not sum due to rounding.

Figure 4: Average duration of short-term JSA claims (days) by nationality of claimant and quarter of onflow, January 2011 to January 2015

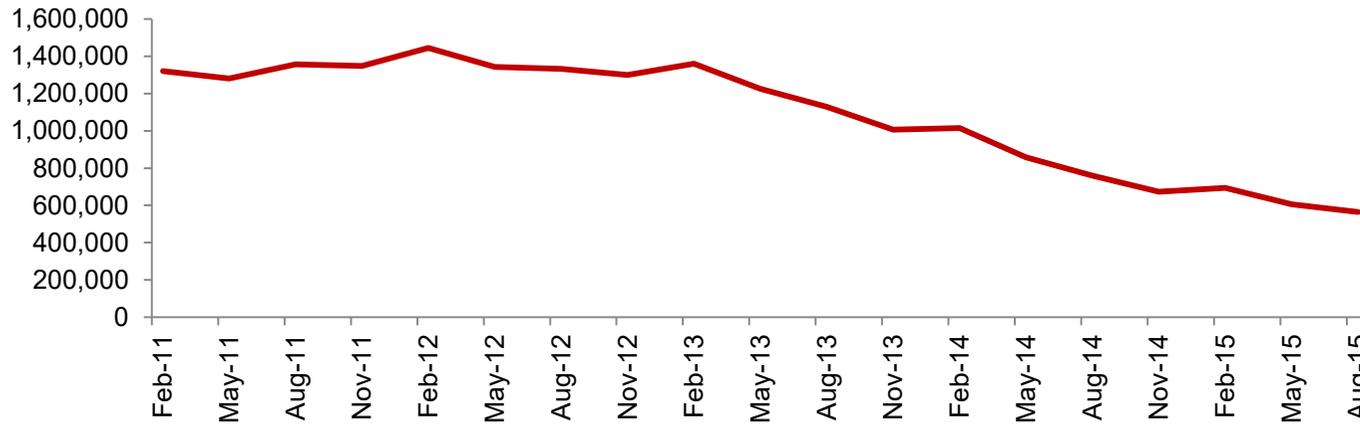


Source: NBD.

Figure 4 illustrates the average duration of short-term JSA claims (those lasting under twelve months – see Annex Two for further clarification) by the quarter in which the claim began for both UK and EEA nationals. It shows that:

- For those beginning their claims in 2013, EEA nationals spent an average of three days less on benefit than UK and CTA nationals.
- From January 2014, the time that EEA nationals could spend on JSA (IB) was limited to six months. EEA nationals beginning their claims in January to March 2014 spent on average four days less on benefit than UK and CTA nationals, broadly in line with previous trends.
- The time that EEA jobseekers could spend on JSA (IB) was further reduced to 91 days in November 2014. EEA nationals moving onto benefit in January 2015, when the measures were fully rolled out, spent an average of 67 days on benefit, 16 days less than UK and CTA nationals. From this analysis it appears that the expected seasonal increase in durations has not occurred for EEA nationals.

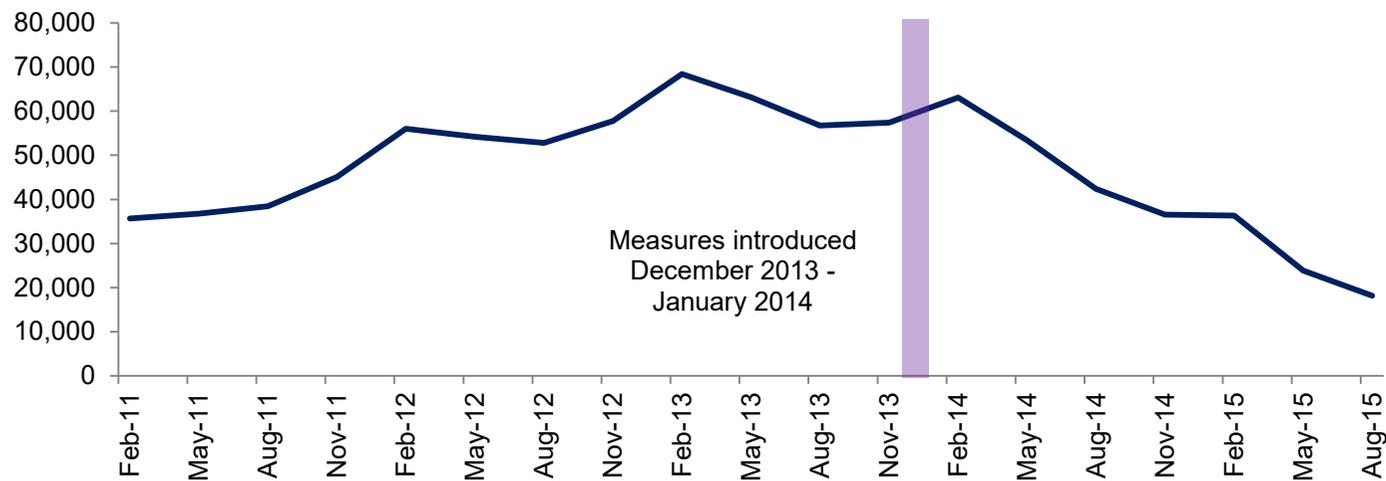
Figure 5: UK and CTA national JSA caseloads, February 2011 to August 2015



Figures 5 and 6 give the quarterly JSA caseloads from February 2011, showing:

- The numbers of UK and CTA nationals claiming JSA has been reducing in recent years.
- The number of EEA nationals on the JSA caseload had been increasing, but began to reduce around the time the new measures were introduced in January 2014.
- Between November 2013 (quarter before measures introduced) and August 2015 (latest available data), the JSA EEA caseload fell from 57,000 to 18,000, a 68% drop. In the same period, the JSA UK and CTA caseload fell from just over 1,000,000 to just over 564,000, a 44% drop.

Figure 6: EEA national JSA caseloads, February 2011 to August 2015



Source: WPLS. These data refer to all JSA claims, not only JSA (IB) – please refer to Annex Two for more information.

EEA Jobseekers Cannot Claim Housing Benefit

Since 1st April 2014 new EEA jobseekers have been prevented from accessing Housing Benefit (HB) so that only those EEA nationals who are working or have worked in the UK can access HB. HB is administered by Local Authorities on behalf of DWP which means DWP do not record any management information relating to this measure.

Figure 7: UK and CTA national HB onflows (JSA (IB) passported only), February 2011 to August 2015

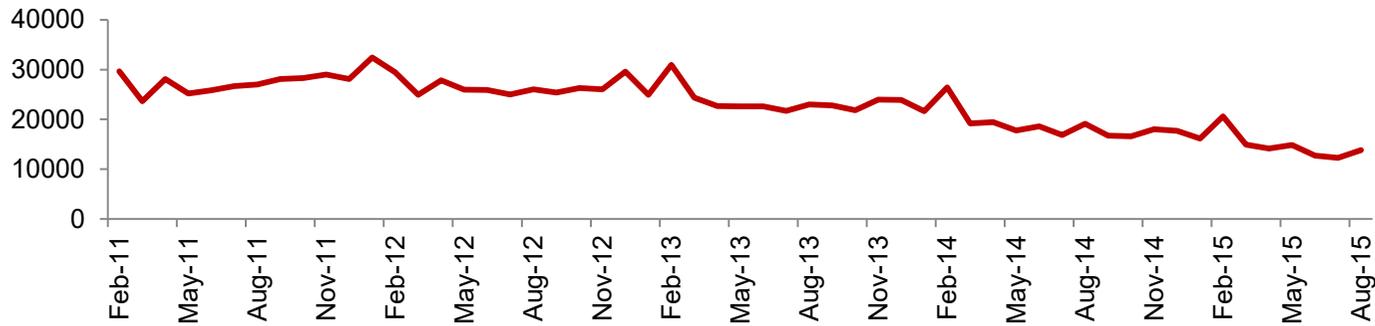
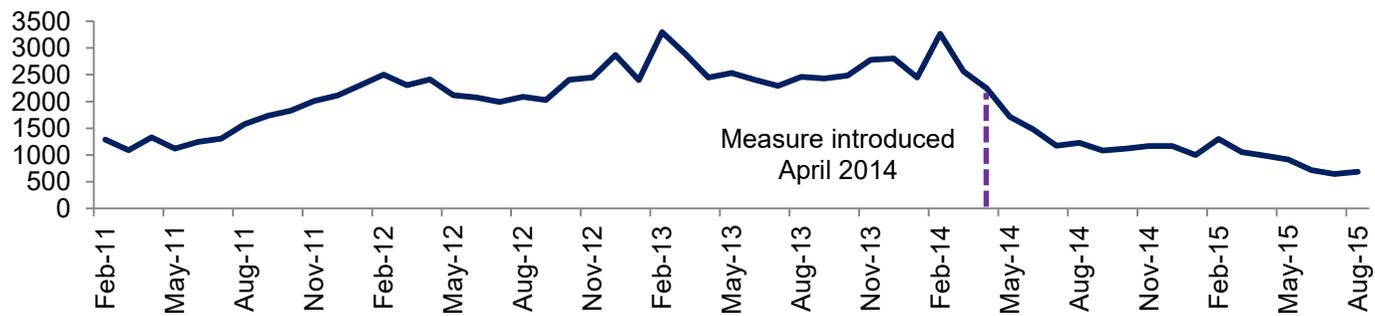


Figure 8: EEA national HB onflows (JSA (IB) passported only), February 2011 to August 2015



Source: SHBE.

Figures 7 and 8 show that:

- The number of new HB claims (or “onflows”) by UK jobseekers has been decreasing steadily since mid-2012. However, new claims by EEA jobseekers were increasing through to early 2014.
- Between March 2014 (month before measures introduced) and August 2015 (latest available data), the number of new claims by EEA jobseekers fell by 73%. In the same period, new claims by UK and CTA jobseekers fell by 28%.

For more information, please refer to Annex Two.

Figure 9: UK and CTA national HB caseloads (JSA (IB) passported only), February 2011 to August 2015

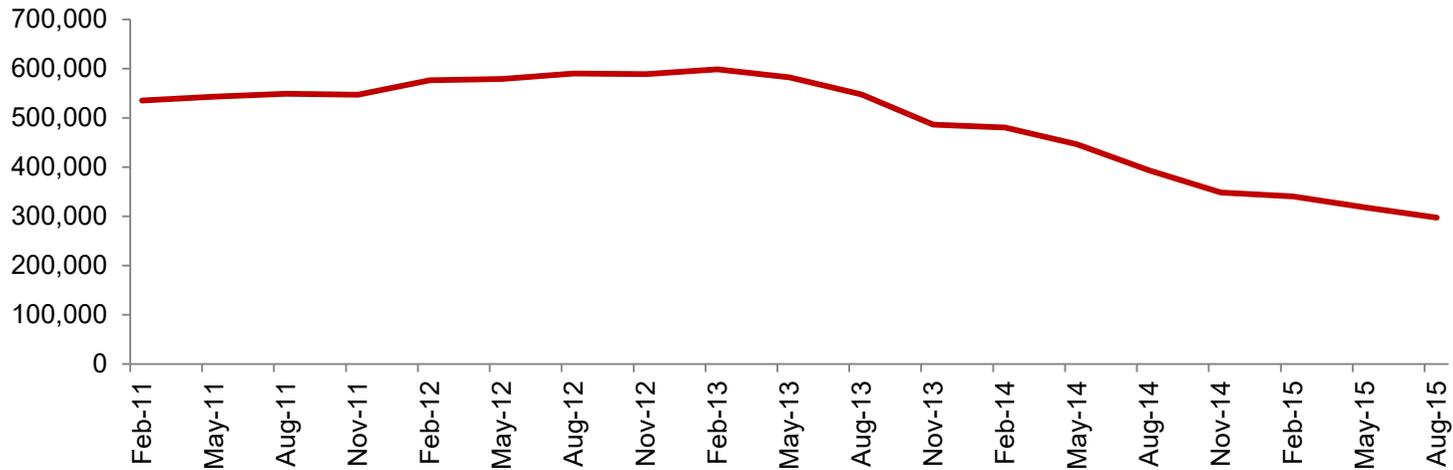
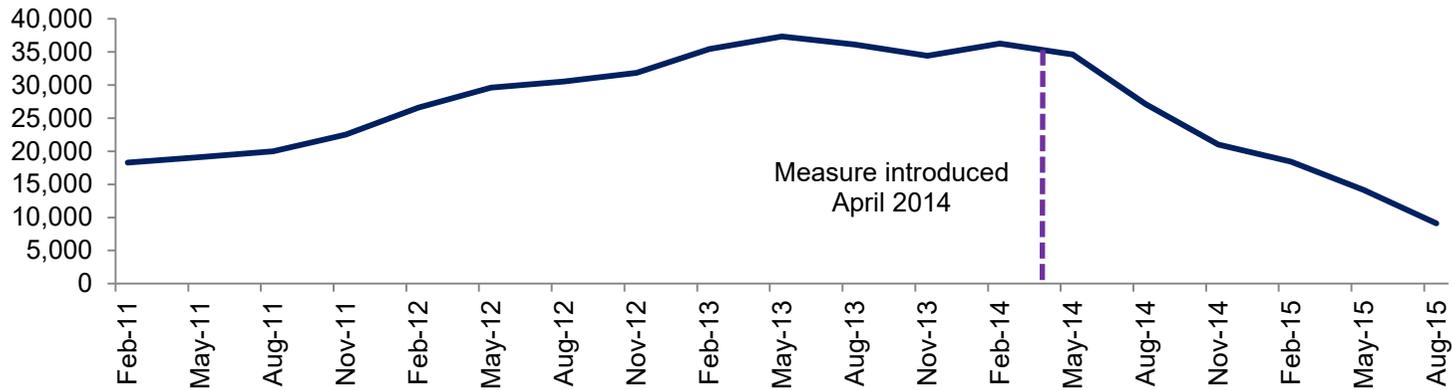


Figure 10: EEA national HB caseloads (JSA (IB) passported only), February 2011 to August 2015



Figures 9 and 10 show that:

- The number of UK and CTA national jobseekers in receipt of HB remained stable until 2013, at which point the caseload began to steadily decline. By contrast, the number of EEA jobseekers in receipt of HB was increasing until May 2013, where it stabilised until April 2014; the month in which restrictions were introduced. At this point the caseload sharply declined.
- Between February 2014 (quarter before measures introduced) and August 2015 (latest available data), the number of EEA jobseekers on HB decreased by 75%. In the same period, the number of UK and CTA jobseekers on HB decreased by 38%.

Source: SHBE.

Annex One: Migrants' Access to Benefits Measures Introduced from 2013

Date	Measure	Benefits affected	National groups affected	Description
9th December 2013	Strengthened Habitual Residence Test (HRT), Phase 1	Jobseeker's Allowance income-based (JSA (IB)) new claims	UK and CTA, EEA, non-EEA	Comprehensive test of a person's right to claim out-of-work benefits. All migrants and returning UK and CTA nationals who have recently arrived in the UK after an extended period of absence abroad have to answer more individually-tailored questions, provide more detailed answers and submit more evidence before they are allowed to make a claim.
1st January 2014	Three Month Residence requirement	JSA (IB) new claims	UK and CTA, EEA, non-EEA	Claimants are required to have been living in the UK (or Common Travel Area) for 3 months before they are entitled to claim JSA (IB).
1st January 2014	Genuine Prospect of Work (GPoW) assessment – 6 month time limit	JSA (IB) new claims	EEA	EEA jobseekers and retained workers claiming JSA (IB) from 1 January 2014 are notified of a 6 month time limit to their entitlement to JSA (IB), unless they passed a GPoW assessment.
1st March 2014	Minimum Earnings Threshold (MET), Phase 1	JSA (IB) new claims	EEA	EEA nationals claiming a right to reside as a worker or self-employed (including on a 'retained' basis), must satisfy a presumption of a minimum earnings threshold. If the threshold is not met over a three month period, this is followed up by a more in-depth assessment of whether the claimant is engaged in work or self-employment which is 'genuine and effective' and not 'marginal or ancillary'.

Continued overleaf.

Date	Measure	Benefits affected	National groups affected	Description
1st April 2014	Removing HB from EEA Jobseekers	Housing Benefit (HB) new claims	EEA	EEA jobseekers are no longer able to make new claims to HB at all. EEA jobseekers who were entitled to HB and JSA (IB) on 31 March 2014 retained their HB entitlement, until a change in their circumstances means that they lose entitlement to either of those benefits after 1 April 2014.
1st July 2014	GPoW assessment – 6 month review	JSA (IB) new claims	EEA	EEA jobseekers and retained workers cease to have a right to reside as a jobseeker and lose their entitlement to JSA (IB) (and, where appropriate, HB) if they remain unemployed at 6 months, unless at that point they are able to provide compelling evidence of a GPoW or unless the EEA national can rely on another right to reside.
6th October/ 1st December 2014	Strengthened HRT, Phase 2	JSA (IB) reclaims, Employment & Support Allowance income-related (ESA (IR)), Income Support (IS), Pension Credit (PC) new claims	UK and CTA, EEA, non-EEA	Extend the strengthened HRT and MET tests to all income-related benefits.
10th November 2014	GPoW – “3 + 3”	JSA (IB) new claims	EEA	Reduction in the length of time EEA jobseekers can claim JSA (IB) from 6 months to 91 days (after initial 3 month residency requirement satisfied), unless they pass a GPoW assessment. EEA retained workers can still only claim JSA (IB) for 6 months unless they pass a GPoW assessment.
9th February 2015	GPoW Stock Claims	JSA (IB) existing claims	EEA	GPoW tests rolled out to all remaining stock unemployed EEA migrants yet to have their right to reside reviewed. EEA jobseekers and retained workers who have a claim to JSA (IB) which started on or before 31 December 2013 were previously unaffected by the January 2014 and November 2014 requirements. Under this measure they also have their JSA (IB) claim time limited and are subject to the GPoW test.

Annex Two: Technical Annex

This publication is based on seven different sources of management and administrative data; this annex explains in detail how they have been used

General Notes

Throughout the publication, test counts (e.g., HRT volumes) have been rounded to the nearest ten. This may result in table cells not summing exactly. Where cited in the text, benefit caseloads have been rounded to the nearest 1,000.

As discussed in the Methodology, for the purposes of this publication, UK and CTA nationals (including Irish nationals) have been grouped separately from other EEA and Swiss nationals to reflect the differences in immigration controls faced by those groups. When comparing these outputs with others, it should be noted that different publications may use different groupings as appropriate to their purpose⁵.

Universal Credit (UC) is a new benefit that is gradually replacing many of the existing “legacy” benefits, including JSA and HB. Some of the reduction in UK JSA and HB caseloads can be attributed to the transition to UC. By contrast, EEA jobseekers – the primary group under consideration here - cannot access UC, though EEA nationals with other Right to Reside statuses may be able to; again, this may account for some of the reduction in JSA and HB caseloads.

DWP management and administrative data do not include Northern Ireland. When external data sources are referenced in this publication (e.g., NOMIS), Northern Ireland has also been excluded for consistency.

Electronic Habitual Residence Test (e-HRT)

Tables 1 and 2 are based on data from the e-HRT application. Important factors to note in interpreting these data are as follows:

- The data presented here are the total volumes of tests and checks undertaken in the periods cited. In some instances, individual claimants may have been subject to multiple tests and checks.
- These data are only available from April 2014, hence there are no 2013/14 data covering the first three months of changes to the HRT process.
- The data are recorded on a weekly basis, which has been converted, as closely as possible, to financial years: the year 2014/15 covers the period 31/3/14 to 2/4/15, and the year 2015/16 covers the period 3/4/15 to 25/3/16.
- There were a small amount of data missing from the e-HRT system, relating to the week commencing 5th December 2015.

⁵ For example, the [National Insurance number allocations to adult overseas nationals entering the UK](#) statistical series groups Irish nationals as part of the EU15.

There are two sources of data on HRTs: the e-HRT and Manual Records. The e-HRT is the preferred data source and has been used for tables 1 and 2 as it provides far greater detail, most notably in giving nationality and benefit splits. The Manual Records are also substantially limited in that they only include data on HRTs relating to JSA claims. However, it is important to note that the Manual Records capture both cases undertaken via e-HRT and those claims completed on paper. This includes some more complex cases, as well as some claims where a full e-HRT is deemed unnecessary, e.g., where the claimant is a permanent resident with a previous claim, or where an e-HRT has taken place for a previous claim within the last six months and the evidence is considered to be up to date. In such situations a HRT decision is still required, but all or part of the e-HRT may be waived.

Because the Manual Records capture these additional cases, the volumes recorded are higher than those on the e-HRT data. By way of illustration, the total number of EEA national JSA HRTs recorded by the e-HRT in 2015/16 was 66,440, while the comparative figure recorded in the Manual Records was 79,480. However, comparisons indicate that there is no observable difference between the two sources in the proportions passing or failing the HRT, providing confidence in the data.

Manual Records

As discussed above, there two sources of data on HRTs. To provide greater detail on the reasons for failure which is not recorded on the HRT, we use Manual Records to produce Tables 3 and 4. Important factors to note in interpreting these data are as follows:

- The data presented here are the total volumes of tests and checks undertaken in the periods cited. In some instances, individual claimants may have been subject to multiple tests and checks.
- The data are recorded on a weekly basis, which has been converted, as close as possible, to financial years: the year 2015/16 covers the period 6/4/15 to 3/4/16 and the year 2014/15 covers the period 31/3/14 to 5/4/15.
- As discussed above, there are disparities in the volumes recorded in the Manual Records data and the e-HRT data.

Decision Making and Appeals Case Recorder (DMACR)

Table 5 is based on data from DMACR. Important factors to note in interpreting these data are as follows:

- The data presented here are the total volumes of tests and checks undertaken in the periods cited. In some instances, individual claimants may have been subject to multiple tests and checks.
- The GPoW data cited here begin in Q2 2014/15 (when the first assessments were carried out), for which our data begin on 28/6/14; data for 2014/15 end on 28/3/15. The DMACR data cited as 2015/16 cover the period 29/3/15 to

25/3/16. Please note that our DMACR MI tool maps weekly data to quarters based upon the month in which that week ended.

- There were a small amount of data missing from the DMACR system, relating to the week commencing 5th December 2015.
- The increase in volumes in 2015/16 Q1 is due to the assessment of GPoW Stock Claims commencing (see Annex One).

HMRC National Insurance and Pay As You Earn System

For Figures 1 to 8, HMRC data have been used to identify the nationality of benefit claimants. This is achieved by matching the WPLS and NBD datasets with HMRC datasets showing nationality at point of National Insurance number registration, a methodology very similar to the established approach to identify the nationality of benefit claimants in existing Official Statistics series. As this only provides nationality at the point of registration, the nationality may have subsequently changed, for example, because the individual has been granted UK citizenship.

We have also used the HMRC dataset to approximate the date in which the individual arrived in the country. The data hold both the date the National Insurance number was registered, and the individual's self-reported arrival date. We have opted to take the earlier of the two as the arrival date for our purposes. In the majority of cases this is the self-reported arrival date, but there are a small number cases where the National Insurance number registration date is earlier. We believe this is likely to be down to the arrival date being a date of return following earlier residence in the UK, and so that individual may not truly be a new arrival for our purposes (and so their National Insurance number registration date gives a more accurate picture).

National Benefit Database (NBD)

Figures 1, 2, 3 and 4 are based on NBD data. Though NBD and WPLS both hold information on JSA, NBD provides more detailed information on onflows as it captures short-term claims. Please note that [Nomis](#) is the most robust source of data on JSA onflows, but we have used NBD in order to produce nationality splits using the methodology described above. Due to differences in the way data have been processed, there are some slight variations between our outputs and those produced by Nomis. Important factors to note in interpreting these data are as follows:

- All JSA claims have been included, the majority of which cases are JSA (IB).
- Figures 1 and 4 are based on the derivation of arrival date from HMRC data discussed previously.
- In Figure 1, it is notable that though the measure completely prohibited EEA nationals from claiming JSA within 90 days of arrival, the proportion of EEA national JSA claims beginning within 90 days of arrival remains above 0% even after the measure was introduced in January 2014 (though this represents fewer than 1,000 claims per quarter). We believe this is due to the limitations in the reliability of our arrival date variable, meaning that some of

those classed as arriving within 90 days are actually long term residents who hold permanent residency, or are otherwise UK citizens.

- In Figure 4, short term JSA claims have been defined as those lasting under twelve months, in line with the International Labour Organisation definition. The data has been restricted in this way as older cohorts are more likely to contain long-running claims which will bring up the average duration. By limiting to only those claims lasting under twelve months, we are able to make consistent comparisons between older cohorts and cohorts beginning their claims up to twelve months before the most recently available data, i.e. January 2015.

Work and Pensions Longitudinal Study (WPLS)

Figures 5 and 6 are based on WPLS data, the best identified source for JSA caseloads. As with the NBD data, all JSA claims have been included. However, the majority of JSA cases are JSA (IB).

Single Housing Benefit Extract (SHBE)

Figures 7, 8, 9 and 10 are based on SHBE data, the main source of data on Housing Benefit claims. Important factors to note in interpreting these data are as follows:

- The Housing Benefit measures pertain to EEA jobseekers specifically. We have approximated this by limiting the data only to those HB claims where eligibility has been derived from entitlement for JSA (IB) (i.e., those “passported” via JSA (IB)). However, it should be noted that this is not the only avenue by which EEA nationals could be passported on to HB (for example, they could also be passported via income-related ESA).
- HB onflows covered relate to those who are new to the benefit that month. Those who are already on HB and move into the JSA (IB) passported group via a change of circumstances (e.g., because their entitlement to JSA(C) expires) are not included.
- The measure was designed to prevent EEA jobseekers from claiming HB, but neither the onflows nor the caseloads go to zero after the measure is introduced, because:
 - Those already on HB at the point the measure was introduced retained their entitlement – and so would remain on the caseload – until their circumstances changed.
 - While limiting our analysis to HB claimants passported via JSA (IB) helps to narrow the focus to jobseekers, it will still include some groups not covered by the measure including Retained Workers, Permanent Residents, those who have gained British citizenship since registering for a National Insurance number, and those whose wider household may be entitled to HB, for example, because they have a UK national partner.