

Chapter 33 - Payment questions

Contents

General rules

Introduction	33001
When entitlement begins	33009
Meaning of benefit week	33010
JSA.....	33011
IS	33018
Period for which benefit is calculated.....	33020
JSA.....	33023
IS.....	33024
Date entitlement begins	33026
JSA.....	33027
IS	33028
Claimant not entitled immediately	33036
Change of circumstances	33050
When entitlement ends	33060

Part-week payments JSA and IS

Part-week payments - general

Introduction.....	33100
Definitions	
Meaning of notional entitlement.....	33101
What is the relevant week - JSA and IS	33102
Who can get a part-week payment	
General	33103

Reductions in certain cases	
Applications for hardship payments - JSA(IB) only.....	33104
Appeal made because the claimant found not incapable of work	33105

Part-week payments at the beginning of a claim

Period covered - JSA and IS.....	33106
The relevant week - JSA and IS.....	33107
Personal rate in the relevant week - JSA(Cont).....	33108
Applicable amount in the relevant week - JSA(IB) and IS	33109
Income in the relevant week - JSA and IS	33112
The part-week payment	33119
JSA(Cont).....	33120
JSA(IB) and IS	33121

Part-week payments at the end of a claim

Period covered - JSA and IS.....	33129
The relevant week - JSA and IS.....	33130
Personal rate in the relevant week - JSA(Cont).....	33131
Applicable amount in the relevant week - JSA(IB) and IS	33132
Income in the relevant week - JSA and IS	33140
The part-week payment	33142

Part-week payments on change of benefit week - Income Support

Reasons for change	33155
Period covered	33156
The relevant week.....	33166
Applicable amount in the relevant week	33170
Income in the relevant week	33175
The part-week payment	33183

Part-week payments on change of benefit week - Jobseeker's Allowance

Reasons for change	33201
Period covered	33202
The relevant week.....	33203

Personal rate in the relevant week - JSA(Cont).....	33204
Applicable amount in the relevant week - JSA(IB).....	33205
Income in the relevant week	33212
The part-week payment	33223
JSA(Cont).....	33224
JSA(IB)	33225

Part-week payments in sanction cases - Jobseeker's Allowance

When will a part-week payment be needed in a sanction case.....	33229
Period covered	33232
The relevant week.....	33233
Personal rate in the relevant week - JSA(Cont).....	33234
Applicable amount in the relevant week - JSA(IB).....	33235
Income in the relevant week	33236
The part-week payment	33238

Third Party Deductions

Third party deductions - general

Payment to discharge claimant's liabilities.....	33301
Liability for debt	33306
Meaning of specified benefit	33310
IS and JSA(IB)	33311
JSA(Cont) - underlying entitlement to JSA(IB)	33312
JSA(Cont).....	33313
Training allowances	33314
Amount of benefit to be left for claimant	
Specified benefit.....	33318
JSA(Cont).....	33319
Maximum amount for payment of debts (arrears only)	
IS, JSA(IB) and JSA(Cont) where underlying entitlement to JSA(IB)	33320
JSA(Cont).....	33321
Consent required.....	33322
Consent not required.....	33326

Definition of independent hospital.....	33327
Priority between debts.....	33328
Part-week payments	33331
Third party deductions for mortgage interest and housing costs	33345
Mortgage interest direct	33346
Qualifying lenders	33350
Relevant benefits	33351
Amount of relevant benefit to be left for claimant	33352
Mortgage protection policies	33360
Third party deductions - more than one loan	33361
Mortgage Interest Excess Payments	33364
Application of payment where it exceeds borrower's actual mortgage interest.....	33366
Third party deductions for housing costs	33374
Interests of the family.....	33379
Definition of housing costs	33381
Mortgage payments	33382
Service charges	33384
Amount of benefit to be left for claimant	33387
Housing costs payments in arrears	33389
Priority between housing costs debts	33390
Third party deductions for miscellaneous accommodation costs	
Meaning of miscellaneous accommodation costs	33400
Rules for third party deductions	33401
Polish homes and homes run by voluntary organizations	33406
Amount deducted - complete weeks.....	33411
Personal expenses.....	33413
Amount deducted - part-weeks	33419
Amount of benefit to be left for claimant	33422
Third party deductions for hostel service charges	
Meaning of hostel.....	33429
Rules for third party deductions	33433

Current charges	33434
Arrears of hostel charges.....	33438
Third party deductions for rent and service charges for fuel	
Definitions.....	33450
Rules for third party deductions	33452
Interests of the family	33459
Amount deducted for arrears	33469
Amount deducted for current charges.....	33470
Joint tenants.....	33474
Superseding the third party deduction decision	33478
Third party deductions for fuel costs	
Green Deal.....	33485
Definition of fuel item.....	33489
Rules for third party deductions	33490
Interests of the family	33493
Amount to be deducted and paid direct	33498
Exception to general rules	33499
Amount of benefit left for claimant	33500
Arrears of fuel - original debt.....	33505
Fuel - current consumption	33509
Original debt recovered.....	33514
Joint tenants.....	33523
Priority between fuel debts.....	33525
Consent of claimant required	33532
Superseding the third party deduction decision.....	33533
Third party deductions for water charges - England and Wales	
Meaning of water charges.....	33545
Methods of charging.....	33546
Rules for third party deductions	33547
Interests of the family	33549
Amount to be deducted and paid direct	33552

Amount of benefit to be left for claimant	33554
The original debt.....	33563
Unmetered water	
Original debt.....	33564
Consumption	33566
Annual increases.....	33567
Metered water	
Original debt.....	33569
Consumption	33571
Original debt recovered.....	33576
Joint tenants.....	33578
Priority between debts for water charges.....	33580
Consent of claimant required	33582
Superseding the third party deduction decision.....	33584
Third party deductions for water charges - Scotland	
Meaning of water charges.....	33586
Rules for third party deductions	33589
Water debt only	33592
Deductions from benefit - FRM and CMD	
Child Support Maintenance.....	33595
Meaning of Fee	33599
Meaning of specified benefit	33600
Meaning of beneficiary	33601
Meaning of Maintenance	33602
Meaning of person with care	33603
Deductions from specified benefit.....	33604
Prevention of duplicate deductions.....	33609
Amount of IS/JSA to be left after deduction of FRM or CMD.....	33610
Arrears – FRM deductions only	33611
Apportionment	33615
Claimant and partner both liable to pay maintenance	
FRM deductions.....	33616

CMD	33618
Claimant or partner liable to pay maintenance	
FRM deductions	33620
CMD	33621
Polygamous marriages	33622
Cases exempt from CMD or FRM.....	33623
Notice	33625
Third Party Deductions for payments in place of payments of child support maintenance – CTM deductions	
Introduction	33626
Deductions	
Sufficient specified benefit in payment	33630
Number of deductions	33631
DM's action	33633
The fixed amount	33635
Specific deductions	33636
Exception to general rule	33637
Maximum amount of deduction	33639
Deductions from JSA(Cont)	33640
Rules for deduction of CSM	33641
Amount deducted	33642
Maximum amount of deduction	33643
Order of priority	33644
Third party deductions for Council Tax	
Introduction.....	33650
Application for deductions.....	33652
Contents of application	33654
DMS action	33655
Can a deduction be made	
JSA(IB) and IS	33661
JSA(Cont) - underlying entitlement to JSA(IB)	33662
JSA(Cont).....	33664

Amount of deduction	33665
Other deductions	33666
Maximum amount of deduction	33667
More than one application	33669
Third party deductions for Community Charge	
Introduction.....	33675
Application for deductions	33677
Contents of application	33679
DMS action	33680
Can a deduction be made	
JSA(IB) and IS	33686
JSA(Cont) - underlying entitlement to JSA(IB)	33687
JSA(Cont).....	33689
Amount deducted - single debtor	33690
Amount deducted - couples	33691
Maximum amount of deduction.....	33696
Order of priority	33698
More than one application.....	33699
Third party deductions for fines	
Introduction.....	33710
Application for deductions	33711
Contents of application	33719
DMS action	33720
Can a deduction be made	
JSA(IB) and IS	33722
JSA(Cont) - underlying entitlement to JSA(IB)	33723
JSA(Cont).....	33725
Amount of deduction	33726
Maximum amount of deduction	33727
Order of priority	33729
Further applications.....	33731

Third party deductions for eligible loan deduction scheme

Introduction.....	33800
Definitions	
Borrower.....	33810
Eligible benefit.....	33811
Eligible lender.....	33812
Eligible loan.....	33813
Loan agreement.....	33814
Deductions from benefit	33818
Prevention of duplicate deductions.....	33821
Deductions - priority order.....	33825
Amount of the deduction	33830
Notification	33831
Circumstances in which deductions will cease.....	33832
Payments of amounts deducted	33837
Maximum amount of deductions	33839
Consent of claimant required	33840
Priority between debts.....	33841

Third party deductions for integration loan scheme

Introduction.....	33900
Definitions	
Integration loan	33910
Specified benefit.....	33911
Deductions from benefit.....	33916
Amount of the deduction	33917
Consent.....	33924
Priority between debts	33928
Payments or awards	Appendix 1
Payments or awards which may affect liability for FRM or CMD.....	Appendix 2

Chapter 33 - Payment questions

General rules

Introduction

- 33001 There are some payment questions that apply only to claims for JSA and IS. This Chapter deals with those questions.
- 33002 Guidance on the other general rules that also apply can be found in other Chapters. For example those governing the
1. period of an award (see DMG Chapter 02)
 2. time and manner of payment (see DMG Chapter 08)
 3. payment of small amounts of benefit (see DMG Chapter 08)
 4. question of revision or supersession (see DMG Chapter 04)
 5. usual effects of a change in circumstance (see DMG Chapter 04)
- 33003 How the payment questions dealt with in this Chapter affect a claim for JSA or IS depends on
1. which benefit has been claimed **and**
 2. if JSA, whether
 - 2.1 JSA(Cont) **or**
 - 2.2 JSA(IB)
- is awarded.
- 33004 Any differences will be pointed out in this guidance.
- 33005 - 33008

When entitlement begins

33009 JSA and IS are weekly benefits that are normally paid for complete weeks (benefit weeks). See DMG 33100 - 33238 for guidance on when payment may be made for part-weeks.

Meaning of benefit week

33010 A benefit week is always a period of seven days. The law says which seven days this should be. This will depend on which benefit is claimed.

JSA

33011 For JSA a benefit week means¹ a period of seven days ending with the day determined by the last two digits of the claimant's NINO as is shown in the following table unless the Secretary of State arranges otherwise.

NI No.	Day
00 – 19	Monday
20 – 39	Tuesday
40 – 59	Wednesday
60 – 79	Thursday
80 – 99	Friday.

1 JSA Regs, reg 1(3)

33012 - 33017

IS

33018 Benefit week for IS means¹

1. the week for which any relevant SS benefit
 - 1.1 is payable, if there is entitlement to such a benefit **or**
 - 1.2 would be payable but for
 - 1.2.a the failure to satisfy contribution conditions **or**
 - 1.2.b exhaustion of entitlement **or**
2. in any other case, a period of seven days beginning or ending on a day decided by the Secretary of State.

1 SS (C&P) Regs, Sch 7, para 4

33019 [\[See DMG memo 11/17\]](#) Relevant SS benefit means¹

1. IB **or**
2. SDA **or**
3. RP **or**
4. WB **or**
5. BB.

1 SS (C&P) Regs, Sch 7, para 4

Period for which benefit is calculated

33020 The period for which benefit is calculated depends on whether it is paid in arrears or advance.

33021 When benefit is paid in arrears, the period up to and including the BWE is used. That is the seven days ending on the last day of the benefit week.

33022 When benefit is paid in advance the seven days starting on the BWC day is used.

JSA

33023 JSA is normally paid in arrears¹. The amount payable is worked out for the period up to and including the BWE day.

1 SS (C&P) Regs, reg 26A(1)

IS

33024 IS can be paid in arrears or in advance¹. When it is paid in arrears the amount of benefit is worked out for the period up to and including the BWE day. The BWE day is

1. the SS BWE day, where IS is paid as well as, or instead of, a relevant SS benefit **or**
2. if 1. does not apply, and there is any other weekly paid income, that income pay day. For example, where SSP is in payment, the BWE day would be the employer's payday **or**
3. if 1. and 2. do not apply, and the date of claim is a Monday, Monday should be used **or**
4. if 1., 2. or 3. do not apply, the seventh day of the claim should be used. For example, if the claim is made on a Wednesday, the BWE day would be the following Tuesday.

1 SS (C&P) Regs, Sch 7, para 1 & 2

33025 [\[See DMG memo 11/17\]](#) When IS is paid in advance the seven days starting on the BWC day is used. The BWC day is

1. the RP, WB or BB BWC day, where IS is paid as well as, or instead of, either of those benefits **or**
2. if 1. does not apply, the date of claim.

Date entitlement begins

33026 The date entitlement begins depends on

1. which benefit has been claimed **and**
2. if IS, whether it is paid in arrears or advance.

JSA

33027 A person is not normally entitled to JSA for the first seven days (waiting days) at the beginning of a JSP¹. Please note that special rules regarding waiting days apply in the case of joint-claim couples (see DMG 20903). This means that entitlement to JSA does not start until the day after those seven waiting days.

1 JS Act 95, Sch 1, para 4; JSA Regs, reg 46(2)

IS

33028 Where IS is payable in arrears entitlement begins on the date of claim¹.

1 SS (C&P) Regs, Sch 7, para 6(1)

33029 Where IS is payable in advance, entitlement normally begins on¹

1. the date of claim, if that day is a BWC day **or**
2. the first BWC day after the date of claim.

1 SS (C&P) Regs, Sch 7, para 6(2)

33030 There is an exception to these rules, when IS is awarded for a definite period which is not a benefit week or a multiple of such a benefit week. Entitlement then begins on the date of claim regardless of whether it is paid in arrears or advance¹.

1 SS (C&P) Regs, para 6(2A)

33031 - 33035

Claimant not entitled immediately

33036 A claimant may not be entitled to benefit immediately because of their failure to satisfy all the conditions of entitlement. In such a case, entitlement cannot begin until those conditions are satisfied.

33037 In JSA the claimant is not normally entitled for the first three days of a JSP (DMG 20901). So once the conditions are satisfied, entitlement will start on the day after those three waiting days¹.

1 JS Act 95, Sch 1, para 4

33038 In IS entitlement normally begins on the first day that the conditions of entitlement are satisfied¹. But that is not the case where IS is paid in advance, when entitlement begins on

1. the first day that the conditions of entitlement are satisfied, if that day is a BWC day **or**
2. the first BWC day after the day that they are satisfied.

1 SS (C&P) Regs, Sch 7, para 6(3)

Example 1

Henri stops remunerative work and claims JSA on Monday 3.11.14. He has holiday pay which means he is treated as engaged in remunerative work up to and including Thursday 6.11.14.

The conditions of entitlement are satisfied as from Friday 7.11.14. His waiting days are Friday 8.11.14 to Thursday 13.11.14. Entitlement to JSA starts on Friday 14.11.14.

Example 2

Gina is a lone parent who stops remunerative work and then claims IS on Monday 14.10.96. IS is payable in arrears. She has holiday pay which excludes her from IS up to and including Thursday 17.10.96. Entitlement to IS begins on Friday 18.10.96.

Example 3

Dorothy is a lone parent receiving WB weekly on a Tuesday. She stops remunerative work and then claims IS on Monday 14.10.96. IS is payable in advance and her BWC day is Tuesday. She has holiday pay which excludes her from IS up to and including Thursday 17.10.96.

The conditions of entitlement are satisfied as from Friday 18.10.96. That is not a BWC day. Entitlement to IS starts on the first BWC day following, namely Tuesday 22.10.96.

33039 - 33049

Change of circumstances

33050 A change in the claimant's circumstances can give grounds to supersede the award¹ in both JSA and IS. The normal rules on supersession are in DMG Chapter 04.

1 SS Act 98, s 10

33051 - 33059

When entitlement ends

33060 The date a supersession takes effect is usually the first day of a benefit week¹ and depends on

1. which benefit has been claimed **and**
2. if IS, whether it is paid in arrears or advance.

1 SS CS (D&A) Regs, reg 7 & Sch 3A, paras 1 & 7

33061 DMG Chapter 04 gives guidance on the rules that apply and the exceptions to those rules. The date entitlement ends is such an exception.

33062 Entitlement may end or be expected to end for a reason other than a change in income or applicable amount. For example the claimant may start remunerative work. See DMG Chapter 04 for full guidance on the date supersession takes effect when entitlement ends.

33063 - 33099

Part-week payments JSA and IS

Part-week payments - general

Introduction

33100 This section gives guidance on how to calculate part-week payments in JSA and IS claims.

Definitions

Meaning of notional entitlement

33101 In this guidance notional entitlement means

1. in JSA(Cont), the claimant's personal rate
2. in JSA(IB) and IS, the amount by which the applicable amount exceeds income.

What is the relevant week - JSA and IS

33102 Part-week payment calculations are based on the claimant's notional entitlement during the relevant week¹ (sometimes known as the notional benefit week). The period covered by the relevant week depends on when the need for a part-week payment arises. For a part-week payment

1. at the beginning of a claim, the relevant week is defined in DMG 33107
2. at the end of a claim, the relevant week is defined in DMG 33130
3. on a change of benefit week (IS only), the relevant week is defined in DMG 33166
4. on a change of benefit week (JSA only), the relevant week is defined in DMG 33203 **and**
5. in sanction cases (JSA only), the relevant week is defined in DMG 33233.

1 JSA Regs, reg 150; IS (Gen) Regs, reg 73

Who can get a part-week payment

General

- 33103 Most JSA and IS claimants including JSA joint-claim couples will be able to get part-week payments. But share fishermen will receive payments of JSA(Cont) for whole weeks only. If they claim JSA(IB) or IS normal part-week payment rules apply. Guidance on share fishermen is in DMG Chapter 27.

Reductions in certain cases

Applications for hardship payments - JSA(IB) only

- 33104 When a person is getting hardship payments, any part-week payment will be
1. the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by seven **less**
 2. the appropriate reduction in the weekly applicable amount (see DMG Chapter 35) multiplied by the number of days in the part-week and divided by seven¹.

1 JSA Regs, reg 154

Example

Paul is entitled to hardship payments. The appropriate reduction is 40%. His notional entitlement for the relevant week is £100. He needs a part-week payment for two days. The calculation is

1. notional entitlement multiplied by 2, divided by 7	£28.57
less	
2. 40% of £100 multiplied by 2, divided by 7	£11.42
The part-week payment is	£17.15

Appeal made because the claimant found not incapable of work

- 33105 The applicable amount may be reduced by 20% if a claimant is appealing against being found not incapable of work (see DMG 20182). In this situation any part-week payments will be calculated as in DMG 33104 applying the appropriate 20% reduction¹.

1 IS (Gen) Regs, reg 76(a)

Part-week payments at the beginning of a claim

Period covered - JSA and IS

- 33106 A part-week payment will be made at the beginning of a claim if
1. the day when entitlement begins is not the first day of the claimant's benefit week **or**
 2. benefit is awarded for a fixed definite period of less than a week.

Where **1.** applies the part-week payment begins on the first day of entitlement and ends on the day before the start of the first complete benefit week.

Where **2.** applies the part-week payment covers the period of the award.

The relevant week - JSA and IS

- 33107 For part-week payments at the beginning of a claim, the relevant week is the period of seven days **ending** on the last day of the part-week period¹.

1 JSA Regs, reg 152(1)(a); IS (Gen) Regs, reg 74(1)(a)

Example 1

Noel's entitlement to JSA begins on Monday 25 November. His benefit week runs from Friday to Thursday. A part-week payment is needed for the period Monday 25 to Thursday 28. The relevant week is Friday 22 to Thursday 28.

Example 2

IS is awarded to Harry for the definite period Monday 4 November to Saturday 9 November. A part-week payment is needed for that period. The relevant week is Sunday 3 to Saturday 9.

Personal rate in the relevant week - JSA(Cont)

- 33108 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB) and IS

- 33109 Calculate the claimant's applicable amount in the relevant week in the normal way (see DMG Chapter 23).

- 33110 Where the applicable amount includes a fraction of a penny treat that fraction as a penny¹.

1 JSA Regs, Sch 1, para 21; IS (Gen) Regs, Sch 2, para 16

33111

Income in the relevant week - JSA and IS

33112 Calculate the claimant's income in the normal way **but**

1. treat any income due to be paid in the relevant week as paid on the first day of that week¹ **and**
2. disregard in full any earnings which have already been taken into account to decide a remunerative work exclusion period² **and**
3. when only part of the weekly income is taken into account in the relevant week, disregard the balance³.

In the case of a joint-claim couple calculate the aggregate income of each member of the couple in the normal way unless one member of the joint-claim couple is aged under 18 and the other is over 18⁴.

*1 JSA Regs, reg 153(a); IS (Gen) Regs, reg 75(a); 2 JSA Regs, reg 153(e); IS (Gen) Regs, reg 75(d);
3 JSA Regs, reg 153(f); IS (Gen) Regs, reg 75(h); 4 JSA Regs, reg 88ZA*

33113 In addition, to decide the amount of

1. JSA(Cont) payable, disregard in full any
 - 1.1 WB
 - 1.2 CA
 - 1.3 TA
 - 1.4 USpayable in the relevant week but not for any day in the part-week¹
2. JSA(IB) and IS payable, disregard in full any
 - 2.1 JSA
 - 2.2 IS
 - 2.3 MA
 - 2.4 IB
 - 2.5 SDA
 - 2.6 ESA
 - 2.7 UC

payable to the claimant or member of the family in the relevant week, but not for any day in the part-week².

Note: If JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 33121).

1 JSA Regs, reg 153(c); 2 reg 150 & 153(b); IS (Gen) Regs, reg 73 & 75(b)

Example

George is entitled to JSA(IB). He needs a part-week payment for two days as his entitlement begins earlier than the first day of his benefit week. His first complete benefit week runs from Thursday 9 January to Wednesday 15 January. He is entitled to JSA(IB) from Tuesday 7. A part-week payment is due for Tuesday 7 to Wednesday 8. The relevant week is Thursday 2 to Wednesday 8. His wife receives IB in the relevant week (2nd to 3rd), but the payment does not cover any days in the part-week. The IB is disregarded in full when calculating income.

33114 - 33118

The part-week payment

33119 There are different rules to calculate the amount of a part-week payment depending on which benefit is involved.

JSA(Cont)

33120 The part-week payment is the claimant's notional entitlement in the relevant week multiplied by the number of days in the part-week divided by seven **less** any

1. WB
2. CA
3. TA
4. US

payable for any day in the part-week¹.

1 JSA Regs, reg 150(2)

Example

Ruth is entitled to JSA(Cont). Her notional entitlement in the relevant week is £50.35. She needs a part-week payment for two days. WB is payable for both of those days. The weekly rate of WB is £28.00. Her part-week payment is

$$\frac{£50.35 \times 2}{7} = £14.386 \quad \text{less} \quad \frac{£28 \times 2}{7} = £8.00$$

$$£14.386 - £8.00 = £6.386$$

the part-week payment is £6.39 (rounded up to the nearest penny).

JSA(IB) and IS

33121 The part-week payment is

1. in all cases, apart from TD cases, the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by seven (carry forward any fraction of a penny) **less**
2. in JSA(IB) any JSA, IS, MA, IB, ESA or SDA payable to any member of the family for any day in the part-week¹ **or**
3. in IS any JSA, IS, MA, IB, ESA or SDA payable to the claimant or any member of the family for any day in the part-week² **and**
4. in TD cases in JSA(IB)³, the part-week payment is
 - 4.1 nil if the amount of JSA(IB) or joint-claim JSA for the part-week is equal to or less than the prescribed sum (see DMG Chapter 32) for the same number of days in the part-week **or**
 - 4.2 the difference between the
 - 4.2.a amount of JSA(IB) or joint-claim JSA for the part-week **and**
 - 4.2.b the prescribed sum

if the amount for the part-week is more than the prescribed sum

Note: To work out the amount of the prescribed sum in 4.1

1. divide the prescribed sum by seven **and**
 2. multiply that figure by the number of days in the part-week.
5. in TD cases in IS⁴, the part-week payment is
 - 5.1 nil if the amount of IS for the part-week is equal to or less than the relevant sum for the same number of days in the part-week **or**
 - 5.2 the difference between
 - 5.2.a the amount of IS for the part-week **and**
 - 5.2.b the amount of the relevant sum for the same number of days as there are in the part-week

if the amount of IS is more than the amount at 5.2.b.

Note: To work out the amount of the relevant sum

1. divide the relevant sum by seven **and**
2. multiply that figure by the number of days in the part-week.

1 JSA Regs, reg 150(1); 2 IS (Gen) Regs, reg 73; 3 JSA Regs, reg 155; 4 IS (Gen) Regs, reg 77

33122 The amount deducted under DMG 33121 **2.** and DMG 33121 **3.** depends on whether the payment of JSA, IS, MA, IB, ESA or SDA is payable

1. solely for days in the part-week **or**
2. for a different period, but including all or part of the part-week period.

33123 Where DMG 33122 **1.** applies the amount deducted is the actual amount payable. Where DMG 33122 **2.** applies the amount deducted is¹ in the case of a payment of JSA, IS, IB, MA, ESA or SDA the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by seven.

1 JSA Regs, reg 92 & 153; IS (Gen) Regs, reg 27 & 75

Example 1

Laura is entitled to JSA(IB). Her notional entitlement in the relevant week is £40.00. She needs a part-week payment for four days. She has been in receipt of SDA. Her last payment of SDA, payable to her in the part-week, is payable solely for the days in the part-week, and does not cover any other period. The amount paid to her is £15.50. Her part-week payment is calculated

$$\frac{\pounds 40 \times 4}{7} = \pounds 22.857 \quad \text{less} \quad \pounds 15.50 = \pounds 7.357$$

the part-week payment is £7.36 (rounded up to the nearest penny).

Example 2

Robert is entitled to IS. His notional entitlement in the relevant week is £80.00. He needs a part-week payment for three days. His partner has been getting MA for several weeks. A weekly payment of MA, payable to her in the part-week, includes payment for two days in the part-week. The weekly rate of MA is £60.00. Robert's part-week payment is calculated

$$\frac{\pounds 80 \times 3}{7} = \pounds 34.286 \quad \text{Less} \quad \frac{\pounds 60 \times 2}{7} = \pounds 17.143$$

$$\pounds 34.286 - \pounds 17.143 = \pounds 17.143$$

the part-week payment is £17.15 (rounded up to the nearest penny).

33124 Where the part-week payment includes a fraction of a penny treat that fraction as a penny¹.

1 JSA Regs, Sch 5, para 18; IS (Gen) Regs, Sch 7, para 20

33125 - 33128

Part-week payments at the end of a claim

Period covered - JSA and IS

- 33129 A part-week payment is needed at the end of a claim if
1. the day when entitlement ends is not the last day of the claimant's benefit week **or**
 2. benefit is awarded for a definite period of a week or more which ends on a day other than the last day of the claimant's benefit week.

The part-week payment begins on the day after the last complete benefit week and ends on the last day of entitlement.

The relevant week - JSA and IS

- 33130 For part-week payments at the end of a claim the relevant week is the period of seven days **beginning** on the first day of the part-week period¹.

1 JSA Regs, reg 152(1)(b); IS (Gen) Regs, reg 74(1)(b)

Example 1

Katja's entitlement to JSA ends on Saturday 12 April. Her benefit week runs from Thursday to Wednesday. A part-week payment is needed for the period Thursday 10 to Saturday 12. The relevant week is Thursday 10 to Wednesday 16.

Example 2

IS is awarded to Graham for the definite period Monday 9 June to Wednesday 25 June. His benefit week runs from Monday to Sunday. A part-week payment is needed for the period Monday 23 to Wednesday 25. The relevant week is Monday 23 to Sunday 29.

Personal rate in the relevant week - JSA(Cont)

- 33131 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB) and IS

- 33132 Calculate the claimant's applicable amount in the relevant week as in DMG 33109 - 33110.

33133 - 33139

Income in the relevant week - JSA and IS

- 33140 Calculate the claimant's income in the relevant week in the normal way **but**
1. treat any income due to be paid in the relevant week as paid on the first day of that week¹ **and**
 2. disregard in full
 - 2.1 any new income first payable in the relevant week but not in the part-week² **and**
 - 2.2 any change to an existing income which occurs in the relevant week but not in the part-week³.

*1 JSA Regs, reg 153(a); IS (Gen) Regs, reg 75(a); 2 JSA Regs, reg 153(d); IS (Gen) Regs, reg 75(c);
3 JSA Regs, reg 153(d); IS (Gen) Regs, reg 75(c)*

Example

David's last day of entitlement to JSA(IB) is Thursday 6 February. His benefit week runs from Tuesday to Monday. He therefore needs a part-week payment for Tuesday 4 to Thursday 6. The relevant week is Tuesday 4 to Monday 10. He will receive his first payment of RP on Monday 10. As this new income is payable in the relevant week but not in the part-week it is disregarded in full.

- 33141 In addition, to decide the amount of
1. JSA(Cont) payable, disregard in full any
 - 1.1 WB
 - 1.2 CA
 - 1.3 TA
 - 1.4 USpayable in the relevant week, but not for any day in the part-week¹.
 2. JSA(IB) and IS payable, disregard in full any
 - 2.1 JSA
 - 2.2 IS
 - 2.3 MA
 - 2.4 IB
 - 2.5 SDA
 - 2.6 ESA
 - 2.7 UCpayable to the claimant or member of the family in the relevant week but not for any day in the part-week².

Note: If JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 33121).

1 JSA Regs, reg 153(c); 2 reg 150 & 153(b); IS (Gen) Regs, reg 73 & 75(b)

The part-week payment

33142 Calculate the part-week payments for both JSA and IS as in DMG 33120 - 33124.

33143 - 33154

Part-week payments on change of benefit week - Income Support

Reasons for change

- 33155 A change of IS benefit week is needed where during a claim
1. a relevant SS benefit¹ (see DMG 33019) is claimed and the benefit week for that benefit is different to the IS benefit week² **or**
 2. the benefit week for the claimant's SS benefit changes **or**
 3. the DM directs that the benefit week should change³.

1 SS (C&P) Regs, Sch 7, para 4; 2 Sch 7, para 3; 3 Sch 7, para 3

Period covered

- 33156 A single part-week payment should cover the period which begins on the day after the last complete old benefit week and ends on the day before the first complete new benefit week if
1. the relevant SS benefit is claimed from the first day of the benefit week for that benefit **or**
 2. the relevant SS benefit is claimed from the first day of the claimant's old benefit week **or**
 3. the benefit week for an existing relevant SS benefit is changed **or**
 4. the DM changes the benefit week.

Example

Warren is paid IS in arrears and his benefit week runs from Tuesday to Monday. He is aged 65 on Tuesday 3rd November and claims RP from Monday 9th November. The RP benefit week runs from Monday to Sunday. Calculation of a part-week payment is needed for the period Tuesday 3rd to Sunday 8th.

- 33157 If the relevant SS benefit is claimed from a day which is **not** the first day of the benefit week for that benefit, or from the first day of the old benefit week, **two** part-week payments are payable
1. the **first** part-week payment begins on the day after the last complete old benefit week and ends on the day before the day from which the SS benefit has been claimed
 2. the **second** part-week payment begins on the day from which the SS benefit has been claimed and ends on the day before the first complete new benefit week.

33158 The term "last complete old benefit week" includes the period of seven days ending on the day before the first day of the first benefit week after the date of claim.

33159 - 33165

The relevant week

33166 For part-week payments

1. under 33156 **1.**, **3.** and **4.** and 33157 **1.** the relevant week is the period of seven days **beginning** on the **first** day of the part-week period
2. under 33156 **2.** and 33157 **2.** the relevant week is the period of seven days **ending** on the **last** day of the part-week period.

Example 1

Stephen's benefit week runs from Tuesday to Monday. The DM directs that the benefit week should change to run from Saturday to Friday with effect from Saturday 15th November. A part-week payment is due for the period Tuesday 11th to Friday 14th. The relevant week is Tuesday 11th to Monday 17th.

Example 2

Julia's benefit week runs from Wednesday to Tuesday. She claims a relevant SS benefit from Friday 20th June. The benefit week for the SS benefit runs from Friday to Thursday. A part-week payment is due for the period Wednesday 18th to Thursday 19th. The relevant week is Wednesday 18th to Tuesday 24th.

33167 Where two part-week payments are needed, some days may be common to both relevant weeks. The period covered by both relevant weeks is known as the overlapping period.

Example 1

Jack's benefit week runs from Wednesday to Tuesday. He claims a relevant SS benefit from Saturday 4th January. The benefit week for the SS benefit runs from Friday to Thursday. Two part-week payments are due

1. the first part-week payment covers the period Wednesday 1st to Friday 3rd. The relevant week for the first part-week payment ("the first relevant week") is Wednesday 1st to Tuesday 7th.
2. the second part-week payment covers the period Saturday 4th to Thursday 9th. The relevant week for the second part-week payment ("the second relevant week") is Friday 3rd to Thursday 9th
3. the overlapping period is Friday 3rd to Tuesday 7th.

33168 - 33169

Applicable amount in the relevant week

- 33170 Calculate the claimant's applicable amount for the relevant week (or weeks) in the normal way.
- 33171 Any change in the applicable amount because of the claim for a relevant SS benefit (for example loss or award of a premium) is effective¹
1. in a case where only one part-week payment is needed, from the first day of the first complete new **benefit week or**
 2. in a case where two part-week payments are needed, from the first day of the second **relevant week.**

1 SS (C&P) Regs, Sch 7, para 7(3)(g)

- 33172 Any change in the applicable amount because of any other change of circumstances (for example birth, death, marriage or age change) which takes place between the end of the last complete benefit week and the beginning of the first complete new benefit week will be effective
1. in a case where only one part-week payment is needed from the first day of the relevant week **or**
 2. in a case where two part-week payments are needed
 - 2.1 from the first day of the first relevant week where the change takes place before the day from which the SS benefit is claimed **or**
 - 2.2 from the first day of the second relevant week where the change takes place on, or after the day from which the SS benefit is claimed.

33173 - 33174

Income in the relevant week

- 33175 Calculate the claimant's income in the relevant week (or weeks) in the normal way **but**
1. treat any income due to be paid in the relevant week as paid on the first day of that week¹ **and**
 2. disregard in full any JSA, IS, MA, IB, ESA, SDA or UC payable to the claimant or member of the family in the relevant week but not for any days in the part-week².

Note: If JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 33183 et seq).

1 IS (Gen) Regs, reg 75(a); 2 reg 75(b)

Example

Aidan receives IS for himself and his partner. IS is paid in arrears and his benefit week runs from Tuesday to Monday. The amount payable is £72.10pw (applicable amount £145.40 less wife's IB £73.30). Aidan reaches age 65 on Tuesday 3rd June and claims RP from Monday 9th June. His RP benefit week runs from Monday to Sunday. His first RP payment of £103.40 is due to be paid on Monday 9th June.

The DM considers a single part-week payment for the period Tuesday 3rd to Sunday 8th (six days). The relevant week is Tuesday 3rd to Monday 9th. RP of £103.40, due to be paid on Monday 9th, is treated as paid on Tuesday 3rd (the first day of the relevant week). Aidan's income £176.70 (£73.30 IB + £103.40 RP) exceeds his applicable amount of £145.40. The part-week payment is nil.

33176 In cases where two part-week payments are payable

1. any income other than those listed in DMG 33175 **2.**, which remains in payment at the same rate should be taken into account in both the first and second relevant weeks¹ **and**
2. if an existing income other than those listed in DMG 33175 increases and the first payment at the increased amount is due to be paid in the overlapping period the amount of the increase should be disregarded in full in both the first and second relevant weeks² **and**
3. if a series of payments of income other than those listed in DMG 33175 stops or is interrupted and the final payment or the last payment before the interruption is due to be paid in the overlapping period that payment should
 - 3.1 if the payment is for a week or less, be taken into account in the first relevant week only, but if that is impracticable in the second relevant week³ **or**
 - 3.2 if the payment is for more than a week, but not more than two weeks, be disregarded at this stage⁴ (DMG 33183 **1.2**) **or**
 - 3.3 if the payment is for more than two weeks, be taken into account in both the first and second relevant weeks.

Initial or one-off payments of income other than those listed in DMG 33175 should be taken into account as in **3.1**, **3.2** or **3.3** according to the period covered by the payment.

1 IS (Gen) Regs, reg 75; 2 reg 75(g); 3 reg 75(e); 4 reg 75(f)

33177 - 33182

The part-week payment

33183 The part-week payment is

1. the claimant's notional entitlement for the relevant week (see DMG 33101) multiplied by the number of days in the part-week and divided by seven¹ (carry forward any fraction of a penny) **less**
 - 1.1 any JSA, IS, MA, IB, ESA or SDA payable to the claimant and any family member for any days in the part-week² **and**
 - 1.2 in cases where the part-week payment is one of two payments payable under DMG 33157, one half of any amount disregarded under DMG 33176 **3.2**, less the normal weekly disregard³ **or**
2. see DMG 33121 **5.** for TD cases.

1 IS (Gen) Regs, reg 73(1); 2 reg 73(3); 3 reg 76(b)

Example

Giles gets IS for himself and his wife Sally who works part-time. Sally earns £24.52 a week, paid every Tuesday and her pay is taken into account in Giles' IS award. Until Wednesday 31 January, Giles' benefit week runs from Wednesday to Tuesday. The DM then directs that the benefit week should change and run from Tuesday to Monday.

Giles needs a part-week payment for the period Wednesday 31 January to Monday 5th February (six days). The relevant week is Wednesday 31st to Tuesday 6th. Sally's pay of £24.52, due to be paid on Tuesday 6th, is treated as paid on Wednesday 31st (the first day of the relevant week) and is taken into account in the calculation of the part-week payment.

In the following week (Tuesday 6th to Monday 12th) the normal IS rules apply (Volume 5, Chapter 25). Under those rules, Sally's pay, due on Tuesday 6th, is treated as paid on Tuesday 6th (the first day of the benefit week in which it is due to be paid). Sally's pay is also taken into account in the calculation of the amount payable for the first complete new benefit week.

33184 The amount deducted under DMG 33183 **1.1** depends on whether the payment of JSA, IS, MA, IB, ESA or SDA is payable

1. solely within the part-week **or**
2. for a period different from, but including all or part of, the part-week period.

33185 Where DMG 33184 **1.** applies the amount deducted is the amount actually payable.
Where DMG 33184 **2.** applies the amount deducted is¹ in the case of a payment of JSA, IS, IB, MA, ESA or SDA the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by seven.

1 IS (Gen) Regs, reg 27 & 73

33186 Where the part-week payment includes a fraction of a penny treat that fraction as a penny¹.

1 IS (Gen) Regs, Sch 7, para 20

33187 - 33200

Part-week payments on change of benefit week - Jobseeker's Allowance

Reasons for change

- 33201 A change of JSA benefit week is needed when the DM directs that the benefit week should change during a claim.

Period covered

- 33202 A part-week payment is made to cover the period beginning on the day after the last complete **old** benefit week and ending on the day before the first complete new benefit week¹.

1 JSA Regs, reg 152(2) & (3)

The relevant week

- 33203 For part-week payments on a change of benefit week in JSA, the relevant week is the period of seven days beginning on the day after the last complete benefit week¹.

1 JSA Regs, reg 152(2) & (3)

Example

Graham's benefit week runs from Tuesday to Monday. The DM directs that the benefit week should change to run from Saturday to Friday, with effect from Saturday 21st December. A part-week payment is due for the period Tuesday 17th to Friday 20th. The relevant week is Tuesday 17th to Monday 23rd.

Personal rate in the relevant week - JSA(Cont)

- 33204 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB)

- 33205 Calculate the claimant's applicable amount in the relevant week in the normal way.
- 33206 Any change in the applicable amount because of any change of circumstances (for example birth, death, marriage), which takes place between the end of the last complete old benefit week and the beginning of the first complete new benefit week will take effect from the first day of the relevant week.

Example

John is entitled to JSA(IB). His benefit week runs from Tuesday to Monday. The DM directs that the benefit week should change to run from Saturday to Friday with effect from Saturday 12th April. A part-week payment is due for Tuesday 8th to Friday 11th. The relevant week is Tuesday 8th to Monday 14th. On Thursday 10th his wife gives birth to a baby boy. This change results in an increase in the applicable amount. For the purpose of the part-week payment the change takes effect from Tuesday 8th, the first day of the relevant week.

33207 - 33211

Income in the relevant week

33212 Calculate the claimant's income in the relevant week in the normal way **but**

1. treat any income due to be paid in the relevant week as paid on the first day of that week¹ **and**
2. when only part of the weekly income is taken into account in the relevant week, disregard the balance².

1 JSA Regs, reg 153(a); 2 reg 153(f)

33213 In addition, to decide the amount of

1. JSA(Cont) payable, disregard in full any
 - 1.1 WB
 - 1.2 CA
 - 1.3 TA
 - 1.4 US

payable in the relevant week, but not for any day in the part-week¹

2. JSA(IB) payable, disregard in full any
 - 2.1 JSA
 - 2.2 IS
 - 2.3 MA
 - 2.4 IB
 - 2.5 SDA
 - 2.6 ESA
 - 2.7 UC

payable to the claimant, member of a joint-claim couple or member of the family in the relevant week but not for any day in the part-week².

Note: If a payment of JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week take it into account when calculating the part-week payment (see DMG 33223 - 33228).

1 JSA Regs, reg 153(c); 2 reg 153(b)

33214 - 33222

The part-week payment

33223 There are different rules to calculate the amount of a part-week payment depending on which benefit is involved.

JSA(Cont)

33224 The part-week payment is the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week divided by seven **less** any

1. WB
2. CA
3. TA
4. US

payable for any day in the part-week¹.

1 JSA Regs, reg 150(2)

JSA(IB)

33225 The part-week payment is the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by seven **less** any

1. JSA
2. IS
3. MA
4. IB
5. SDA **or**
6. ESA

payable to any member of the claimant's family or either member of a joint-claim couple for any day in the part-week¹.

Note: See DMG 33121 **4.** for TD cases.

1 JSA Regs, reg 150(1)

33226 The amount deducted under DMG 33225 depends on whether the payment of JSA, IS, MA, IB, ESA or SDA was payable

1. solely within the part-week **or**
2. for a period different from, but including all or part of, the part-week period.

33227 Where DMG 33226 **1.** applies the amount deducted is the amount actually payable. Where DMG 33226 **2.** applies the amount deducted is¹ in the case of a payment of JSA, IS, IB, MA, ESA or SDA the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by seven.

Note: See **Example 1.** at DMG 33123.

1 JSA Regs, reg 92 & 150

33228 Where the part-week payment includes a fraction of a penny treat that fraction as a penny¹.

1 JSA Regs, Sch 5, para 18

Part-week payments in sanction cases - Jobseeker's Allowance

When will a part-week payment be needed in a sanction case

33229 Sanctions are imposed for

1. a fixed period of weeks (see DMG Chapter 34) **or**
2. a discretionary length of time (see DMG Chapter 34).

Note: From 6.4.10 this will include sanctions for failure to attend (see DMG Chapter 20).

33230 Where a sanction is imposed for a fixed period, part-week payments are not needed. The sanction begins on the first day of a benefit week and ends on the last day of a benefit week.

33231 When a sanction is imposed for a discretionary period, a part-week payment may be needed at the end of the sanction, if the sanction ends on a day that is not the end of the claimant's benefit week. A part-week payment will not be needed at the beginning of the sanction as the change will take effect from the beginning of the next benefit week.

Period covered

33232 The part-week payment begins on the first day following the sanction and ends on the day before the start of the next complete benefit week.

Example

Philip is in receipt of JSA. He refuses to accept employment offered to him. The DM imposes a sanction of six weeks and two days. His benefit week runs from Friday to Thursday. The sanction starts on Friday 11 October and ends on Saturday 23 November. A part-week payment is needed from Sunday 24 to Thursday 28.

The relevant week

33233 For sanction cases the relevant week is the period of seven days ending on the day before the start of the next complete benefit week¹.

1 JSA Regs, reg 152(1)(c)

Example

Christine has a sanction imposed on her for three weeks and three days. The sanction starts on Wednesday 4 December (the first day of her next benefit week) and ends on Friday 27. A part-week payment is needed for Saturday 28 to Tuesday 31. The relevant week is Wednesday 25 to Tuesday 31.

Personal rate in the relevant week - JSA(Cont)

33234 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB)

33235 Calculate the applicable amount in the relevant week as in DMG 33109 - 33110.

Income in the relevant week

33236 Calculate the claimant's income in the relevant week in the normal way **but**

1. treat any income due to be paid in the relevant week as paid on the first day of that week¹ **and**
2. when only part of that income is taken into account in the relevant week, disregard the balance².

1 JSA Regs, reg 153(a); 2 reg 153(f)

33237 In addition, to determine the amount of

1. JSA(Cont) payable, disregard in full any
 - 1.1 WB
 - 1.2 CA
 - 1.3 TA
 - 1.4 US

payable in the relevant week, but not for any day in the part-week¹

2. JSA(IB) payable, disregard in full any
 - 2.1 JSA
 - 2.2 IS
 - 2.3 MA
 - 2.4 IB
 - 2.5 SDA
 - 2.6 ESA
 - 2.7 UC

payable to the claimant or member of the family or either member of a joint-claim couple in the relevant week but not for any day in the part-week².

Note: If a payment of JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week take it into account when calculating the part-week payment (see DMG 33223 et seq).

1 JSA Regs, reg 153(c); 2 reg 153(b)

The part-week payment

33238 Guidance on how to calculate a part-week payment in JSA claims is in DMG 33223
- 33228.

33239 - 33300

Third party deductions

Third party deductions - general

Payment to discharge claimant's liabilities

33301 The DM has discretion to make deductions from benefit, under the third party deduction scheme, which are paid directly to third parties¹.

1 SS (C&P) Regs, reg 35(1)

33302 Deductions and payments to third parties can be made under the third party deduction scheme if the claimant or partner is liable to pay¹

1. housing costs
2. miscellaneous accommodation costs
3. hostel payments
4. rent arrears and service charges for fuel and water
5. fuel costs
6. water charges
7. CSM (under CTM scheme only)
8. integration loans²
9. eligible loans³.

1 SS (C&P) Regs, Sch 9, para 2(1); 2 para 7D; 3 para 7C

Note: Deductions for CSM can be made under the CTM (see DMG 33626 – 33649) or FRM/CMD (see DMG 33596 – 33625) schemes. CTM deductions fall within the third party deduction scheme. However deductions for FRM or CMD fall outside the scheme and do not sit within the priority list (see DMG 33329).

33303 IS and JSA can also be paid direct for arrears of CC payable by a claimant or partner (see DMG 33675), or for a claimant only for CT, fines or compensation orders (see DMG 33650 and DMG 33710).

Note: Deductions cannot be made for a partner's fine.

33304 When a decision is made to

1. start **or**
2. stop **or**
3. change

a third party deduction, this will be by way of a supersession of an earlier decision (see DMG Chapter 04).

33305

Liability for debt

33306 Deductions and payments to third parties can only be made if the claimant or partner is liable to pay the debt¹. A claimant or partner will normally be liable for a debt if named on the bill.

1 SS (C&P) Regs, Sch 9, para 2(1)

33307 A debt may be disputed by the claimant or partner. This is a factor for the DM to consider when deciding whether they are liable to pay the debt. Although the Department cannot get involved in the dispute, enquiries should be made of the third party.

33308 Give the claimant the opportunity to provide evidence to support any claim that the debt is not liable to be paid.

33309 Deductions should only be made where there is evidence that the claimant or partner is liable to pay the debt.

Meaning of specified benefit

33310 Specified benefit means¹

1. IS or, where in respect of any period it is paid together with any IB or SDA
 - 1.1 in a combined payment
 - 1.2 in part to the claimant and in part to another person in accordance with specified legislation **or**
 - 1.3 by means of two or more instruments of payment,IS and IB or SDA if the IS alone is insufficient for the purposes of deductions.
2. JSA(IB)
3. JSA(Cont) where
 - 3.1 both JSA(IB) and JSA(Cont) are in payment and the JSA(IB) is insufficient for the purposes of making such deductions **or**
 - 3.2 if there was no entitlement to JSA(Cont) there would be entitlement to JSA(IB) at the same rate.

Note 1: Deductions may be made from **both** elements of a combined payment.

Note 2: Deductions for fines² CT³ and CC⁴ are not made from specified benefit, but from IS and JSA.

1 SS (C&P) Regs, Sch 9, para 1(1) & 1(2); Criminal Justice Act 91, s 24;

2 Fines (Deductions from IS) Regs 92, reg 2(1); 3 Council Tax (Deductions from IS) Regs 93, regs 2 & 3;

4 Community Charges (Deductions from IS) (Scotland) Regs 89, reg 2(1);

Community Charges (Deductions from IS) (No. 2) Regs 90, reg 2(1)

IS and JSA(IB)

33311 The full range of third party deductions is available in both IS and JSA(IB).

JSA(Cont) - underlying entitlement to JSA(IB)

33312 With the exception of mortgage interest (see DMG 33346) the full range of third party deductions is available where, if there was no entitlement to JSA(Cont), there would be entitlement to JSA(IB) at the same rate.

JSA(Cont)

33313 Where JSA(IB) is not an issue, only three categories of third party deductions are available. These are

1. CC/CT arrears
2. fines
3. arrears of CSM under the old scheme (see DMG 33640 - 33645).

Training allowances

33314 Third party deductions can be taken from training allowances.

Example

Steve receives training allowance of £59.05 and JSA(IB) of 10p. He is in arrears with his rent and a deduction of £3.00 is implemented for rent arrears. His benefit is then made up of training allowance of £56.05 and JSA(IB) of £3.10. The deduction is taken from the JSA(IB) so the amount actually paid to the claimant is £56.05 training allowance and 10p JSA(IB).

33315 - 33317

Amount of benefit to be left for claimant

Specified benefit

33318 The claimant should be left with at least 10p **specified benefit** after third party deductions have been made¹. No deduction should be made if it would leave the claimant with less than 10p. But see DMG 33388 and DMG 33423 for when the deduction may be adjusted instead of not being made.

1 SS (C&P) Regs, Sch 9, para 2(2); Council Tax (Deductions from IS) Regs 93, reg 5(1)(b); Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1); Fines (Deductions from IS) Regs 92, reg 4(1)(b)

JSA(Cont)

33319 Where JSA(IB) is not an issue, the claimant need not be left with any JSA(Cont) after a deduction has been made. A deduction can be made if the amount of JSA(Cont) payable before the deduction is at least one third of the appropriate age-related amount. This is so even where the claimant would be left with nothing¹.

1 SS (C&P) Regs, Sch 9, para 7B; Council Tax (Deductions from IS) Regs 93, reg 5(2); Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(2); Fines (Deductions from IS) Regs 92, reg 4(2)

Maximum amount for payment of debts (arrears only) IS, JSA(IB) and JSA(Cont) where underlying entitlement to JSA(IB)

33320 There is a maximum amount¹ for payment of **arrears** to third parties. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over (see DMG Chapter 23). The total amount deducted for arrears should not exceed this amount. Arrears deductions include

1. arrears of
 - 1.1 housing costs (not covered by the mortgage interest direct scheme)
 - 1.2 rent
 - 1.3 fuel
 - 1.4 water **and**
2. CT (but not CC) **and**
3. fines **and**
4. CSM under the old scheme (see DMG 33626 - 33645) **and**
5. eligible loans **and**
6. integration loans.

Note: CC arrears do not count towards the 3 x 5% maximum.

1 SS (C&P) Regs, Sch 9, para 8(1)

JSA(Cont)

33321 Where JSA(Cont) is in payment and JSA(IB) is not an issue (see DMG 33313), the maximum total amount deducted for

1. CC/CT arrears **or**
 2. fines **or**
 3. arrears of CSM under the old scheme (see DMG 33640 - 33645)
- cannot exceed one third of the appropriate age related amount payable.

Consent required

- 33322 Unless the claimant consents¹, third party deductions cannot be made for
1. housing costs arrears (not covered by the mortgage interest direct scheme)
 2. rent arrears and service charges for fuel and water
 3. fuel costs (including arrears)
 4. water charges (including arrears)
 5. eligible loans²
 6. integration loans

where the total deduction for that item, or any combination of those items, exceeds 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration.

1 SS (C&P) Regs, Sch 9, para 8(2); 2 para 7C(12)(b)

- 33323 From 2.10.06 the amount of CTC and CHB entitlement should be added¹ to the applicable amount when deciding if deductions exceed 25% of the total.

1 SS (C&P) Regs, Sch 9, para 8(4)

33324 - 33325

Consent not required

- 33326 The claimant's consent is not required if a deduction, or a combination of deductions, for

1. CC or CT arrears **or**
2. fines **or**
3. CSM under the old scheme **or**
4. current housing costs **or**
5. current mortgage interest **or**
6. care home or independent hospital charges (see DMG 33327) **or**
7. hostel charges not included in HB

makes the total amount deducted exceed 25% of the applicable amount for the family¹.

1 SS (C&P) Regs, Sch 9, para 8

Definition of independent hospital

33327 Where independent hospital appears in guidance this means in

1. England, a hospital that is not a health service hospital as defined in relevant legislation¹ **or**
2. Wales, a hospital which is not a health service hospital as defined in legislation² **or**
3. Scotland, an independent healthcare service as defined in legislation³.

*1 National Health Service Act 2006, sec 275; 2 Care Standards Act 2000, sec 2;
3 Regulation of Care (Scotland) Act 2001, sec 2(5)(a) & (b)*

Priority between debts

33328 The claimant may satisfy the criteria for third party deduction of more than one debt. But the amount of benefit may not be enough to meet all those liabilities. The deductions should then be given a particular order of priority¹.

1 SS (C&P) Regs, Sch 9, para 9

33329 For IS, JSA(IB) and JSA(Cont) with underlying entitlement to JSA(IB), the order of priority is

1. housing costs
2. miscellaneous accommodation costs
3. hostel payments
4. rent arrears and service charges for fuel
5. fuel costs
6. water charges
7. CC or CT arrears
8. fines
9. CSM under the old scheme (see DMG 33626 - 33645)
10. integration loans¹
11. eligible loans.

1 SS (C&P) Regs, Sch 9, para 9(1B)(ga)

33330 Where JSA(Cont) is in payment and JSA(IB) is not an issue the order of priority is

1. CC/CT arrears
2. fines
3. arrears of CSM under the old scheme (see DMG 33640 - 33645).

Part-week payments

33331 Third party deductions from part week payments of specified benefit can be made for

1. hostel payments¹ (see DMG 33429) **and**
2. miscellaneous housing costs² (see DMG 33400).

1 SS (C&P) Regs, Sch 9, para 4A(6); 2 Sch 9, para 4(3)

33332 Third party deductions to discharge any other liability cannot be made from part-week payments.

33333 - 33344

Third party deductions for mortgage interest and housing costs

33345 There are two schemes for third party deductions of housing costs

1. the mortgage interest direct scheme (see DMG 33346 et seq)¹ **and**
2. the third party deductions scheme (see DMG 33374 et seq)².

1 SS (C&P) Regs, reg 34A & Sch 9A; 2 reg 35 & Sch 9

Mortgage interest direct

33346 Mortgage interest payments must be made directly to a third party where

1. the loan is secured on the home¹ **and**
2. the loan is payable to a qualifying lender² **and**
3. the claimant is entitled to a relevant benefit³.

1 SS A Act 92, s 15A(4); 2 SS (C&P) Regs, Sch 9A, para 8; 3 Sch 9A, para 1

33347 The DM decides the amount of qualifying loan interest to be paid direct to a qualifying lender. This should

1. be calculated using¹ the standard rate of interest **and**
2. include any addback (see DMG Chapter 23) which is appropriate to the specific loan².

1 SS (C&P) Regs, Sch 9A, para 2(a); 2 Sch 9A, para 2(a)

33348 The DM then pays the specified amount in arrears at four weekly intervals directly to the qualifying lender¹.

1 SS (C&P) Regs, Sch 9A, para 6

33349 Any payment of IS by way of MIRO should not be paid to a qualifying lender and should be paid to the customer¹ (see DMG 20530 et seq).

1 SS (C&P) Regs, Sch 9A, para 3(9)

Qualifying lenders

33350 A qualifying lender is¹

1. any company describing itself as a bank under certain law²
2. any building society incorporated under relevant law²
3. any body or person carrying on insurance business under certain law³
4. any county council, district council, county borough council or London Borough Council
5. any council under certain law⁴

6. the Common Council of the Isles of Scilly
7. the Common Council of the City of London
8. any new town corporation
9. the Regulator of Social Housing
10. Housing for Wales
11. Communities Scotland⁵
12. the Development Board for Rural Wales
13. any body incorporated under certain law⁶ whose main objectives include making loans secured by a mortgage or charge over land or (in Scotland) by heritable security.

1 SS A Act 92, s 15A(3); SS (C&P) Regs, Sch 9A, para 8; 2 SS A Act 92, s 15A(3)(a); Financial Services and Markets Act 2000, Part 4; 3 SS A Act 92, s 15A(3)(c); Financial Services and Markets Act 2000, Part 4; 4 Local Government etc (Scotland) Act 94, s 2; 5 SS (C&P) Regs, Sch 9A, para 8(c); 6 Companies Act 85

Relevant benefits

33351 Relevant benefit means¹

1. IS, or IS and any IB or SDA
 - 1.1 if either benefit is paid with IS in a combined payment in respect of any period **and**
 - 1.2 the IS alone is insufficient for the purposes of the deductions **and**
2. JSA(IB) **and**
3. JSA(IB) and JSA(Cont) where
 - 3.1 both are in payment **and**
 - 3.2 the JSA(IB) alone is insufficient for the purposes of the deductions.

1 SS (C&P) Regs, Sch 9A, para 1

Amount of relevant benefit to be left for claimant

33352 The claimant should be left with a minimum of 10p after the mortgage interest third party deduction has been made¹.

1 SS (C&P) Regs, Sch 9A, para 3(8)

33353 - 33359

Mortgage protection policies

33360 Claimants may have insured against the risk of being unable to meet mortgage interest repayments. The amount of mortgage interest to be paid direct should then

be reduced¹. The reduction will be the amount of income from the insurance policy which is taken into account.

1 SS (C&P) Regs, Sch 9A, para 3(4)

Third party deductions - more than one loan

33361 The claimant may be liable to pay mortgage interest on more than one loan. The DM will then pay each qualifying lender the appropriate mortgage interest third party deduction for each loan.

33362 A claimant may have more than one loan, but there may not be enough relevant benefit in payment to meet them all. The DM should then pay the qualifying lender according to the priority of the loans¹. This will usually be the order, by date, in which they have been charged on the home.

1 SS (C&P) Regs, Sch 9A, para 4

33363 Where there is a non-dependant the amount of non-dependant deduction should be apportioned between the loans. The formula is¹

$$\frac{C \times B}{A} \quad \text{where}$$

- A is the total weekly eligible housing costs (including any addback that may be appropriate)
- B is the mortgage interest payable on a loan (including any addback)
- C is the amount of the non-dependant deduction.

1 SS (C&P) Regs, Sch 9A, para 3(3)

Example

Gareth has weekly housing costs of £80 made up of

	£
mortgage	35.00
addback for mortgage	5.00
home improvement loan	32.00
addback for home improvement loan	3.00
ground rent	5.00
Total	80.00

Gareth's son Ivor, who is 18 and in receipt of JSA(Cont) lives with his father. The non-dependant deduction for him is £6. The portion of that deduction applicable to the mortgage is

$$\frac{\pounds 6.00 \text{ (C)} \times \pounds 40.00 \text{ (B)}}{\pounds 80.00 \text{ (A)}} = \pounds 3.00$$

The amount of mortgage interest paid direct would be £37.00 (£40.00 - £3.00).

Mortgage Interest Excess Payments

33364 Any excess interest payment paid to a claimant's mortgage account as a result of the SIR being higher than the claimant's actual mortgage interest rate is applied only to the claimant's mortgage account and cannot be repaid to the claimant¹.

1 SS (C&P) Regs, Sch 9A, para 4A

33365 From 8.4.10 where payments of MID are deducted from

1. IS
2. JSA(IB)

and are paid to a qualifying lender, any amount paid in excess of the borrower's actual mortgage interest liability has to be applied by the qualifying lender in accordance with DMG 33366 and DMG 33367¹.

1 SS (C&P) Regs, reg 34A(1) & 34B(1)

Application of payment where it exceeds borrower's actual mortgage interest

33366 Unless DMG 33367 applies, the amount paid in excess of the borrower's actual mortgage interest liability has to be applied¹

1. **first** to pay off any arrears of mortgage interest **and**
2. **second** to repay the principal sum (capital) of that mortgage or any other liability to the qualifying lender in respect of that mortgage.

1 SS (C&P) Regs, Sch 9A, para 4A(1)

Example

Arthur has an ordinary mortgage account and an "overpayment credit reserve account" with the same lender. Arthur is able to make additional payments on his mortgage which are over and above the contractual mortgage sum. These additional payments are held by the lender in the "overpayment credit reserve account". This allows Arthur to either make reduced payments or take a payment holiday.

Arthur's outstanding mortgage balance is £4858.84. However the amount held by the lender in the "overpayment credit reserve account" is £5515.61.

As there are no arrears outstanding in relation to Arthur mortgage interest, the lender should repay the excess payment to the principal sum of Arthur's mortgage and payments of mortgage interest should cease.

33367 Where the borrower is liable to pay mortgage interest to the same qualifying lender in respect of two or more different loans and the sum paid to that lender in respect of one of those loans ("Loan A") exceeds the borrower's liability in respect of the mortgage interest payable on that loan the excess has to be applied by that lender¹

1. **first** to pay off any arrears of mortgage interest in respect of the first loan ("Loan A") **and**
2. **second** towards
 - 2.1 the principal sum (capital) of that mortgage or any other sum payable by the borrower to that lender in respect of "Loan A" **or**
 - 2.2 arrears and any other aspect of any of the other loans in respect of which mortgage interest² is payable that is not already covered by SIR payments on those other loans.

Note: DMs should be aware that it is the qualifying lenders who will apply these priorities and not the DM. It is a matter between the lender and the claimant. There is no provision to allow the lender to repay the excess to the claimant.

1 SS (C&P) Regs, Sch 9A, para 4A(2); 2 SS A Act 1992, sec 15A(4)(b)

33368 - 33373

Third party deductions for housing costs

33374 Housing costs for which the claimant has a liability may be deducted from the specified benefit and paid direct where¹

1. the claimant or partner is in debt for a housing cost that is included in the applicable amount **and**
2. it is in the interests of the family to do so.

1 SS (C&P) Regs, Sch 9, para 3(1)

33375 Third party deductions for housing costs can include¹

1. a deduction for current housing costs **and**
2. an arrears deduction.

1 SS (C&P) Regs, Sch 9, para 3(2)

33376 Third party deductions for loan interest cannot be made where¹

1. payment is made to a qualifying lender under the mortgage interest direct scheme (see DMG 33346) **or**
2. payment would have been made under the mortgage interest direct scheme had the lender not opted out of it.

1 SS (C&P) Regs, Sch 9, para 3(5) & (6)

33377 Third party deductions should be considered for

1. mortgage payments, where claimants have paid less than the equivalent of eight mortgage payments in the preceding twelve weeks¹ **or**
2. other housing costs, if the debt is at least half the amount due yearly².

Note: Third party deductions should be considered earlier if it is in the interests of the claimant or their family.

1 SS (C&P) Regs, Sch 9, para 3(4)(a); 2 Sch 9, para 3(4)(b)

33378

Interests of the family

33379 It will normally be in the interests of the claimant or their family to introduce third party deductions if there is

1. a history of persistent mis-spending **and**
2. a threat of eviction or repossession **and**
3. no other suitable method of dealing with the debt.

33380 Third party deductions will not normally be in the interests of the claimant or their family if they

1. show evidence of determination to clear the debt **or**
2. undertake to clear the debt themselves.

Definition of housing costs

33381 For third party deductions purposes housing costs are¹

1. mortgage payments
2. rent or ground rent connected to long tenancies
3. service charges
4. rent charges, but only when paid with service charges
5. payments under co-ownership schemes
6. payments relating to a tenancy or licence of a Crown tenant.

Note: Ground rent should only be paid direct when paid with service charges.

1 SS (C&P) Regs, Sch 9, para 1(1)

Mortgage payments

33382 Mortgage payments means¹ the amount of eligible housing costs allowable towards the interest on a loan taken out and used to

1. acquire an interest in the home

2. undertake repairs or improvements to the home
3. pay for service charges for repairs and improvements to the home.

1 SS (C&P) Regs, Sch 9, para 1

33383 This includes any addback (see DMG Chapter 23) awarded specifically for that loan. It excludes amounts which are not allowable because of restriction and deductions for non-dependants.

Service charges

33384 Service charges can be made for many items including fuel and water. But not all such charges are housing costs for the purposes of third party deductions.

33385 A service charge for communal water charges is a housing cost for these purposes¹. For example a charge to cover the communal supply of water for central heating. But water charges for the claimant's home which are paid with rent are not housing costs for these purposes. They are covered by separate provisions (see DMG 33450).

1 SS (C&P) Regs, Sch 9, para 1 & 3; JSA Regs, Sch 2, para 1; IS (Gen) Regs, Sch 3, para 1

33386 A service charge for fuel paid with rent is also not a housing cost for the purposes of deductions (see DMG 33381 3.)¹. Deductions for water and fuel charges paid with rent are covered by separate provisions (see DMG 33450 et seq)².

*1 SS (C&P) Regs, Sch 9, para 1 & 3; JSA Regs, Sch 2, para 16; IS (Gen) Regs, Sch 3, para 17;
2 SS (C&P) Regs, Sch 9, para 5*

Amount of benefit to be left for claimant

33387 The DM determines

1. whether there is enough benefit in payment to make a deduction **and**
2. the specified amount to be deducted **and**
3. the priority of deductions (see DMG 33390).

33388 The amount deducted for housing costs may leave the claimant with less than the minimum amount (see DMG 33318). The amount of the deduction should then be adjusted so that 10p of the award is payable to the claimant¹.

1 SS (C&P) Regs, Sch 9, para 3(3)

Housing costs payments in arrears

33389 If claimants are in arrears with their housing costs payments, a standard deduction should be made and paid direct with the housing costs. The standard deduction is 5% of the personal allowance for a single person aged not less than 25¹. But deductions should only be made where the DM is satisfied that there are in fact arrears² of housing costs. In cases of dispute the DM should give the claimant the opportunity to provide evidence to support any claim that they are not in arrears.

1 SS (C&P) Regs, Sch 9, para 3(2); 2 R(IS) 14/95

Priority between housing costs debts

33390 The criteria may be met for deductions for several items of housing costs. Mortgage interest payments should then be given priority over all other items¹.

1 SS (C&P) Regs, Sch 9, para 9(1B); Sch 9A, para 3

33391 - 33399

Third party deductions for miscellaneous accommodation costs

Meaning of miscellaneous accommodation costs

33400 Third party deductions for miscellaneous accommodation costs can be made¹ where the claimant has an award of IS or JSA and is living in²

1. a care home **or**
2. an independent hospital (see DMG 33327) **or**
3. an Abbeyfield Home **or**
4. the Ilford Park Polish Home³.

1 SS C&P Regs, Sch 9, para 4(1)(b); 2 IS (Gen) Regs, reg 2(1), JSA Regs, reg 1(3); Polish Resettlement Act 1947, s 3(1) and Part 2

Rules for third party deductions

33401 Where the claimant is living in accommodation mentioned at DMG 33400, part of the specified benefit (see DMG 33310) may then be deducted and paid to a third party. This can happen where¹

1. the claimant has failed to budget for the charges **and**
2. it is in the interests of the family that third party deductions be made.

1 SS (C&P) Regs, Sch 9, para 4(1)

33402 There may be circumstances in individual cases when third party deductions would be in the claimant's interest.

33403 Where a person enters a private home without any LA involvement any payment of third party deductions must be made to the home. Where the accommodation has been provided by the LA any third party deduction should be paid to the LA. This is so whether the person is in LA or non LA premises. However if the LA requests it, third party deductions can be paid to the home.

33404 Apart from the cases mentioned in DMG 33406, third party deductions can be considered **only** where the claimant has failed to budget for the accommodation charges. They cannot be made because of an expected debt. They also cannot be made where the landlord or claimant requests them simply for administrative convenience.

33405 A claimant may change address and be in debt to the former landlord. If so, any direct payments for that debt must stop. Third party deductions at the new address cannot be considered unless the claimant fails to pay the new weekly charge.

Polish homes and homes run by voluntary organizations

- 33406 The claimant may be living in accommodation
1. in the Polish home (Ilford Park) **or**
 2. run by a voluntary organization
 - 2.1 for purposes similar to those for which resettlement units are provided **or**
 - 2.2 providing facilities for alcoholics or drug addicts.
- 33407 Part of the specified benefit (see DMG 33310) may then be deducted and paid direct. In this type of accommodation failure to budget and the family's interests need not be considered.
- 33408 The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 33318)¹.

1 SS (C&P) Regs, Sch 9, para 2(2)

33409 - 33410

Amount deducted - complete weeks

- 33411 The amount to be deducted from the specified benefit and paid direct in respect of miscellaneous accommodation costs¹ is the award of IS or JSA less either
1. where the claimant is not living in an independent hospital (see DMG 33400
 - 2.) an amount which, when added to any other income of the claimant, equals the personal expenses rate (see DMG 33413) **or**
 2. in any other case, an amount in respect of personal expenses.

Note: Any other income is net income, for example after any disregards.

1 SS (C&P) Regs, Sch 9, para 4(2)

- 33412 The claimant should be left with a minimum of 10p after the deduction has been made¹.

1 SS (C&P) Regs, para 4(4)

Personal expenses

- 33413 [\[See DMG Memo 5/17\]](#) The amount in respect of personal expenses¹, referred to in DMG 33411 above is, for a
1. single person £23.75
 2. couple where both members are in such accommodation, £23.75 each
 3. polygamous marriage where more than one member is in such accommodation, £23.75 for each member who is in such accommodation.

1 SS (C&P) Regs, Sch 9, para 4(2A), SS Benefits Up-rating Regulations 2011

Example 1

Dorothy lives in a care home, has an applicable amount of £101.35 and has no income.

She must be left with the amount of personal expenses (£23.75). The amount to be paid direct is £77.60 (£101.35 - £23.75).

Example 2

William lives in a care home, has an applicable amount of £101.35 and net income of £6.00. The amount to be paid direct is

applicable amount	£101.35
less William's income	£6.00
IS award	£95.35
less payment to William (personal expenses minus income)	£17.75
amount to be paid direct	£77.60

William is left with £23.75 (£6.00 + £17.75), the amount of the personal expenses.

Example 3

Simon lives in a care home provided, owned and managed by the LA, and has an income of £6.00 per week. He receives IS of £95.35 (applicable amount £101.35 less income of £6.00). £71.60 is deducted and paid direct to the third party (IS of £95.35 - £23.75 personal expenses). Simon retains £23.75 of his IS for personal expenses.

33414 - 33418

Amount deducted - part-weeks

33419 Third party deductions for part-weeks (see DMG 33100 - 33238) can be made for miscellaneous accommodation costs¹. The amount deducted and paid direct for a part-week depends upon

1. whether the accommodation in which the claimant lives is described at DMG 33411 **1.** or **2. and**
2. whether the claimant has any income.

1 SS (C&P) Regs, Sch 9, para 4(3)

33420 In order to calculate the amount to pay direct to the third party for a part-week, the DM should calculate the amount of IS/JSA due for the part-week and deduct¹

1. an amount which equals the appropriate proportion of the personal expenses
or
2. an amount equal to the difference between the appropriate proportion of the claimant's income if any and an appropriate proportion of the amount allowed for personal expenses.

This will result in the claimant retaining a proportion of the weekly personal expenses amount.

1 SS (C&P) Regs, Sch 9, para 4(3A)

Example 1

Dilys lives in a care home. Her IS is £101.35 and she has an income of £11.50 per week. She is due a part-week payment for 6 days.

The DM first calculates the part-week payment (see DMG 33100 et seq) as follows:

IS £101.35 less £11.50 = £89.85 divided by 7 and multiplied by 6 = £77.02 due for the part week.

The amount of the third party deduction is then calculated as follows:

£77.02 (the IS due for the part-week) - £10.50 (the difference between 6/7ths of £11.50 and 6/7ths of £23.75) = £66.52. This is the amount paid to the third party.

Personal expenses of £10.50 are paid to the claimant.

Example 2

Morris lives in a care home which is provided, owned and managed by the LA. His IS is £101.35 and he has a weekly income of £15.00. A part-week payment of 4 days is due.

The DM first calculates the amount of IS due for the part-week:

IS £101.35 less £15.00 = £86.35, divided by 7 and multiplied by 4 (the number of days in the part-week) = £49.35 IS due for the part-week.

The DM then calculates the amount to pay to the third party as follows:

£49.35 (the amount of IS due for the part-week) - £13.57 (4/7ths of £23.75) = £35.78.

£35.78 is the amount paid to the third party. Morris retains personal expenses of £13.57.

- 33421 No deduction will be made for a part-week period if the DM certifies that it would be impracticable to do so. See DMG 33100 for full guidance on part-week payments.

Amount of benefit to be left for claimant

- 33422 It may be that if the full amount is deducted for miscellaneous accommodation costs the claimant would be left with less than 10p. This can happen where the deduction is being taken for a complete week or for a part-week and the claimant has income equal to or greater than the weekly personal expenses amount.
- 33423 Under the normal rules (see DMG 33318) no deduction should then be taken. But there is a special rule that applies in such circumstances. The amount of the deduction can be adjusted so that 10p of the award is payable to the claimant¹.

1 SS (C&P) Regs, Sch 9, para 4(4)

33424 - 33428

Third party deductions for hostel service charges

Meaning of hostel

33429 A hostel is¹ a building other than a care home, independent hospital (see DMG 33327) or Abbeyfield Home which

1. is
 - 1.1 managed or owned by a housing association registered with the Regulator of Social Housing or the Welsh Ministers² **or**
 - 1.2 managed or owned by a housing association registered with the Scottish Ministers² **or**
 - 1.3 operated other than on a commercial basis and funded wholly or partly by a government department or an LA **or**
 - 1.4 managed by a voluntary organization or charity and provides care, support or supervision for the purpose of
 - 1.4.a rehabilitation **or**
 - 1.4.b resettlement within the community **and**
2. provides accommodation not in separate and self-contained premises and facilities adequate for the needs of those living in the hostel including
 - 2.1 board **or**
 - 2.2 water **or**
 - 2.3 a service charge for fuel **or**
 - 2.4 meals **or**
 - 2.5 laundry **or**
 - 2.6 cleaning (other than communal areas).

1 SS (C&P) Regs, Sch 9, para 1(1); 2 Housing (Scotland) Act 2001, s 57

33430 Voluntary organization means¹ a body that is not a

1. public authority **or**
2. LA

whose activities are carried out otherwise than for profit.

1 SS (C&P) Regs, Sch 9, para 1(1)

33431 In deciding if the hostel is managed the DM may find it useful to know

1. the terms of the lease (if available)
2. details of how the hostel is staffed
3. who has responsibility for major and minor repairs
4. who does the accounts for the hostel.

33432 Staffing levels may be flexible but should be appropriate to the claimant's needs. Some hostels may be run with few staff. Others may need to be fully staffed with a great deal of administration. The time spent managing the hostel and the quality of care provided is also important.

Rules for third party deductions

33433 Part of the claimant's specified benefit (see DMG 33310) may be deducted and paid direct for hostel charges. This can include a deduction for

1. current hostel service charges¹ **and**
2. arrears of hostel charges².

1 SS (C&P) Regs, Sch 9, para 4A; 2 Sch 9, para 5

Current charges

33434 Current hostel service charges can be deducted and paid direct if¹ the claimant or partner

1. is resident in a hostel **and** has claimed HB in the form of a rent rebate or rent allowance **or**
2. is resident in approved premises under specified legislation² **and**
3. the charge for the hostel or approved premises includes a payment for services³ as listed in DMG 33429 **2..**

1 SS (C&P) Regs, Sch 9, para 4A(1); 2 Offender Management Act, s 13; 3 SS (C&P) Regs, Sch 9, para 4A(1)(d)

33435 Approved premises in DMG 33434 means¹ accommodation provided for persons granted bail or who have been convicted of offences.

1 Offender Management Act, s 13

33436 The amount to be paid direct is

1. decided by¹
 - 1.1 the housing authority **or**
 - 1.2 the DM, where the housing authority has not made a determination
2. the total of the amounts deducted (or likely to be deducted) by the LA when determining the eligible rent, for²

- 2.1 water, sewerage and allied environmental services
- 2.2 laundry
- 2.3 cleaning (other than communal areas)
- 2.4 meals
- 2.5 ineligible service charges (for HB)
- 2.6 excessive service charges
- 2.7 service charge for fuel.

1 SS (C&P) Regs, Sch 9, para 4A(3); 2 para 4A(4)

33437 Deductions can be made for part-weeks at the beginning and end of a claim in both JSA and IS¹. But no deduction will be made if the DM certifies that it is impracticable to do so. See DMG 33100 for full guidance on part-week payments.

1 SS (C&P) Regs, Sch 9, para 4A(6)

Arrears of hostel charges

33438 Arrears of hostel charges can be paid direct¹ for both

- 1. arrears of the housing benefit element of the charge **and**
- 2. arrears of those charges mentioned in DMG 33436 **2.**

1 SS (C&P) Regs, Sch 9, para 5

33439 Deductions should only be made where the DM is satisfied that there are in fact arrears¹ of hostel charges. In cases of dispute the DM should give the claimant the opportunity to provide evidence to support any claim that they are not in arrears with the hostel charges.

1 R(IS) 14/95

33440 A deduction can be made and paid direct if

- 1. the claimant is awarded a specified benefit **and**
- 2. the claimant is entitled to HB **and**
- 3. the claimant or partner has arrears of hostel charges that exceed £100¹.

1 SS (C&P) Regs, Sch 9, para 5(1A)

33441 The amount deducted for arrears and paid direct is fixed at 5% of the personal allowance for a single person aged 25 or over. The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 33318).

33442 - 33449

Third party deductions for rent and service charges for fuel

Definitions

33450 For third party deduction purposes rent¹ includes

1. eligible rent for HB
2. CT
3. water charges
4. fuel service charges for heating, hot water, lighting or cooking
5. furniture charges
6. garage charges
7. service charges
8. ground rent not paid with service charges

as long as they are paid with, or as part of, the rent for the dwelling occupied as the home.

1 SS (C&P) Regs, Sch 9, para 1

33451

Rules for third party deductions

33452 Part of the specified benefit (see DMG 33310) may be deducted and paid direct to the landlord for

1. rent arrears
2. fuel service charges
3. water charges

paid with or as part of the rent on the dwelling occupied as the home.

33453 This can happen if¹

1. the claimant or partner
 - 1.1 is entitled to HB for rent **or**
 - 1.2 is resident in accommodation² provided for persons granted bail or who have been convicted of offences
2. they have rent arrears of at least four times the full weekly rent, that have built up over a period of

- 2.1 eight weeks or more and the landlord has requested third party deductions **or**
- 2.2 less than eight weeks and it is in the overriding interests of the claimant or family (see DMG 33459) to arrange third party deductions.

1 SS (C&P) Regs, Sch 9, para 5(1) & (3); 2 Offender Management Act 2007, s 13

33454 Deductions should only be made where the DM is satisfied that the claimant or partner do have rent arrears¹. In cases of dispute the DM should give the claimant the opportunity to provide evidence to support any claim that they do not have rent arrears.

1 R(IS) 14/95

33455 Arrears of rent in this context does not include¹

- 1. the 20% of CT/CC excluded from HB **and**
- 2. any non-dependant deductions due to be taken from HB in the weeks for which the rent arrears occurred.

1 SS (C&P) Regs, Sch 9, para 5(2); SS HB (Gen) Regs, reg 74

Example 1

Sue is a new IS claimant who has just been awarded HB. She owes £245 to her landlord which has built up over four months and is for seven separate weeks. Her landlord requests third party deductions for the rent arrears. Sue has a non-dependant son Andy who is aged over 18 and earns £100 gross weekly.

Full weekly rent	£43.04	(rent £24.50, CT £8.46, water charges £2.08 and fuel service charge £8.00)
Debt	£245.00	(built up over four months and for seven separate weeks)
Rent arrears	£121.17	(debt £245 less £123.83 i.e. non dependants deduction for rent and rates seven weeks x £16.00 = £112.00 and 20% CT seven weeks x £1.69 = £11.83).

Third party deductions are not possible. Rent arrears are not equal to or more than four times the full weekly rent (£43.04 x 4 = **£172.16**).

Example 2

Ismail is a new claimant who owes his landlord £750 for 30 consecutive weeks rent arrears. The landlord requests third party deductions. Ismail is now getting HB and has a non-dependant son over 18 whose gross weekly wage is £100 pw.

Full weekly rent	£43.04	(breakdown as in Example 1)
Debt	£750.00	(built up over nine months and for 30 separate weeks)
Rent arrears	£219.30	(debt £750 less £530.70 i.e. non dependants deduction for rent and rates 30 weeks x £16 = £480.00 and 20% CT 30 weeks x £1.69 = £50.70).

Third party deductions can be made. Ismail is entitled to HB. Rent arrears are more than four times the full weekly rent (£43.04 x 4 = **£172.16**). Arrears are for more than eight weeks and the landlord has requested third party deductions.

33456 - 33458

Interests of the family

33459 It will normally be in the interests of the claimant or their family to introduce third party deductions if there is

1. a threat of
 - 1.1 eviction **or**
 - 1.2 repossession **or**
 - 1.3 disconnection of fuel **or**
 - 1.4 a court summons **and**
2. no other suitable method of dealing with the debt.

33460 Third party deductions will not normally be in the interests of the claimant or their family if they have

1. shown evidence of a determination to clear the debt **and**
2. undertaken to clear the debt themselves.

33461 Third party deductions should not be considered

1. simply because the tenant or landlord has asked for it **or**
2. when rent is being withheld or is not being accepted because of a dispute between the claimant and landlord (unless DMG 33454 applies).

33462 Where there is a reluctance to seek eviction, third party deductions may still be considered if the other criteria are met. For example where housing associations specialize in providing accommodation for low income groups who are liable to have budgeting problems.

33463 - 33468

Amount deducted for arrears

33469 The amount deducted for arrears and paid direct is fixed¹ at 5% of the personal allowance for a single person aged 25 or over rounded up to the next 5p.

1 SS (C&P) Regs, Sch 9, para 5(1) & (6)

Amount deducted for current charges

33470 The following charges can be paid direct where they are paid with the rent¹

1. fuel service charges **or**
2. water charges.

1 SS (C&P) Regs, Sch 9, para 5(3)

33471 The amount to be paid direct is the amount deducted by the LA when determining the eligible rent for HB. If rent is payable for 50 weeks each year, the amount deducted should be paid direct for 50 weeks. No third party deduction should be made for the weeks when rent is not payable.

33472 But the claimant should be left with a minimum of 10p after the deduction has been made (see DMG 33318). Do not make a deduction if less than 10p would be left after the deduction of the whole amount of these charges¹.

1 SS (C&P) Regs, Sch 9, para 2(2)

33473 Unless the claimant consents¹, third party deductions cannot be made for both arrears and current charges where the total exceeds 25% of the family's applicable amount. From 2.10.06 the amount of CTC and CHB entitlement should be added² to the applicable amount when deciding if deductions exceed 25% of the total.

Any housing costs included in the applicable amount should not be taken into consideration.

1 SS (C&P) Regs, Sch 9, para 5(5); 2 Sch 9, para 8(4)

Joint tenants

33474 If the claimant is a joint tenant calculate the deduction by following DMG 33470 and DMG 33475 et seq.

33475 The deduction for weekly fuel service charges depends on information held by the LA. The DM should find out whether the LA has worked out the actual fuel cost for the property. The deduction is where the LA has

1. worked out the actual fuel cost - that figure divided by the number of tenants
2. estimated the claimant's fuel costs - the amount of the LA standard deduction from HB.

33476 Where fuel costs have been estimated the amount of the deduction from HB may change if the claimant gives details of their actual costs. The DM should then revise the deduction for weekly fuel service charge.

33477 The deduction may be for current weekly water charges. The deduction is then the charge for the property divided by the number of tenants.

Superseding the third party deduction decision

33478 When a relevant change of circumstances occurs¹ the DM may supersede the outcome decision which includes the third party deduction decision, for example where the

1. fuel service charge or water charge changes **or**
2. fuel service charge stops being made by the landlord **or**
3. rent arrears are cleared (see DMG 33479) **or**
4. entitlement to specified benefit is reduced below the amount of the deduction plus 10p **or**
5. claimant changes address.

Note: See DMG Chapter 04 for the rules about the effective date of supersession.

1 SS Act 98, s 10; SS CS (D&A) Regs, reg 6(2)(a)

33479 The DM may decide that deductions for continuing charges only should continue where¹

1. the rent arrears are cleared **and**
2. it is in the interests of the family to do so.

1 SS (C&P) Regs, Sch 9, para 5(7)

33480 - 33484

Third party deductions for fuel costs

Green Deal

33485 The Department of Energy and Climate Change has made provision for Green Deal plans under specified legislation¹. The Green Deal plan provides finance for energy efficiency improvements to properties, with no up-front costs. The costs of the improvements are repayable by instalments through a charge on the electricity bills attached to the particular property. A Green Deal plan is essentially a new kind of credit arrangement, offered to customers by private bodies (which must be authorised as Green Deal providers).

1 Energy Act 2011, s 1

33486 Instalments under a Green Deal plan cannot be deducted from the electricity bill. If a customer falls into arrears, the electricity arrears and the Green Deal arrears should be paid off on a proportional basis.

33487 From 2.4.13, legislation¹ providing for third party deductions for fuel costs is amended to enable payments made under a Green Deal plan to be deducted from specified benefits and paid direct to the fuel company. Legislation is amended to include Green Deal payments, so that it may form part of both arrears and ongoing consumption (where applicable).

1 SS (C&P) Regs, Sch 9, para 6

33488

Definition of fuel item

33489 Fuel item¹ means

1. mains gas, including any charges for the reconnection of mains gas **or**
2. mains electricity, including any charges for the disconnection and reconnection of mains electricity and any payments required to be made under a Green Deal plan.

1 SS (C&P) Regs, Sch 9, para 6(8)

Rules for third party deductions

33490 Part of the specified benefit (see DMG 33310) may be deducted and paid direct to the fuel company for mains gas and mains electricity plus any payment required under a Green Deal plan. This can happen if¹

1. there is a debt (the original debt) for any fuel item, and the claimant still needs the fuel in respect of which the debt arose (the relevant fuel) **and**
2. the debt is for an amount not less than the rate of personal allowance for a single person aged 25 or over **and**

3. it is in the interests of the claimant or family that third party deductions be made.

1 SS (C&P) Regs, Sch 9, para 6(1)

33491 Debt in this context includes disconnection and reconnection costs and any legal costs arising from that debt.

33492 Third party deductions for fuel should not be made where

1. the debt is less than the rate of personal allowance for a single claimant aged 25 or over
2. the size of the deduction (including any deduction for arrears)
 - 2.1 is more than the award of specified benefit **or**
 - 2.2 would leave the claimant with specified benefit of less than 10p (see DMG 33318)
3. the claim will last only a short time, for example where the claimant is due an income which will exceed IS
4. the debt is the responsibility of a person who has deserted a partner (unless the deserted partner satisfies the criteria for third party deductions).

Interests of the family

33493 It will normally be in the interests of the claimant or their family to introduce third party deductions where

1. the debt
 - 1.1 is unlikely to be paid before disconnection is threatened **or**
 - 1.2 has resulted in the threat of disconnection **or**
 - 1.3 has resulted in disconnection **and**
2. no other source of fuel is available for the same purpose **and**
3. there is no other suitable way of dealing with the debt.

33494 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example there may be a risk where the family includes

1. children under 11
2. people over 70
3. people who are disabled
4. people who are long term sick.

Note: This list is not exhaustive.

33495 Do not assume that third party deductions would not be in their interests just because the claimant is single or a member of a couple without young children.

33496 The DM must consider

1. the alternative means of cooking and heating available to the family
2. the availability and value of budget payment arrangements **and**
3. seasonal factors.

33497 The claimant may ask for a prepayment meter as an alternative to third party deductions. The fuel company may be willing to install a meter calibrated to recover the arrears. The DM should consider which arrangement would best suit the interests of the family. Only one of these arrangements can be in operation at any time.

Amount to be deducted and paid direct

33498 The amount of the weekly deduction should be

1. **before the debt is cleared** - an amount to pay off the arrears (see DMG 33507) plus an amount to cover current consumption (see DMG 33509)¹
2. **after the debt is cleared** - an amount to cover current consumption (see DMG 33514) where appropriate².

1 SS (C&P) Regs, Sch 9, para 6(2); 2 Sch 9, para 6(4)(b)

Exception to general rules

33499 A prepayment meter may have been installed or other arrangements made with the fuel board to pay for current consumption¹. The amount deducted should then be limited to the amount for arrears. See DMG 33497 where the meter is calibrated to recover arrears.

1 SS (C&P) Regs, Sch 9, para 6(2)(b)

Amount of benefit left for claimant

33500 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 33318). Do not make a deduction if less than 10p would be left.

33501 - 33504

Arrears of fuel - original debt

33505 There is only one original debt during any period of deductions for an item of fuel¹. That original debt cannot normally be increased. The exception is where the figure originally given by the fuel company was wrong. The figure used may then be changed and the decision which included the third party deduction superseded² (or revised if the new deduction is determined within one month of the previous decision³) because the DM's decision will have been given in ignorance of a material fact.

1 SS (C&P) Regs, Sch 9, para 6(1) & (2)(a); 2 SS Act 98, s 10; SS CS (D&A) Regs, reg 6(2)(b)(i); 3 reg 3(1)(a)

33506 Do not revise the figure used where further debt builds up during a period of deductions. The amount of the original debt can never be revised on the grounds of such a change in circumstances. An adjustment to the continuing consumption is made instead (see DMG 33512).

33507 The weekly deduction to recover the original debt is fixed at 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p¹.

1 SS (C&P) Regs, Sch 9, para 6(2)(a)

33508 Third party deductions for a second fuel item may have to be introduced. The deduction is then 5% for each fuel item (see DMG 33525) subject to the overall limit on deductions for arrears of fuel, that is 2 x 5% of the personal allowance for a single claimant aged 25 or over¹.

1 SS (C&P) Regs, Sch 9, para 6(2)(a)

Fuel - current consumption

33509 When deductions begin the fuel company will provide an estimate of the average weekly cost of continuing consumption of the relevant fuel, plus any weekly amount that is required to meet any payments under a Green Deal plan¹. If the estimate is unreasonable or inaccurate the DM should ask for details of the calculation.

1 SS (C&P) Regs, Sch 9, para 6(2)(b)

33510 Periodically the fuel company will

1. recalculate the weekly amount needed to meet continuing consumption **and**
2. notify the DM of any added credit or debit.

33511 The recalculation should be based on the actual cost of past consumption¹. A customer's own reading may be used but a calculation based on estimated past consumption is not acceptable.

1 SS (C&P) Regs, Sch 9, para 6(4)

33512 Where DMG 33510 applies, the DM may adjust¹

1. the weekly deduction to a new weekly amount for continuing consumption for mains gas or mains electricity plus any payment required under a Green Deal plan **and**
2. the new weekly amount to take into account any added credit or debit over a
 - 2.1 period of 26 weeks **or**
 - 2.2 longer period if that is reasonable.

Note: The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in DMG 33322.

1 SS (C&P) Regs, Sch 9, para 6(4)(a)

33513 The original debt must not be adjusted to take account of additional credit or debit.

Example

The original debt has been recovered. The weekly deduction for consumption is £5. In April the fuel company reports that the amount for continuing consumption is £7 and arrears of £60 have accrued.

The DM supersedes the third party deduction decision and decides it is reasonable to recover the accrued arrears over 52 weeks. The new weekly deduction is

continuing consumption	£7.00
plus adjustment for arrears £60 over 52 weeks	£1.15
total	£8.15

In December the fuel company reports that the amount for continuing consumption is £6.50 and there is a credit of £20. The new weekly deduction is

continuing consumption	£6.50
less adjustment for credit £20 over 26 weeks	£0.77
total	£5.73

Original debt recovered

- 33514 When the original debt has been cleared the DM may decide to make deductions for continuing consumption¹. Such deductions are not compulsory.

1 SS (C&P) Regs, Sch 9, para 6(1) & (4)(b)

- 33515 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 33493). The DM should consider

1. whether there are other budgeting methods which might be more appropriate
2. the reasons for the failure to budget - if the debt arose because of persistent bad management and nothing has changed, third party deductions should normally continue
3. any seasonal factors likely to affect the claimant's ability to budget for the next bill if third party deductions stop
4. any representations made by the fuel company.

33516 - 33522

Joint tenants

- 33523 A claimant asking for third party deductions for fuel costs may be a joint tenant. If the claimant is liable for the debt (see DMG 33306) the deduction should be

1. the weekly consumption figure (see DMG 33509) divided by the number of people named on the bill (whether they are claimants or not) **and**

2. the fixed amount to pay off any arrears (see DMG 33507).

33524 It is unusual to have more than one name on a fuel bill. If the claimant is the only person named, the other tenants should pay their share of the bill to the claimant. If the claimant is not named on the bill, the claimant is not liable. The claimant should pay a share to the tenant who is named on the bill.

Priority between fuel debts

33525 The criteria may be met for deductions for both gas and electricity debts. But it may not be possible to implement both deductions. This may happen where, for example, there is not enough specified benefit in payment.

33526 The DM should decide which debt takes priority, taking into account¹

1. all the circumstances **and**
2. any requests of the claimant.

1 SS (C&P) Regs, Sch 9, para 9(3)

33527 Priority should be given to whichever fuel is most needed to ensure the health and safety of the claimant or family.

Example 1

Ai Ling lives in a household where heating and cooking are by gas. The DM gives priority to gas.

Example 2

Stanley lives with his wife and young child. The DM gives priority to electricity, so that the home is properly lit.

Example 3

Maria lives with her elderly disabled mother. Cooking is by electric and heating is by gas. The house has open fireplaces which can be used to provide heating. The DM gives priority to electricity.

33528 Where debts other than fuel are involved see DMG 33328.

33529 - 33531

Consent of claimant required

33532 Unless the claimant consents¹, third party deductions cannot be made where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 33322). From 2.10.06 the amount of CTC and CHB entitlement should be added to the applicable amount when deciding if deductions exceed 25% of the total.

1 SS (C&P) Regs, Sch 9, para 6(6) & 8(4)

Superseding the third party deduction decision

33533 The decision to implement deductions should not be superseded where the only reason to do so is that the claimant wishes to take control of the budgeting. This is because the claimant's desire to take control of the budgeting is not, in itself, a relevant change of circumstances.

33534 The DM should supersede the outcome decision which includes the third party deduction decision for fuel costs, when a relevant change of circumstances occurs¹. For example where

1. the average weekly cost estimated for the continuing need was not enough or was too much

Note: The claimant's agreement must be obtained if the deduction required stays at or would increase to the level mentioned in DMG 33320
2. the original debt has been cleared and deductions stop, or carry on for current consumption only (see DMG 33514)
3. the claimant changes address from one fuel company area to another and the debt is not transferable
4. the weekly deduction (including arrears) would leave the claimant with less than 10p
5. the claimant withdraws the agreement permitting deductions in excess of 25% of the applicable amount (see DMG 33322)
6. the claimant stops receiving a supply of fuel from the fuel company to whom payment is being made, for example where the supply has been disconnected due to meter interference. Or a claimant with deductions for gas may move to a house which is all electric
7. it is no longer in the interests of the family for deductions to continue.

1 SS Act 98, s 10, SS CS (D&A) Regs, reg 6(2)(a)

Note: See DMG Chapter 04 for the rules about the effective date of supersession.

33535 - 33544

Third party deductions for water charges - England and Wales

Meaning of water charges

33545 For England and Wales, water charges means any water or sewerage charges under prescribed legislation¹. Where these are charged separately or by different water authorities see DMG 33580.

Note: The definitions of water charges are different for the purposes of third party deductions from benefit (see DMG33586 for guidance on water charges for Scotland).

1 SS (C&P) Regs, Sch 9, para 1(1), Water Industry Act 1991, Part 5, Chapter 1

Methods of charging

33546 Water charges can be made

1. with rent (see DMG 33450 et seq)
2. by a meter (see DMG 33569)
3. unmetered (see DMG 33564).

Rules for third party deductions

33547 Part of the specified benefit (see DMG 33310) may be deducted for water charges and paid direct if¹

1. the claimant or partner is in debt (the original debt) for water charges **and**
2. the DM is satisfied that the claimant or partner has failed to budget for the charges **and**
3. it is in the interests of the claimant or family that third party deductions be made.

1 SS (C&P) Regs, Sch 9, para 7(1) & (2)

33548 Debt in this context includes disconnection and reconnection costs and any legal or other costs arising from that debt.

Interests of the family

33549 Third party deductions will normally be in the interests of the claimant or the family where there is

1. a threat of a court summons **and**
2. no other suitable method of dealing with the debt.

33550 Third party deductions will not normally be in the interests of the claimant or their family if

1. they have
 - 1.1. shown evidence of a determination to clear the debt **and**
 - 1.2. undertaken to clear the debt themselves **or**
2. there are other options available to deal with the debt.

33551 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example where the family includes

1. children under eleven
2. people over 70
3. people who are disabled
4. people who are long-term sick.

Amount to be deducted and paid direct

33552 The amount to be deducted and paid direct

1. before the original debt is cleared is¹
 - 1.1 the actual or estimated amount for current consumption **and**
 - 1.2 a fixed amount to clear the original debt equal to 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p
2. after the original debt is cleared is²
 - 2.1 the actual amount for current consumption (unmetered water) **or**
 - 2.2 an estimated amount for current consumption (metered water).

1 SS (C&P) Regs, Sch 9, para 7(3) & (5); 2 Sch 9, para 7(6)

33553 The DM should always use the fixed amount in DMG 33552 **1.2** to clear the arrears, even where

1. there is a court order for a greater amount **or**
2. the claimant asks that a higher amount be paid direct.

Amount of benefit to be left for claimant

33554 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 33318). Do not make a deduction if less than 10p would be left.

33555 - 33562

The original debt

33563 Before deductions for water charges can begin the claimant or partner must be in debt¹. The amount of the debt is the original debt and includes

1. the amount of water and sewerage charges due
2. any legal costs arising from the debt
3. any other costs arising from the debt.

1 SS (C&P) Regs, Sch 9, para 7(1) & (2)

Unmetered water

Original debt

33564 There is only one original debt during any period of deductions¹. That original debt cannot be increased. If the whole of the current year's charge for unmetered water is due it may be included in the original debt. A deduction for current consumption may not then be necessary until the start of the next financial year.

1 SS (C&P) Regs, Sch 9, para 7(1) & (5)(a)

33565 The weekly deduction to recover the original debt is fixed at 5% of the personal allowance for a single person aged 25 or over.

Example 1

In September the water company requests deductions and reports an original debt of £350. This includes the charge for the remaining months in the current financial year. The original debt is £350 and the fixed deduction is made until this amount is repaid. Deductions for current consumption will not start until April of the next year when the annual charge for the next year is billed.

Example 2

In August the water company requests deductions. They report that debt is accruing on a weekly basis. On the date the DM makes a decision a debt of £120 has accumulated. The original debt is £120 and the fixed deduction is made until this amount is repaid. Deductions for current consumption are also made.

Consumption

33566 The amount deducted for continuing consumption is the weekly cost necessary to meet the continuing need for water consumption¹. This is not always the annual charge divided by 52 weeks.

1 SS (C&P) Regs, Sch 9, para 7(5)(b)

Example

Roisin is in receipt of IS. On 31 May the water company requests deductions. They report that there is an outstanding debt for the previous year of £100. The current year's charge is £210 and the water company confirms that none of that has become a debt.

On 10 June the DM decides that deductions can be taken, determines the amount of the deduction and supersedes the previous decision in order to implement it.

The original debt is £100 and the fixed deduction is made until this amount is repaid. Deductions for current consumption are also made at the rate of £5 pw (£210 current year's charge, divided by the 42 weeks left in the year from 10 June).

Annual increases

33567 Following the annual increase in unmetered water charges, the deduction for current consumption should be superseded from the date of the increase¹. If the water authority or company notify the new annual charge late, or the DM cannot (for operational reasons) supersede on the due date

1. supersede the case from the date the charge increases (usually 1 April) **and**
2. change the weekly consumption figure by
 - 2.1 taking off the amount already deducted in the financial year from the new annual charge **and**
 - 2.2 working out the number of weeks left in the financial year (from the date of the supersession to the end of the year) **and**
 - 2.3 dividing the amount at 2.1 by the number of weeks at 2.2.

1 SS Act 98, s 10; 2 SS (D&A) Regs, reg 6(2(a))

Example

The weekly deduction for water is £3. In June the water authority notifies the DM that the annual cost from 1 April of that year is £200. On 3 July the DM supersedes from 1 April that year and changes the amount for continuing consumption as follows

annual cost from 1 April	£200
less amount already deducted £3 x 13	£39
annual amount outstanding	£161
divided by the number of weeks left	
in the year (3 July to 31 March)	39 weeks
new weekly deduction (rounded up to the nearest penny)	£4.13.

33568 It is not necessary to change the deduction to the original amount at the end of the year. The same formula can be used if the amount is notified late the following year.

Metered water

Original debt

33569 There is only one original debt during any period of deductions¹. That original debt cannot be increased. The weekly deduction to recover the original debt is a fixed amount. That is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

1 SS (C&P) Regs, Sch 9, para 7(1) & (3)(a)

33570 If arrears build up during a period of deductions an adjustment to the continuing consumption is made (see DMG 33574). The original debt must not be adjusted to reflect added credits and debits which have built up during a period of deductions.

Consumption

33571 When deductions begin the water company provides an estimate of the average weekly cost of continuing consumption¹. Where this is unreasonable or inaccurate the DM should ask for details of the calculation.

1 SS (C&P) Regs, Sch 9, para 7(3)(b)

33572 Periodically the water company will

1. recalculate the weekly amount needed to meet continuing consumption **and**
2. notify any added credit or debit.

33573 The recalculation should be based on the actual cost of past consumption. A customer's own reading may be used. But a calculation based on estimated past consumption is not acceptable.

33574 The DM should¹

1. supersede the weekly deduction to the new weekly amount for continuing consumption **and**
2. adjust that new weekly amount to recover any added credit or debit over
 - 2.1 a period of 26 weeks **or**
 - 2.2 a longer period if that is reasonable.

1 SS (C&P) Regs, Sch 9, para 7(4)

33575 The original debt must not be adjusted to take account of additional credit or debit.

Example

Matthew is in receipt of JSA(IB). In June he requests deductions for a debt of £90 and continuing consumption. The water company estimate the average weekly cost

of continuing consumption is £4. Deductions for current consumption should continue if it remains in the interests of the family (see DMG 33577).

original debt	£2.50
continuing consumption	£4.00
total	£6.50.

In December the water company reports that the amount for continuing consumption is £4.50 and a further debt of £20 has built up. The DM supersedes the deductions and decides it is reasonable to recover the arrears over 26 weeks. The new weekly deduction is

original debt		£2.50
continuing consumption	£4.50	
adjustment for accrued arrears		
£20 over 26 weeks	£0.77	£5.27
total		£7.77

Original debt recovered

33576 When the original debt has been cleared the DM may decide to make deductions for continuing consumption¹. Such deductions are discretionary and apply to both unmetered and metered water.

1 SS (C&P) Regs, Sch 9, para 7(6)

33577 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 33549). The DM should consider

1. whether there are other budgeting methods which may be more appropriate
2. the reasons for the failure to budget - if the debt arose because of persistent bad management and nothing has changed, third party deductions should normally continue
3. any seasonal factors likely to affect the claimant's ability to budget for the next bill if third party deductions stop.

Joint tenants

33578 A claimant asking for third party deductions for water charges may be a joint tenant. If the claimant is liable for the debt (see DMG 33306) the deduction should be

1. the actual or estimated weekly cost for consumption (see DMG 33571) divided by the number of people named on the bill, whether they are claimants or not **and**
2. the fixed amount to pay off any arrears (see DMG 33552).

33579 It is unusual to have more than one name on a bill. If the claimant is the only person named, the other tenants should pay their share of the bill to the claimant. If the claimant is not named on the bill, the claimant is not liable. The claimant should pay a share to the tenant who is named on the bill.

Priority between debts for water charges

33580 The claimant or partner may be in debt for water and sewerage charges to two water companies. In such a case only one weekly amount should be deducted, with priority being given to water¹.

1 SS (C&P) Regs, Sch 9, para 7(7)(a) & (b)

33581 Deductions for sewerage debt can begin only when the whole of the original water debt has been cleared¹. Deductions for current water and sewerage charges can be made at the same time².

1 SS (C&P) Regs, Sch 9, para 7(7)(b); 2 Sch 9, para 7(7)(c)

Consent of claimant required

33582 Unless the claimant consents¹, no third party deduction can be made for water charges where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 33322).

1 SS (C&P) Regs, Sch 9, para 7(8)

33583 From 2.10.06 the amount of CTC and CHB entitlement should be added¹ to the applicable amount when deciding if deductions exceed 25% of the total.

1 SS (C&P) Regs, Sch 9, para 8(4)

Superseding the third party deduction decision

33584 The DM should supersede the third party deduction decision when a relevant change of circumstances occurs¹. For example where

1. the original debt is cleared **or**
2. the claimant changes address **or**
3. in the case of a metered water supply, the estimated weekly cost of continuing consumption is not enough or is too much² **or**

4. in the case of unmetered charges, the annual charge increases (usually in April).

1 SS Act 98, s 10; 2 SS CS (D&A) Regs, reg 6(2)(a), SS (C&P) Regs, Sch 9, para 7(4)

Note: See DMG Chapter 04 for the rules about the effective date of change.

33585 The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in DMG 33320. Where the claimant has already consented to a total above that level, any increase will require the claimant's further consent.

Third party deductions for water charges - Scotland

Meaning of water charges

33586 For Scotland, water charges means any water or sewerage charges established by Scottish Water under a charges scheme made under prescribed legislation¹. Water charges can be made

1. with rent **or**
2. by a meter **or**
3. unmetered.

1 SS (C&P) Regs, Sch 9, para 1(1), Water Industry (Scotland) Act 2002, s 29A

33587 In Scotland, LAs have responsibility for the collection and billing of all water charges. Sewerage charges are included in the CT charge and water charges are collected through the council water charge.

33588 Where there is a mixture of water and CT arrears, or only arrears of CT, the LA treats arrears for water and CT as a single debt, and may request a single third party deduction to cover both items (see DMG 33591).

Rules for third party deductions

33589 When water charges are paid with, or as part of, rent, third party deductions may be made on the same basis as in England and Wales¹ (see DMG 33450 et seq).

1 SS (C&P) Regs, Sch 9, para 5

33590 But water charges may not be paid with rent. The LA may then ask the DM to make deductions to secure payments. This can be from

1. JSA(Cont) **or**
2. JSA(IB) **or**
3. IS.

33591 LAs treat arrears of water charges and CT as a single debt. This means that only one weekly amount should be deducted to cover both items. The amount of that deduction is fixed and is equal to 5% of the personal allowance for a single person aged 25 or over (see DMG 33650 et seq for further guidance).

Water debt only

33592 LAs in Scotland have the option to apply for a third party deduction for a water debt that has been billed as part of the CT to include an amount for arrears and an amount for ongoing costs to prevent further debt accruing.

- 33593 Where the application for deduction is for arrears of water only, there is no longer the legal requirement for the LA to obtain a Summary Warrant or Decree before applying for a third party deduction. These applications will contain a current cost element to enable them to be distinguished from CT applications, where there is still a need for a Summary Warrant or Decree.
- 33594 Applications for third party deductions of water debt only may be accepted from the claimant or LA, and should be treated the same as water costs in England and Wales (see DMG 33552 et seq)

Deductions from benefit – FRM & CMD

Child Support Maintenance

- 33595 Guidance within this section deals with deductions from IS, JSA(IB) and JSA(C), made under the 2003 child maintenance scheme and the 2012 child maintenance scheme. See DMG chapter 46 for deductions from ESA and DMG 79 for deductions from SPC. For guidance on third party deductions under the CTM scheme, see DMG 33626 - 33645.
- 33596 Deductions from a specified benefit under the 2003 scheme are referred to as FRM deductions.
- 33597 Deductions from a specified benefit under the 2012 scheme are referred to as a CMD.
- 33598 FRM deductions and CMDs are not part of the third party deduction scheme. The order of priority for deductions does not apply to FRM deductions or CMDs. Such deductions are the first deduction to be made from IS/JSA after a deduction for MID.

Meaning of Fee

- 33599 Fee¹ means any collection fee under specified legislation² which is payable by the NRP.

1 SS (C&P) Regs, Sch 9B, para 1; 2 Child Support Fees Regulations 2014, Part 3

Meaning of specified benefit

- 33600 For the purposes of making deductions for CSM under the 2003 or 2012 scheme, specified benefit includes¹
1. IS
 2. JSA(IB) and
 3. JSA(Cont)

Note: The term specified benefit has a different meaning under this section, to that under the CTM scheme detailed in DMG 33626 et seq.

1 SS (C&P) Regs, Sch 9B, para 1

Meaning of beneficiary

- 33601 Beneficiary¹ means a person who has been awarded a specified benefit and includes each member of a joint-claim couple awarded joint-claim JSA.

1 SS (C&P) Regs, Sch 9B, para 1

Meaning of Maintenance

- 33602 Maintenance¹, with the exception of DMG 33609 – 33612, means child support maintenance which a NRP is liable to pay at a flat rate (or would be so liable but for

a variation having been agreed to), and that rate applies (or would have applied) because the NRP falls within specified legislation².

1 SS (C&P) Regs, Sch 9B, para 1; 2 CS Act 91, Sch 1, para 4(1)(b), 4(1)(c) or 4(2); Child Support, Pensions and Social Security Act 2000, s 29(3)(A)

Meaning of person with care

- 33603 A person is a person with care¹ in relation to any child, if that person is someone
1. with whom the child has his home **and**
 2. who usually provides day to day care for the child (whether exclusively or on conjunction with another person) **and**
 3. who does not fall within a prescribed category² of person.

1 CS Act 91, s3(3); 2 s3(4)

Deductions from specified benefit

- 33604 The Child Maintenance Group DM will decide under which scheme the child maintenance liability is to be assessed.
- 33605 Where it is determined that the NRP is liable for a FRM deduction or CMD, the Child Maintenance Group DM will also determine whether the CMD is at a standard or non-standard rate or whether the FRM deduction is at a standard rate only.
- 33606 Requests for FRM deductions or CMD will be sent
1. electronically, to the relevant DWP IT system **or**
 2. manually, to the relevant DWP benefit centre.

The request may be on behalf of the NRP who is in receipt of a specified benefit, or is the partner of a claimant who is in receipt of a specified benefit, and paid to the PWC¹.

Note 1: From 11.8.14, any collection fees payable by a NRP may be deducted and retained in discharge of the NRP's liability to pay that fee.

Note 2: Charging of any collection fees will only apply to new applications made under the 2012 scheme.

1 SS (C&P) Regs, Sch 9B, para 2(1)

- 33607 In the case of a NRP who is in receipt of IS or JSA, the amount to deduct is known as FRM or CMD¹. The amount of a standard rate deduction is £7.00 per week, but could be more or less than that amount depending upon the circumstances. See DMG 33606 and 33608 in respect of any fee.

1 Child Support (Maintenance Calculation and Special Cases) Regs 2000, reg 4; SS (C&P) Regs, Sch 9B, para 1

- 33608 Only one deduction of FRM or CMD and any fee may be made from one specified benefit in any one benefit week¹.

1 SS (C&P) Regs, Sch 9B, para 2(2)

Prevention of duplicate deductions

33609 No deduction will be made from a specified benefit (see DMG 33600) where

1. UC or
2. new style ESA or
3. new style JSA

is in payment, unless the amount of benefit at 1., 2. or 3. is insufficient to meet the deduction¹.

1 SS (C&P) Regs, Sch 9B, para 2(2A)

Example

Craig is in receipt of CA at the rate of £59.75 per week and UC of £197.33 per month. The DM receives a request for a deduction from benefit in respect of CSM. The DM decides that the deduction should be taken from Craig's UC, as there is sufficient UC in payment to meet the deduction.

Amount of IS/JSA to be left after deduction of FRM or CMD

33610 A deduction of FRM or CMD can only be made where the amount of specified benefit which the claimant would be left with after the deduction is at least 10p¹.

1 SS (C&P) Regs, Sch 9B, para 2(3)

Arrears – FRM deductions only

33611 No deduction will be made in respect of arrears of child maintenance under the 2012 scheme.

33612 Except where IS or JSA(IB) is awarded to the beneficiary or his partner, the sum of £1.20 per week may be deducted from the relevant specified benefit which the beneficiary has been awarded, and paid to the PWC, in discharge of the beneficiary's liability to pay arrears of maintenance and retain any amount deducted in discharge of any liability to pay a fee¹.

1 SS (C&P) Regs, Sch 9B, para 3(1)

33613 Where deductions are made under DMG 33612, the deductions may be retained by the Secretary of State¹ in circumstances set out in specified legislation².

1 SS (C&P) Regs, Sch 9B, para 3(2); 2 Child Support (Arrears, Interest and Adjustment of Maintenance Assessment) Regs 92, reg 8

33614 Within DMG 33612, the meaning of maintenance¹ is periodical payments of CSM, which are required to be paid in accordance with a maintenance calculation, as defined within specified legislation².

1 SS (C&P) Regs, Sch 9B, para 3(3); 2 CS Act 91, s 3(6)

Apportionment

- 33615 Where maintenance is payable to more than one PWC¹, the amount deducted in respect of maintenance must be apportioned between the persons with care in accordance with specified legislation².

1 SS (C&P) Regs, Sch 9B, para 4; 2 CS Act 91, Sch 1, paras 6, 7 & 8

Claimant and partner both liable to pay maintenance

FRM deductions

- 33616 Where the claimant and their partner are both liable to pay maintenance at a flat rate and either of them have been awarded IS or JSA, the amount of FRM deducted must not exceed £2.50 each¹.

1 SS (C&P) Regs, Sch 9B, para 5(1)

- 33617 An amount not exceeding an amount equal to the flat rate of maintenance may be deducted¹ from such an award in respect of the total liability of both partners to pay maintenance in the proportions described in specified legislation², and must be paid to discharge the respective liabilities to pay maintenance.

1 SS (C&P) Regs, Sch 9B, para 5(2); 2 CS (MCSC) Regs, reg 4(3); CSMC Regs, reg 44(3)

CMD

- 33618 In a case where the claimant and their partner are

1. both NRPs **and**
2. in receipt of a specified benefit **and**
3. both liable for a standard or non-standard rate of CMD and any fee

the total sum of the deductions from benefit for each NRP must not exceed the flat rate of maintenance and any fee¹.

Note 1: the amount of the standard rate deduction is £3.50 and the non-standard rate deduction is any amount up to and including £3.49 for each NRP¹.

Note 2: the amount of any fee is retained in discharge of any liability to pay that fee.

1 SS (C&P) Regs, Sch 9B, para 5(2); CS (MCSC) Regs, reg 4(3); CSMC Regs, reg 44(3)

- 33619 In a case where the claimant and their partner are both NRPs, there could be a mix of CMDs at a standard and non-standard rate of deductions.

Claimant or partner liable to pay maintenance

FRM deductions

- 33620 Where the claimant or their partner are liable to pay maintenance at a flat rate and either of them have been awarded IS or JSA, the amount of the standard rate of deduction is £5.00.

1 SS (C&P) Regs, Sch 9B, para 2(1)

CMD

33621 In a case where the claimant or their partner is

1. a NRP **and**
2. in receipt of a specified benefit **and**
3. liable for a standard or non-standard rate of CMD and any fee

the amount of the deduction from benefit must not exceed the flat rate of maintenance and any fee¹.

Note 1: the amount of the standard rate deduction is £7.00 and the non-standard rate deduction is any amount up to and including £6.99.

Note 2: the amount of any fee is retained in discharge of any liability to pay that fee.

1 SS (C&P) Regs, Sch 9B, para 2(1)

Polygamous marriages

33622 Where two or more members of a polygamous marriage are each liable to pay

1. FRM **or**
2. CMD and any fee

and any member of the polygamous marriage has been awarded IS or JSA(IB), the total sum of the deductions from benefit being apportioned for each NRP must not exceed the flat rate of maintenance and any fee may be retained in discharge of any liability to pay a fee¹.

1 SS (C&P) Regs, Sch 9B, para 6(1) & 6(2); CS (MCSC) Regs, reg 4(3); CSMC Regs, reg 44(3)

Cases exempt from CMD or FRM

33623 A NRP is exempt from paying CMD or FRM if they are¹

1. a student **or**
2. a prisoner **or**
3. a person who is 16 or 17 years old **and**
 - 3.1 in receipt of IS or JSA(IB) **or**
 - 3.2 a member of a couple whose partner is in receipt of IS or JSA(IB) **or**
4. a person receiving an allowance in respect of work-based training for young people, or in Scotland, Skillseeker's training **or**
5. a person in a care home or independent hospital (see DMG 33327) who
 - 5.1 is in receipt of a pension, benefit or allowance specified in Appendix 2 to this Chapter **or**
 - 5.2 has the whole or part of the cost of his accommodation met by a LA **or**

6. have, under certain circumstances, shared care².

1 CS (MC&SC) Regs, reg 5; 2 CS Act 91, Sch 1, para 8

33624 If the NRP falls into a nil rate category, the officer acting on behalf of the Child Maintenance Group DM decides that the NRP is not liable to pay CMD or FRM deductions. Deductions are then not appropriate. But if the NRP is liable for CMD or FRM, part of the specified benefit may be deducted¹. It is then paid to the person with care of the child.

1 SS (C&P) Regs, Sch 9B, para 2(1)

Notice

33625 When CMD or FRM deductions commence, the DM must notify the beneficiary in writing of the amount and frequency of the deduction and the benefit from which the deduction is made. Further notice must be given when there is a change to any of the particulars specified in the notice.

1 SS (C&P) Regs, Sch 9B, para 7

Third party deductions for payments in place of payments of child support maintenance - CTM deductions

Introduction

33626 When an application for CSM is made, a CMS DM must make a maintenance assessment. If the NRP receives specified benefit (see DMG 33310) or if specified benefit is in payment for them (for example to their partner) that maintenance assessment is nil. In such a case the NRP does not have to pay any **maintenance**. The NRP may instead be liable for payments **in place of** payments of CSM (contributions to maintenance)¹.

1 Child Support Act 91, s 43; CS (MASC) Regs, reg 28

33627 In such cases, the CSA DM sends a maintenance assessment notification letter (CSA 55N) to the NRP to advise that

1. there is no maintenance payable
2. a contribution to child maintenance may be appropriate instead
3. the CSA DM will contact the DM to ask if a contribution towards maintenance can be made.

33628 The CSA DM also send form CSA 670 to the DWP DM asking for CTM deductions to be made from benefit. The DWP DM must then consider whether the NRP is exempt from CTM. The DWP DM cannot make a decision on the request for CTM deduction until the exemption criteria have been considered.

33629 A NRP is exempt from CTM if

1. the NRP is under 18 **or**
2. the NRP has day to day care of a child, or shared care of the qualifying child for an average of 2 days a week¹ **or**
3. the NRP
 - 3.1 receives any payment mentioned in Appendix 1 to this Chapter **or**
 - 3.2 would receive such a payment if
 - 3.2.a payment were not prevented because they receive another benefit at the same or a higher rate **or**
 - 3.2.b the contribution conditions were satisfied.

1 CS MASC 1992, s 28(1)(b)

Deductions

Sufficient specified benefit in payment

33630 If there is sufficient specified benefit in payment¹ and the NRP is

1. covered by the exemption criteria **and**
2. liable for CTM

the DWP DM must (subject to specified legislation²) determine that an amount is to be deducted from the claimant's award and paid to the PWC.

1 SS (C&P) Regs, Sch 9, para 7A(1); 2 Child Support Act 91, s 43; CS (MASC) Regs, reg 28

Number of deductions

33631 CTM is not an assessed amount. It is a deduction from personal benefit of a standard amount, made only in certain circumstances. That amount is normally 2 x the fixed amount (see DMG 33635).

33632 Only one deduction for payments in respect of CTM can be made in any one benefit week¹.

1 SS (C&P) Regs, Sch 9, para 7A(2)

DM's action

33633 The DWP DM decides

1. whether there is enough specified benefit for a deduction of twice the fixed amount (see DMG 33635) to be made¹, leaving at least 10p a week² (see DMG 33636 where other deductions apply)
2. where other deductions are being made - the total amount of specific deductions (see DMG 33636) is not more than three times the fixed amount³
3. the priority of deduction⁴ - where there is more than one deduction to be made to a third party and there is not enough specified benefit in payment to make them all.

1 Sch 9, para 7A(1); 2 Sch 9, para 2(2); 3 Sch 9, para 8(1); 4 Sch 9, para 9

33634 The DM should also revise or supersede the case if a NRP becomes liable for CTM. A NRP who reaches age 18 (see DMG 33629 1.) and so is no longer exempt from their liability would be an example of such a case.

The fixed amount

33635 The fixed amount is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

Specific deductions

33636 The specific deductions mentioned in DMG 33630 2. are

1. arrears of
 - 1.1 housing costs
 - 1.2 rent
 - 1.3 fuel
 - 1.4 water
 - 1.5 mortgage interest **and**
2. CT (but not CC) **and**
3. fines **and**
4. CSM (CTM scheme only).

Example

Amina receives IS and has a deduction for arrears of water charges at the fixed amount (5% of the personal allowance for a single claimant aged 25 or over). A request is made for deductions for CTM.

The CTM deduction is twice the fixed amount (2 x 5% of the personal allowance for a single claimant aged 25 or over).

1 SS (C&P) Regs, Sch 9, para 8(1)

Exception to general rule

33637 The deduction for CSM is the fixed amount if, after determining the

1. total amount for specific deductions other than CSM **and**
2. priority of deductions

the total amount is twice the fixed amount¹.

1 SS (C&P) Regs, Sch 9, para 7A(3) & (4)

33638 In these circumstances the normal amount (see DMG 33631) cannot be deducted. A deduction of just the fixed amount (see DMG 33635) should be made instead.

Example

Sean receives JSA(IB) and has deductions for arrears of rent and a fine. The total amount for deductions is twice the fixed amount (2 x 5% of the personal allowance for a single claimant aged 25 or over). A request is made for a deduction for CTM

The deduction for CTM is the fixed amount (5% of the personal allowance for a single claimant aged 25 or over).

Maximum amount of deduction

33639 The overriding rule is that the total deductions in DMG 33633 must not exceed three times the fixed amount¹.

1 SS (C&P) Regs, Sch 9, para 8(1)

Example

Neil receives JSA(Cont) but has underlying entitlement to JSA(IB) at the same rate. He has deductions for arrears of rent, water and electricity. A request is made for a deduction for CSM.

The deduction cannot be made because the total amount for deductions has already reached the maximum amount of three times the fixed amount (3 x 5% of the personal allowance for a single claimant aged 25 or over).

Deductions from JSA(Cont)

33640 A claimant may be entitled to JSA(Cont) where JSA(IB) is not an issue. A deduction for arrears of CSM may then be made for transfer to the person entitled to it¹.

1 SS (C&P) Regs, Sch 9, para 7B

Rules for deduction of CSM

33641 A deduction is made where¹

1. the claimant is entitled to JSA(Cont) **and**
2. payment of CSM cannot be obtained by other conventional means, for example the claimant has refused to pay **and**
3. an arrears notice has been served on the claimant **and**
4. the DM has asked **in writing** for deductions to be made.

1 SS (C&P) Regs, Sch 9, para 7B(1) & (2)

Amount deducted

33642 The amount of the deduction is the weekly amount asked for by the DM up to the maximum amount (see DMG 33643). It is **not** the fixed contribution to maintenance that applies to specified benefits. This means that the amount of the deduction from JSA(Cont) may vary.

Maximum amount of deduction

33643 There is an overriding rule where JSA(Cont) is in payment and JSA(IB) is not an issue. That is that the total amount deducted for CSM cannot exceed one third of the JSA(Cont) payable (see DMG 33321)¹. Where the amount specified by the Child Support Agency DM is more than that figure, the deduction should be restricted to one third of the appropriate personal rate.

1 SS (C&P) Regs, Sch 9, para 7B(3)

Order of priority

33644 Do not make a deduction from JSA(Cont) for arrears of CSM if deductions are being made for

1. CC arrears **or**
2. CT arrears **or**
3. fines¹.

1 SS (C&P) Regs, Sch 9, para 7B(4)

33645 Those deductions have a higher priority (see DMG 33330). They should be taken in place of any deduction for CSM that would otherwise be made. Deductions for CSM should stop if deductions for CC, CT or fines start.

33646 - 33649

Third party deductions for Council Tax

Introduction

33650 Deductions for arrears of CT may be made from

1. JSA(Cont)
2. JSA(IB) **and**
3. IS¹.

1 Council Tax (Deductions from IS) Regs 93, reg 2(1)

33651

Application for deductions

33652 A billing authority (in Scotland, levying authority) may ask the DM to make deductions for arrears of CT¹ covered by in

1. England and Wales, a liability order **and**
2. Scotland, a summary warrant or a decree.

1 Council Tax (Deductions from IS) Regs 93, regs 2 & 3; Local Government Finance Act 1992, Sch 4, para 3 & Sch 8, para 6

33653 In Scotland the warrant or decree may include an amount for arrears of water charges (see DMG 33587). Treat any such arrears as a single debt with the CT arrears.

Contents of application

33654 The DM must be able to identify the claimant from the details on the application for deductions, which should include¹ the

1. name and address of the debtor
2. name and address of the authority making the application
3. name and place of the court concerned
4. date of the order, warrant or decree
5. amount of the specified arrears
6. total amount the authority wishes to have deducted.

Note: The validity of an application is a matter for the DM.

1 Council Tax (Deductions from IS) Regs 93, reg 4

DMs action

- 33655 Before deductions can be made the DM must be satisfied that the claimant is a debtor. A person is normally a debtor where there is
1. a liability order against them (in Scotland, a summary warrant or decree) **and**
 2. an outstanding sum for which that liability order was made.
- 33656 The application for deductions should include these details (see DMG 33654) and can normally be accepted as evidence that the person named is a debtor. This means that in most cases the DM does not need to see the actual liability order or a certificate from the LA showing the amount outstanding.
- 33657 Where a debt is disputed on **reasonable grounds** the DM should investigate the matter and may need to see the liability order and LA certificate. Note that a dispute is not on reasonable grounds if claimants simply say that they are not a debtor.
- 33658 The DM should consider any documentary evidence that may be produced showing that liability is in doubt. Although the Department cannot get involved in any dispute, enquiries should be made to the LA. If the DM is not satisfied that the claimant is a debtor deductions should not be made. If deductions have already started the claim should be revised or superseded¹ and deductions stopped. Normal overpayment action should be taken if appropriate.

1 SS Act 98, ss 9 & 10, 2 SS CS (D&A) Regs, regs 3 & 6

Example 1

Angharad is in receipt of IS. The LA obtains a liability order against her for CT arrears of £300 and makes a written application for deductions to be made from her IS. Angharad produces an account from the same LA acknowledging that they owe her £100 rather than her owing them anything. The DM is not satisfied that Angharad is a debtor and determines that deductions for CT arrears should not be made.

Example 2

Blair gets JSA(IB) and owns two cottages next door to each other. He lives in one cottage and the other is empty. The LA obtains a liability order against him for CT arrears on the empty cottage and makes a written application for deductions to be made. After deductions start Blair produces a copy of a closure order on the empty cottage showing that the cottage was closed as unfit for human habitation. The LA confirms that the cottage was closed and that as a result no CT is owed for it. The DM is not satisfied that Blair is a debtor. The claim is revised and deductions stop. The effective date is the date the deduction commenced.

- 33659 If the DM is satisfied that the person named is a debtor, the DM then decides
1. whether there is enough benefit for a deduction to be made¹ **and**

2. the priority of deduction², where there is more than one deduction to be made to a third party and not enough benefit in payment to make them all.

1 Council Tax (Deductions from IS) Regs 93, reg 5(1)(b) & (2)(b); 2 SS (C&P) Regs, Sch 9, para 9

33660

Can a deduction be made

JSA(IB) and IS

- 33661 A deduction can be made from JSA(IB) or IS if the claimant would be left with at least 10p¹. No deduction should be made if it would leave the claimant with less than 10p.

1 Council Tax (Deductions from IS) Regs 93, reg 5(1)(b)

JSA(Cont) - underlying entitlement to JSA(IB)

- 33662 Before 6.4.98 a deduction could only be made from JSA(Cont) if the amount payable before the deduction was at least one third of the appropriate age-related amount. This was so even where, if there was no entitlement to JSA(Cont) there would be entitlement to JSA(IB) of at least the same rate. But from 6.4.98 the rules changed.
- 33663 From 6.4.98, people who get JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate are treated as if they are on JSA(IB)¹. This means that a deduction can be made if the claimant would be left with at least 10p². No deduction should be made if it would leave the claimant with less than 10p.

1 Council Tax (Deductions from IS) Regs 93, reg 1(2); 2 reg 5(1)(b)

JSA(Cont)

- 33664 There may be no underlying entitlement to JSA(IB) or underlying entitlement at less than the amount of JSA(Cont) payable. In such cases a deduction up to the maximum amount of 40% can be made if the amount of JSA(Cont) payable before the deduction is 10 pence or more¹.

1 Council Tax (Deductions from IS) Regs 93, reg 5(2)

Amount of deduction

- 33665 The amount of the deduction is fixed at
1. **for IS and JSA(IB)** - 5% of the personal allowance for a single person aged 25 or over¹

2. for JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate - 5% of the personal allowance for a single person aged 25 or over²
3. for JSA(Cont) – a deduction up to a maximum of 40% of the appropriate age related amount³.

1 Council Tax (Deductions from IS) Regs 93, reg 5(1); 2 reg 5(1); 3 reg 5(2) & 5(2A)

Other deductions

- 33666 Do not make deductions for recovery of CT arrears if deductions are being made for arrears of CC¹, even where there is enough benefit to do so.

1 Council Tax (Deductions from IS) Regs 93, reg 8(1)(c)

Maximum amount of deduction

- 33667 There is a maximum amount for payment of arrears to third parties where JSA(IB), JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate, or IS is in payment. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over. The total amount deducted should not exceed this amount¹.

1 Council Tax (Deductions from IS) Regs 93, reg 5(1)(c)

- 33668 But there is a different rule where JSA(Cont) is in payment and JSA(IB) is not an issue or there is underlying entitlement at less than the amount of JSA(Cont) payable. The amount that can be deducted then is fixed at 40% of the appropriate age-related amount¹.

1 Council Tax (Deductions from IS) Regs 93, reg 5(2A)

More than one application

- 33669 Only one application for deductions can be dealt with at any one time¹. But more than one application may be received for the same debtor. Or further applications may be received when deductions are already being made for CT. Any such multiple applications should be referred, in date order, to the DM. Further deductions can be made only when deductions on any earlier application have ceased.

Note: deductions on an earlier application may cease enabling deductions to be taken on a subsequent application where an authority withdraws its consent for those earlier application deductions.

1 Council Tax (Deductions from IS) Regs 93, reg 8(1)(b)

33670 - 33674

Third party deductions for Community Charge

Introduction

33675 LAs may request deductions for arrears of CC, where the person owing the debt is a claimant entitled to¹

1. JSA(Cont)
2. JSA(IB) **or**
3. IS.

1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 1(2); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 1(2)

33676 Recoverable sums include any fines imposed because the person has failed to provide information in connection with registration for the charge.

Application for deductions

33677 Recovery of the arrears can be made if the billing authority (in Scotland, levying authority) has obtained from a court

1. in England and Wales, a liability order¹ **and**
2. in Scotland, a summary warrant or a decree².

1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 2(1); 2 Community Charges (Deductions from IS) (Scotland) Regs 89, reg 2(1)

33678 In Scotland the warrant or decree may include an amount for arrears of water charges (see DMG 33587). Treat these arrears as a single debt with CC arrears.

Contents of application

33679 The DM must be able to identify the claimant from the details on the application for deductions, which should include¹ the

1. name and address of the debtor, or where the liability is against a couple, the names and addresses of both of them
2. name and place of the court concerned

3. date of the order, warrant or decree
4. amount of the specified arrears
5. total amount the authority wishes to have deducted.

Note: The validity of an application is a matter for the DM.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 2(2);
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 2(2)*

DM's action

- 33680 Before deductions can be made the DM must be satisfied that the claimant is a debtor. A person will normally be a debtor where there is
1. a liability order against them (in Scotland, a summary warrant or decree) **and**
 2. an outstanding sum for which that liability order was made.
- 33681 The application for deductions should include these details (see DMG 33679) and can normally be accepted as evidence that the person named is a debtor. This means that in most cases the DM does not need to see the actual liability order or a certificate from the LA showing the amount outstanding.
- 33682 Where a debt is disputed on **reasonable grounds** the DM should investigate the matter and may need to see the liability order and LA certificate. Note that a dispute is not on reasonable grounds if claimant's simply say that they are not a debtor.
- 33683 The DM should consider any documentary evidence that may be produced showing that liability is in doubt. Although the Department cannot get involved in any dispute, enquiries should be made to the LA. If the DM is not satisfied that the claimant is a debtor deductions should not be made. If deductions have already started the claim should be revised or superseded¹ and deductions stopped. Normal overpayment action should be taken if appropriate.

1 SS Act 98, ss 9 & 10; SS CS (D&A) Regs, regs 3 & 6

Example 1

Ruth is in receipt of IS. The LA obtains a liability order against her for CC arrears of £200 and makes a written application for deductions to be made from Ruth's IS. Ruth produces an account from the same LA acknowledging that they owe her £50 rather than her owing them anything. The DM is not satisfied that Ruth is a debtor and determines that deductions for CC arrears should not be made.

Example 2

Davor gets JSA(IB) and owns two cottages next door to each other. He lives in one cottage and the other is empty. The LA obtains a liability order against him for CC

arrears on the empty cottage and makes a written application for deductions to be made. After deductions start Davor produces a copy of a closure order on the empty cottage showing that the cottage was closed as unfit for human habitation. The LA confirms that the cottage was closed and that as a result no CC is owed for it. The DM is not satisfied that Davor is a debtor. The claim is revised and deductions stop. The effective date is the date the deductions commenced.

33684 If the DM is satisfied that the person named is a debtor, the DM must then decide¹

1. whether there is enough benefit for a deduction to be made² **and**
2. the priority of deduction³, where the claimant has other debts to be recovered by deduction from IS or JSA.

1 R(IS) 3/92; 2 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1) & (2); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1) & (2); 3 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(4); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(4)

33685

Can a deduction be made

JSA(IB) and IS

33686 A deduction can be made from JSA(IB) or IS if the claimant would be left with at least 10p¹. Do not make a deduction if it would leave the claimant with less than 10p.

1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1)

JSA(Cont) - underlying entitlement to JSA(IB)

33687 Before 6.4.98 a deduction could only be made from JSA(Cont) if the amount payable before the deduction was at least one third of the appropriate age-related amount. This was so even where, if there was no entitlement to JSA(Cont), there would be entitlement to JSA(IB) of at least the same rate. But from 6.4.98 the rules changed.

33688 From 6.4.98, people who get JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate are treated as if they are on JSA(IB)¹. This means that a deduction can be made if the claimant would be left with at least 10p². No deduction should be made if it would leave the claimant with less than 10p.

1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 1(2); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 1(2); 2 reg 3(1)

JSA(Cont)

33689 Where JSA(Cont) is payable a deduction can be made only if the amount of JSA(Cont) payable before the deduction is at least one third of the appropriate age-related amount¹.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(2);
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(2)*

Amount deducted - single debtor

33690 The amount of the deduction is fixed¹ at

1. **for IS and JSA(IB)** - 5% of the personal allowance for a single person aged 25 or over
2. **for JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate** - 5% of the personal allowance for a single person aged 25 or over
3. **for JSA(Cont)** - one third of the appropriate age-related amount rounded down to the nearest penny.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1)(b) & (2)(b);
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1)(b) & (2)(b)*

Amount deducted - couples

33691 The debtor may be one of a couple who receive IS or JSA(IB). The amount to be deducted depends on who is named in the liability order. But if the partner is the only debtor no deductions can be made.

33692 Where the liability order is against the claimant only, the amount to be deducted is the same as for a single debtor. That is¹

1. **for JSA(IB) and IS** - 5% of the personal allowance for a single person aged 25 or over
2. **for JSA(Cont)** - one third of the appropriate age-related amount (rounded down to the nearest penny).

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1)(b);
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(2)(b)*

33693 Where the liability order is against both members of a couple **and** JSA(IB) or IS is payable for both of them, the amount deducted is 5% of the personal allowance for a couple where both are aged 18 or over¹.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1)(a);
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1)(a)*

33694 - 33695

Maximum amount of deduction

- 33696 The recovery of CC arrears is not subject to the limit imposed on deductions for other debts owed to third parties¹ (see DMG 33320). The sole criterion is whether there is enough benefit to enable deductions to be made.

1 SS (C&P) Regs, Sch 9, para 8(1) & (2)

- 33697 JSA(Cont) may be in payment with JSA(IB) not an issue or there may be underlying entitlement at less than the amount of JSA(Cont). The amount that can be deducted is then fixed at one third of the appropriate age-related amount.

Order of priority

- 33698 There may not be enough benefit to enable deductions to be made for arrears of CC and other debts. The order of priority in DMG 33328 should then be followed¹.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(4);
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(4)*

More than one application

- 33699 Only one application for deductions can be dealt with at any one time¹. But more than one application may be received for the same debtor. Or further applications may be received when deductions are already being made for CC. Any such multiple applications, should be referred in date order, to the DM. Further deductions can be made only when deductions on any earlier application have ceased.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 4(1)(b);
Community Charges (Deductions from IS) (Scotland) Regs, 89, reg 4(1)(b)*

33700 - 33709

Third party deductions for fines

Introduction

33710 A court may, after enquiring into an offender's means, find that an offender is claiming JSA or IS. The court may then request deductions for payment of an offender's fines, costs, compensation order or confiscation order imposed under specified legislation¹. Deductions may be made from²

1. JSA(Cont) **or**
2. JSA(IB) **or**
3. IS.

1 Proceeds of Crime Act 2002; 2 Fines (Deductions from IS) Regs 92, reg 1(2)

Application for deductions

33711 An application can be made by¹ any

1. magistrates court or fines officer in England and Wales
2. court in Scotland.

1 Fines (Deductions from IS) Regs 92, reg 2(1)

33712 Fines officer¹ means the officer of the court responsible for enforcing payment of the sum due.

1 Fines (Deductions from IS) Regs 92, reg 1(2)

33713 A new offence has been created¹ for failing to provide information essential to making a deduction from benefit application. This offence can only be established where the offender fails to provide prescribed information² and is applicable in England and Wales only.

1 Courts Act 2003, s 96; 2 Fines (Deductions from IS) Regs 92

33714 From 18.12.04 legislation is amended¹ so that the court may require that the offender provide

1. their full name
2. their full address
3. their date of birth
4. their NI number **and**
5. the name of the benefits to which they are entitled

Note: In this context benefits means IS or JSA.

1 Fines (Deductions from IS) Regs 92, reg 2A

33715 A court can transfer a fine, costs, confiscation order or compensation order to another court. The receiving court is then responsible for recovery and may apply for third party deductions. However in some cases a court can retain responsibility for collection of the fine when the offender moves outside the area. An application can include more than one fine or compensation order, or combination of both.

33716 In Scotland, the DM can make deductions only where

1. the offender has defaulted in paying the fine, compensation order, or an instalment of either¹ **and**
2. at the time of application by the court the offender is aged 18 or over² **and**
3. the offender is entitled to JSA or IS throughout any benefit week³ **and**
4. no deductions are being made in respect of the offender under any other application⁴.

1 Fines (Deductions from IS) Regs 92, reg 7(2)(c); 2 reg 7(2)(a); 3 reg 7(1)(a) & (2)(b); 4 reg 7(1)(b)

33717 From 27.3.06 in England and Wales, the legislation has been modified¹ to

1. allow deductions to be made from benefits for the purpose of recovering a fine with the consent of the offender, whether or not he is in default
2. allow the fines officer as well as the court to apply to the Secretary of State for deductions to be made
3. allow the automatic application for deductions from benefit either immediately by the court (if the offender is an existing defaulter), or by the fines officer upon first default on payment terms agreed with the court
4. enable the fines officer to apply for deductions from benefits as a further step in enforcing a fine against a persistent defaulter, if it is appropriate to do so at that stage in the enforcement process (e.g. if the offender has gone onto benefits since the original repayment terms were set).

1 Fines (Deductions from IS) Regs 92, reg 3(1)(g)

33718 From 3.7.06 in England and Wales DMs need to be aware that third party deductions for fines can be considered without the offender's consent or existing default in cases where there is an element of compensation in the court order¹.

1 Courts Act 2003, Sch 5, para 7A

Contents of application

33719 The DM must be able to identify the claimant from the details on the application for deductions, which should include¹

1. the name, address and if known the date of birth of the offender
2. the date when the fine was imposed or the compensation order made
3. the name and address of the court concerned

4. the amount of the fine or compensation order
5. the date on which the application is made
6. the date on which the court enquired into the offender's means
7. whether the offender has defaulted in paying the fine, compensation order or any instalment of either.

Note: The validity of an application is a matter for the DM.

1 Fines (Deductions from IS) Regs 92, reg 3

DMs action

33720 The DM should determine¹

1. whether there is enough benefit to allow a deduction to be made **and**
2. the priority of the deduction **and**
3. the maximum amount of deductions.

1 Fines (Deductions from IS) Regs 92, reg 4(1) & (2)

33721 The court can withdraw an application at any time.

Can a deduction be made

JSA(IB) and IS

33722 A deduction can be made from JSA(IB) or IS if the claimant would be left with at least 10p¹. No deduction should be made if it would leave the claimant with less than 10p.

1 Fines (Deductions from IS) Regs 92, reg 4(1)(b)

JSA(Cont) - underlying entitlement to JSA(IB)

33723 Before 6.4.98 a deduction could be made from JSA(Cont) only if the amount payable before the deduction was at least one third of the appropriate age-related amount. This was so even where, if there was no entitlement to JSA(Cont) there would be entitlement to JSA(IB) of at least the same rate. But from 6.4.98 the rules changed.

33724 From 6.4.98, people who get JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate are treated, for the purposes of fines deductions only, as if they are on JSA(IB)¹. This means that a deduction can be made if the claimant would be left with at least 10p². No deduction should be made if it would leave the claimant with less than 10p.

1 Fines (Deductions from IS) Regs 92, reg 1(2); 2 reg 4(1)(b)

JSA(Cont)

33725 JSA(Cont) may be payable with no underlying entitlement to JSA(IB) or there may be underlying entitlement to JSA(IB) at less than the amount of JSA(Cont) payable. A deduction up to the maximum amount of 40% can be made only if the amount of JSA(Cont) payable before the deduction is 10 pence or more¹.

1 Fines (Deductions from IS) Regs 92, reg 4(2)(b)

Amount of deduction

33726 The rate of deduction for a fine or compensation order is a flat rate¹ of

- 1. for IS and JSA(IB)** - £5.00 or, where there is insufficient benefit to support a £5.00 deduction, a standard rate of 5% of the personal allowance for a single person aged 25 or over
- 2. for JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate** - £5.00 or, where there is insufficient benefit to support a £5.00 deduction, a standard rate of 5% of the personal allowance for a single person aged 25 or over
- 3. for JSA(Cont)** – a deduction up to a maximum amount of 40% of the appropriate age-related amount².

Note: The flat rate of £5.00 is a statutory amount that will not be routinely updated.

1 Fines (Deductions from IS) Regs, reg 4(1), 4(2); 2 reg 4(2A)

Maximum amount of deduction

33727 There is a maximum amount for payment of arrears to third parties where JSA(IB), JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate, or IS is in payment. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over¹. The total amount deducted should not exceed this amount.

1 Fines (Deductions from IS) Regs, reg 4(1)(c)

33728 But there is a different rule where JSA(Cont) is in payment and JSA(IB) is not an issue. The amount that can be deducted in such a case is fixed at 40% of the appropriate age-related amount¹.

1 Fines (Deductions from IS) Regs, reg 4(2A)

Example 1

John receives IS of £50.00 per week. He already has a third party deduction for gas arrears but there is enough benefit to accommodate an increased fines deduction.

Available benefit	-	£50.00
third party deduction gas arrears	-	£2.90
third party deduction fine	-	£5.00

Example 2

Mary receives JSA(IB) of £45.00 per week. She has deductions for arrears of gas and water. In this case there is not enough benefit to take an increased fines deduction so the standard rate would apply.

Available benefit	-	£45.00
third party deduction gas arrears	-	£2.90
third party deduction water arrears	-	£2.90
third party deduction fines	-	£2.90

Example 3

Cyril receives JSA(IB) of £44.00 per week. He has deductions for arrears and consumption of gas. He has not consented to deductions exceeding 25% of his applicable amount. In this case there is enough benefit to take an increased fines deduction so the increased rate would apply.

Available benefit	-	£44.00
third party deduction gas arrears	-	£2.90
third party deduction gas consumption	-	£5.00
third party deduction fine	-	£5.00

Even though the higher level of fines deduction takes the total level of deductions to over 25% of applicable amount, Cyril's consent is not required¹.

1 SS (C&P) Regs, Sch 9, para 8(2)

Order of priority

33729 Do not make a deduction from JSA(Cont) for payment of an offender's fines or compensation order if¹ deductions are being made for

1. CC arrears **or**
2. CT arrears.

1 Fines (Deductions from IS) Regs 92, reg 4(3)

33730 Those deductions have a higher priority (see DMG 33330). They should be taken in place of any deduction for fines or compensation that would otherwise be appropriate. Deductions for fines should stop if deductions for arrears of CC or CT start.

Further applications

- 33731 Further applications may be received when deductions are already being made for fines or an existing application may be withdrawn by the court to add on further fines debts and a new application made for a revised amount. Further deductions can be made only when deductions on any earlier application have ceased¹, or the court has withdrawn the application.

1 Fines (Deductions from IS) Regs 92, reg 7(5)

33732 - 33799

Third party deductions for eligible loan deduction scheme

Introduction

- 33800 The ELDS was introduced from 27.12.06. It is a scheme whereby repayment of loans made to claimants by certain lenders can be made by deductions from benefit.
- 33801 The purpose of ELDS is to make low cost loans more accessible to those on low incomes who may not be able to use mainstream financial services. It aims to achieve this by reducing the debt recovery risk of lending to low income customers.
- 33802 In practice deductions will be the responsibility of Debt Management and will be processed at Debt Centre Washington.
- 33803 The benefits from which deductions can be made are CA, IB, RP, IS, JSA, ESA and SPC. Guidance on deductions from CA, IB and RP can be found in DMG Chapter 8, for ESA in DMG Chapter 46 and for SPC in DMG Chapter 79.

33804 - 33809

Definitions

Borrower

- 33810 “Borrower” means¹ a person who
1. has (either alone or jointly) entered into a loan agreement
 - 1.1 with an eligible lender **and**
 - 1.2 in respect of an eligible loan
 - and**
 2. is entitled to an eligible benefit.

1 SS (C&P) Regs, Sch 9, para 7C(1)

Eligible benefit

- 33811 “Eligible benefits” are¹ CA, IB, RP, IS, JSA, ESA and SPC.

1 SS (C&P) Regs, Sch 9, para 7C(2)

Eligible lender

- 33812 “Eligible lender” means¹
1. a credit union within the meaning of specified legislation² **or**
 2. one of the following bodies provided it is licensed under specified legislation³
 - 2.1 an Industrial or Provident Society registered under specified legislation⁴
- or**

2.2 a charitable institution within the meaning of specified legislation⁵ or

2.3 a body entered on the Scottish Charity Register under specified legislation⁶ or

3. a community interest company within the meaning of specified legislation⁷

which may be determined by the Secretary of State as an appropriate body to which repayments of loans may be made on behalf of borrowers.

1 SS (C&P) Regs, Sch 9, para 7C(1); 2 Credit Unions Act 1979, s 1; 3 Consumer Credit Act 1974;

4 Industrial and Provident Societies Act 1965, s 1; 5 Charities Act 1992, s 58(1);

6 Charities and Trustee Investment (Scotland) Act 2005, s 3;

7 Companies (Audit, Investigations and Community Enterprise) Act 2004, Part 2

Eligible loan

33813 An “eligible loan” is¹ a loan made to a borrower by a lender who is, at the time the loan was made, an eligible lender but this **does not** include loans

1. which are secured by a charge or pledge
2. which are for the purposes of business or self-employment
3. which are made by means of a credit card.

1 SS (C&P) Regs, Sch 9, para 7C(1)

Loan agreement

33814 “Loan agreement” means¹ an agreement between the eligible lender and the borrower in respect of an eligible loan.

1 SS (C&P) Regs, Sch 9, para 7C(1)

33815 - 33817

Deductions from benefit

33818 A DM may make deductions from an eligible benefit where the following conditions¹ are satisfied

1. the borrower has failed to make payments as agreed with the eligible lender for a period of 13 weeks before the date of the application and payments have not resumed
2. the borrower has given written permission to the eligible lender to provide to the Secretary of State personal data within the meaning of specified legislation²
3. the eligible lender has agreed that no interest or other charge will be added to the amount owed at the date of the application
4. no sum is being deducted from eligible benefit under the ELDS³
5. no sum is being deducted from the borrower’s eligible benefit at the date of application to recover an overpayment under specified legislation⁴

6. no sum is being deducted from the borrower's eligible benefit at the date of application to recover a social fund award⁵.

*1 SS (C&P) Regs, Sch 9, para 7C(4); 2 Data Protection Act 1998, s 1;
3 SS (C&P) Regs, Sch 9, para 7C(4); 4 SS A Act 92, s 71(8); 5 s 78*

- 33819 The Secretary of State will notify both the borrower and the eligible lender in writing of a decision to make deductions from benefit¹.

1 SS (C&P) Regs, Sch 9, para 7C(5)

- 33820 The Secretary of State may only make deductions if the borrower is entitled¹ to an eligible benefit (see DMG 33811) throughout a benefit week.

1 SS (C&P) Regs, Sch 9, para 7C(6)

Prevention of duplicate deductions

- 33821 No deduction will be made from an eligible benefit (see DMG 33811) where the borrower is in receipt of

1. UC
2. new style ESA **or**
3. new style JSA

unless the amount of benefit at **1.**, **2.** or **3.** is insufficient to meet the deduction¹.

1 SS (C&P) Regs, Sch 9, para 7C(6A)

Example

Petra is entitled to CA of £59.75 per week and UC of £197.33 per month. The DM receives an application from an eligible lender for deductions under ELDS and calculates 5% of Petra's standard allowance of UC as £15.58. The DM decides that the deduction should be taken from Petra's UC as there is sufficient UC in payment to meet the deduction.

33822 - 33824

Deductions - priority order

- 33825 Unlike other third party deductions, deductions for eligible loans may be taken from CA, IB, RP, ESA and SPC (see DMG Chapter 8, Chapter 46 and Chapter 79) in addition to IS and JSA, as different policy objectives apply to the ELDS. However, legislation¹ specifies the order of the benefits from which deductions are taken.

1 SS (C&P) Regs, Sch 9, para 7C(7) & (8)

- 33826 The DM should not take deductions from CA if the borrower is in receipt of another eligible benefit unless that benefit is

1. IB or RP and is insufficient for the deduction to be made **or**
2. IS, JSA or SPC and the amount is insufficient to meet the deduction plus 10p¹.

1 SS (C&P) Regs, Sch 9, para 7C(7)

33827 The DM should not take deductions from IB or RP if the claimant receives IS, JSA or SPC unless that benefit is insufficient to meet the deduction plus 10p¹.

1 SS (C&P) Regs, Sch 9, para 7C(8)

33828 - 33829

Amount of the deduction

33830 The rate of deduction for ELDS is a fixed amount equal to 5% of the IS personal allowance for a single claimant aged over 25¹ rounded up to the nearest multiple of 5p.

1 SS (C&P) Regs, Sch 9, para 7C(3)

Example 1

Denis is entitled to IB at £78.50 per week and IS of £3.15 per week. The DM receives an application from an eligible lender for deductions under the ELDS. The DM decides that deductions should not be taken from IB because as the rate of deduction is £3.00 there is sufficient IS in payment to enable the deduction to be made.

Example 2

Judith is entitled to IB of £78.50 per week and IS of £1.20 per week. The DM decides that deductions can be taken from Judith's IB as there is insufficient IS to make the deduction of £3.00 per week.

Notification

33831 The DM must notify the borrower and the eligible lender in writing of the decision to make ELDS deductions¹.

1 SS (C&P) Regs, Sch 9, Para 7C(5)

Circumstances in which deductions will cease

33832 The Secretary of State shall cease making ELDS deductions if¹

1. there is no longer sufficient entitlement to an eligible benefit to enable deductions to be made
2. entitlement to all eligible benefits has ceased
3. a sum is deducted from the borrower's eligible benefit to recover overpaid benefit under specified legislation²
4. the eligible lender notifies the Secretary of State that he no longer wants to accept payment by deductions
5. the liability to make payment on the loan has ceased
6. the lender has ceased to be an eligible lender

7. the borrower no longer resides in GB.

1 SS (C&P) Regs, Sch 9, para 7C(9); 2 SS A Act 92, s 71

33833 - 33836

Payments of amounts deducted

- 33837 Payments of sums deducted will be made to the eligible lender¹.

1 SS (C&P) Regs, Sch 9, para 7C(10)

- 33838 The Secretary of State will notify the borrower in writing of the total sums deducted¹

1. when a written request for this information is received from the borrower **or**
2. on the termination of deductions.

1 SS (C&P) Regs, Sch 9, para 7C(11)

Maximum amount of deductions

- 33839 There is a maximum amount¹ for payment of arrears to third parties where JSA(IB), JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate, or IS is in payment. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over. The total amount deducted should not exceed this amount (see DMG 33320).

1 SS (C&P) Regs, Sch 9, para 8(1) & 7C(12)(a)

Consent of claimant required

- 33840 Unless the claimant consents¹, no third party deduction can be made for an eligible loan where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 33322).

1 SS (C&P) Regs, Sch 9, para 8(2)

Priority between debts

- 33841 The priority order¹ listed at DMG 33329 should be followed.

1 SS (C&P) Regs, Sch 9, para 9(1B)(h)

33842 - 33899

Third party deductions for integration loan scheme

Introduction

33900 The Integration Loan Scheme is a Home Office designed initiative to help individuals and their dependants settle into the community following a decision to grant them refugee status or humanitarian protection in the UK. The initiative is intended to provide interest free loans¹ to buy goods and services which will assist integration (e.g. essential household items, training) to certain groups.

1 The Integration Loans for Refugees and Others Regulations 2007, SI 2007 No. 1598

33901 The Integration Loan Scheme replaces the refugee back payment scheme which ceased on 14.6.07. The new scheme commenced on 11.6.07.

33902 The Home Office will deal with loan applications and decide who is eligible and the amount to be awarded. Payment of the loan and subsequent recovery action will be undertaken by Debt Management.

33903 Deductions from specified benefits for the Integration Loan Scheme will be subject to normal third party deduction rules on individual and maximum amounts (see DMG 33320 and DMG 33322), and will be included in the priority order (see DMG 33329).

33904 - 33909

Definitions

Integration loan

33910 "Integration loan which is recoverable by deductions" means¹ an integration loan made under specified legislation² which is recoverable from the recipient by deductions from specified benefits³.

1 SS (C&P) Regs, Sch 9, para 1(1); 2 The Integration Loans for Refugees and Others Regs 2007; 3 reg 9; SS (C&P) Regs, Sch 9

Specified benefit

33911 Specified benefit¹ has the meaning described in DMG 33310.

1 SS (C&P) Regs, Sch 9, para 1

33912 - 33915

Deductions from benefit

33916 From 31.7.07 deductions can be made from specified benefits for integration loans.

Amount of the deduction

- 33917 The rate of deduction for the Integration Loan Scheme is a fixed amount equal to 5% of the IS personal allowance for a single claimant aged over 25¹ rounded up to the nearest multiple of 5p, including where the loan is a joint loan.

1 SS (C&P) Regs, Sch 9, para 7D

- 33918 Couples may take out a joint loan and so have joint liability for repayment of the debt¹. If the couple separate, deductions can be taken from either partner. The Home Office will be responsible for deciding the liability of joint loan applicants who separate.

1 The Integration Loans for Refugees and Others Regulations 2007, SI 2007 No. 1598

- 33919 The claimant should be left with at least 10p specified benefit after third party deductions have been made¹. No deduction should be made if it would leave the claimant with less than 10p.

1 SS (C&P) Regs, Sch 9, para 2(2)

33920 - 33923

Consent

- 33924 Unless the claimant consents¹, no third party deduction can be made for an integration loan where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 33322).

1 SS (C&P) Regs, Sch 9, para 8(2)

33925 - 33927

Priority between debts

- 33928 The priority order¹ listed at DMG 33329 should be followed.

1 SS (C&P) Regs, Sch 9, para 9(1B)(ga)

33929 - 33999

Appendix 1

Payments or awards (see DMG 33629 (3.1))

Payments or awards which can affect whether an absent parent is liable for contributions to maintenance

- IB
- MA
- AA
- SDA
- CA
- DLA
- WTC
- SSP
- SMP
- IIDB
- CAA
- W DisP
- ESDA
- Civilian War Injury Pension
- Severe Disablement Occupational Allowance
- Payments from the Independent Living Fund (see note)
- PIP
- AFIP.

Note: the Independent Living Fund (2006) closed on 30.6.15 with some funding responsibilities transferring to LA's in England, the Welsh Independent Living Grant in Wales and the Independent Living Fund Scotland for Northern Ireland and Scotland. Please contact DMA Leeds for advice if a claimant receives funding from any of these replacements.

Appendix 2

Payments or awards which may affect liability for FRM or CMD (see DMG 33622 5.1)

- Bereavement Allowance
- CA
- IB
- IIB
- IS
- JSA(IB or Cont)
- MA
- RP - all categories
- SDA
- Social Security benefits paid by a country other than the UK
- Training Allowance
- War Disablement Pension or War Widows Pension (or a similar pension paid by the Government of a country outside GB)
- WMA
- WPA
- WP

The content of the examples in this document (including use of imagery) is for illustrative purposes only