

Chapter K9 – Amount of reduction

Contents

Introduction	K9001
Amount of the reduction for each assessment period	K9002
Daily reduction rate	K9006
40% reduction applies	K9007
Nil reduction applies	K9008
Joint-claim couples.....	K9009
UC Daily Reduction Rates – 2013/14	Appendix 1

Chapter K9: Amount of reduction

Introduction

- K9001 This chapter provides guidance on the
1. amount of reduction for each assessment period **and**
 2. daily reduction rate.

Amount of the reduction for each assessment period

- K9002 Where it is determined that an award of UC is to be reduced because of a sanctionable failure, the amount of the reduction for each assessment period in respect of which a reduction has effect is calculated as follows¹
1. take the number of days in
 - 1.1 the assessment period **or**
 - 1.2 if lower, in the total outstanding reduction period (see ADM Chapter K1 for guidance on the total outstanding reduction period)deducting any days in that assessment period for which the reduction is suspended (for detailed guidance on the suspension of a reduction period see Chapter K8 – When reduction is to have effect)
 2. multiply the number of days at 1. by the daily reduction rate (see K9006 – K9011)
 3. if necessary, adjust the amount at 2. so that it does not exceed
 - 3.1 the amount of the standard allowance applicable to the award **or**
 - 3.2 half the amount of that standard allowance in the case of a joint-claim where a determination to reduce the award applies only to one claimant **and**
 4. deduct the amount produced from 2. **and** 3. from the amount of the award for the assessment period after any deduction has been made in accordance with the benefit cap.

Note 1: For detailed guidance on standard allowance see ADM Chapter E2 (Awards, benefit unit and maximum amounts) and ADM Chapter E5 (Benefit cap) for detailed guidance on benefit cap.

Note 2: The daily reduction amount used to calculate the reduction for an Assessment Period should reflect the claimant's conditionality and circumstances on the last day of the Assessment Period for which the award is being reduced.

1 UC Regs, reg 110

K9003 – K9005

Daily reduction rate

K9006 Unless K9007 or K9008 applies, the daily reduction rate is

1. an amount equal to the amount of the standard allowance that is applicable to the award
2. multiplied by 12 **and**
3. divided by 365¹.

See Appendix 1 for the daily reduction amounts for the year 2013/2014.

Note: The daily amount calculated is rounded down to the nearest 10 pence².

1 UC Regs, reg 111 (1); 2 reg 111(4)

Example 1

Brad is awarded UC from 13.3.14. His assessment period begins on the 13th of each month. On 26.3.14 the DM determines that Brad had no good reason for not complying with a work search requirement, and a 28 day reduction of UC is imposed.

The daily rate of reduction is £10.20 (see Appendix 1).

The first assessment period a reduction can be imposed is from 13.3.14.

The amount of the reduction is calculated as the total outstanding reduction period of 28 days X £10.20 (the daily reduction rate) = £285.60.

Example 2

On 29.4.14 Jamilla is sacked from her job due to misconduct. She claims UC on 30.4.14. On 19.5.14 the DM determines that Jamilla lost her job due to misconduct and imposes a reduction of 91 days for a first higher level failure.

Jamilla's assessment period begins on the 30th of each month. She is 23 years old.

The first assessment period a reduction can be imposed is from 30.4.14.

The daily rate of reduction is £8.10 (see Appendix 1).

The amount of the reduction is calculated as the number of days in the assessment period of 30 days x £8.10 (the daily reduction rate) = £243 reduction for the assessment period commencing on 30.4.14.

For the next assessment period commencing on 30.5.14 the amount of the reduction is calculated as the number of days in the assessment period of 31 days x £8.10 (the daily reduction rate) = £251.10.

For the next assessment period commencing on 30.6.14 the amount of the reduction is calculated as the number of days in the assessment period of 30 days (which in this case is also the total outstanding reduction period) x £8.10 (the daily reduction rate) = £243.

There will be no reduction in the following assessment period commencing on 30.7.14 as the full 91 days of the sanction has been served.

Example 3

Justin is aged 27 years, single and claims UC. His assessment period begins on the 14th of each month.

On 6.11.14 the DM determines that Justin has failed without good reason to comply with a specified action as part of a work search requirement. Justin has no previous low level sanctionable failures, so the DM imposes a sanction of 6 days for the period of non-compliance and a further 7 days (fixed period) following compliance.

Justin already has a higher level sanction imposed on his UC award of 91 days which still has 30 days outstanding. Therefore, the new total outstanding reduction period is 43 days as all sanctions run consecutively.

The daily reduction rate is £10.20 (see Appendix 1).

The amount of reduction is calculated as the number of days in the assessment period of 30 days x £10.20 (the daily reduction rate) = £306 for the assessment period beginning on 14.11.14.

For the assessment period commencing on 14.12.14 the amount of reduction is calculated as the total outstanding reduction period of 13 days (i.e. the balance of days that remain to be served) x £10.20 = £132.60.

Example 4

Mary has a 182 day reduction period imposed on her UC from 6.1.15. Her assessment period begins on the 6th of each month. On 15.4.15 a fraud penalty of 26 weeks is imposed on her claim to UC. The reduction period is suspended from 15.4.15 – 13.10.15. An 83 day reduction period will be imposed, which is the balance of the reduction period still to be served, from 14.10.15, the day after the fraud penalty ends.

The daily reduction rate is £10.20 (see Appendix 1).

When calculating the reduction period for the assessment period starting on 6.10.15, the number of days in the assessment period is 31 days minus 8 days for which the

reduction is suspended because of a fraud penalty = 23 days x £10.20 (the daily reduction rate) = £234.60.

For the following assessment period commencing on 6.11.15, the amount of the reduction will be the number of days in the assessment period of 30 days x £10.20 (the daily reduction rate) = £306.

For the following assessment period commencing on 6.12.15, the amount of the reduction will be the total outstanding reduction period of 30 days (as this is lower than the number of days in the assessment period, i.e. 31 days) = 30 days x £10.20 (the daily reduction rate) = £306.

40% reduction applies

K9007 The daily reduction rate is 40% of the rate set out in K9006 if at the end of the assessment period the claimant is

1. aged 16 or 17¹ or
2. subject to no work-related requirements because they are
 - 2.1 a responsible carer for a child under the age of 1 or
 - 2.2 an adopter or responsible foster parent of a child under the age of 1 or
 - 2.3 within 11 weeks before or 15 weeks after confinement² or
3. subject to WFI's only³ (i.e. they are subject to a lowest level sanction).

See Appendix 1 for the daily reduction amounts for the year 2013/2014.

Note 1: The daily amount calculated is rounded down to the nearest 10 pence⁴.

Note 2: For detailed guidance on work-related requirements see Chapter J3 (Work-related requirements) and for WFI's see Chapter K6 (Lowest level sanctions).

1 UC Regs, reg 111(2)(a); 2 reg 111(2)(b); 3 reg 111 (2)(c); 4 reg 111(4)

Example

Maisie is entitled to UC, and is aged 17. On 16.7.14 Maisie fails to apply for a job vacancy and on 13.8.14 the DM determines it is a failure without good reason and a 14 day reduction to her UC is imposed as this is Maisie's first higher level sanctionable failure.

Maisie's assessment period runs from the 6th of each month. The daily reduction rate will be £3.20 (see Appendix 1).

The amount of the reduction to be deducted for the assessment period from 6.8.14 is calculated as the total outstanding reduction period of 14 days x £3.20 (the daily reduction rate) = £44.80.

Nil reduction applies

K9008 The daily reduction rate is nil if at the end of the assessment period the claimant is subject to no work-related requirements because they have LCW and LCWRA¹.

Note 1: This does not apply where the claimant just has LCW. A claimant has to have both LCW and LCWRA in order for a nil reduction to apply.

Note 2: For detailed guidance on work-related requirements see Chapter J3 (Work-related requirements) and Chapter K6 (Lowest level sanctions) for guidance on lowest level sanctions.

1 UC Regs, reg 111(3)

Joint-claim couples

K9009 In the case of joint-claim couples

1. each joint claimant is considered individually for the purposes of determining the daily reduction rate as per K9006 - K9008 **and**
2. half of any applicable rate is applied to each joint claimant accordingly¹.

See Appendix 1 for the daily reduction amounts for the year 2013/2014.

Note: The daily amount calculated is rounded down to the nearest 10 pence.

1 UC Regs, reg 111(5); 2 reg 111(4)

Example 1

Carlo lives with his partner Camilla and they are entitled to UC as a joint-claim couple. Both are aged over 25 years.

Camilla has LCW and is in the work preparation group. On 6.10.14 Camilla has a low-level sanction imposed for a failure to attend a WFI on 16.9.14. On 22.9.14 she complied with the requirement to attend a WFI. A sanction is imposed for 6 days non-compliance plus a fixed period sanction of 14 days as this is Camilla's 2nd low level sanctionable failure. The total outstanding reduction period is 20 days.

The UC assessment period starts on the 20th of each month.

The daily reduction rate is £8.00 (see Appendix 1).

The amount of the reduction to be deducted for the assessment period from 20.9.14 is calculated as the total outstanding reduction period of 20 days x £8 (the daily reduction rate) = £160.

Example 2

Sasha lives with her partner Duncan and they claim UC as a joint-claim couple. Duncan is aged 24 and Sasha is aged 22. The UC assessment period starts on the 6th of each month.

A sanction is already imposed on the award of UC for a higher level failure. Duncan failed without good reason to apply for a job vacancy and a reduction period of 91 days was imposed from 6.8.13 – 4.11.13.

On 17.9.13 Sasha fails to participate in an interview as required and re-complies on 21.9.13. The DM decides Sasha had no good reason for the failure and imposes an 11 day reduction period (i.e. 4 days of non-compliance + a fixed period sanction of 7 days for a first lower level failure).

The amount of the reduction to be deducted for the assessment period on the joint-claim from 6.9.13 is calculated as follows:

the daily reduction rate where both members of the joint-claim couple aged 18 – 24 are sanctioned is £6.30 each (see Appendix 1)

the total outstanding reduction period of 11 days in respect of Sasha is 11days X £6.30 = £69.30

the number of days in the assessment period in respect of Duncan is 30 days x £6.30 = £189

total reduction = £258.30.

Appendix 1.

UC Daily Reduction Rates – 2013/14

Type of claimant/sanction	Formula	Daily reduction amount (rounded down to nearest 10p)
High, medium or low level sanctions apply – claimants aged 18 and over		
Single claimant over 25 £311.55	$[\text{Standard Allowance} \times 12] \setminus 365$ £10.24	£10.20
Single claimant between 18 -24 £246.81	$\text{Standard Allowance} \times 12] \setminus 365$ £8.11	£8.10
Joint claimants where one or both are 25 or over and both are sanctioned £489.06	For both claimants - $[\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ £8.04	£8.00 for each claimant
Joint claimants where one or both are 25 or over and one is sanctioned £489.06	$[\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ £8.04	£8.00 for one claimant
Joint claimants where both are 18 -24 and both are sanctioned £387.42	For both claimants - $[\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ £6.37	£6.30 for each claimant
Joint claimants where both are 18 -24 and one is sanctioned £387.42	$[\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ £6.37	£6.30 for one claimant
Lowest level sanction applies		
Single claimant over 25 £311.55	$[\text{Standard Allowance} \times 12] \setminus 365$ [x 0.40] £4.09	£4.00
Single claimant between 18 – 24 £246.81	$[\text{Standard Allowance} \times 12] \setminus 365$ [x 0.40] £3.25	£3.20
Joint claimants where both are 18-24 and both are sanctioned £387.42	$\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ [x 0.40] £2.55	£2.50 for each claimant
Joint claimants where both are 18-24 and one is sanctioned £387.42	$\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ [x 0.40] £2.55	£2.50 for one claimant
Joint claimants where either is over 25 and both are sanctioned £489.06	$\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ [x 0.40] £3.22	£3.20 for each claimant
Joint claimants where either is over 25 and one is sanctioned £489.06	$\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ [x 0.40] £3.22	£3.20 for one claimant
16/17 year olds		
Single claimant – 16/17 year old £246.81	$[\text{Standard Allowance} \times 12] \setminus 365$ [x 0.40] £3.25	£3.20
Joint claimants where both are sanctioned - £387.42	$[\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ [x 0.40] £2.55	£2.50 for each claimant
Joint claimants where one is sanctioned – £387.42	$[\text{Standard Allowance} \setminus 2 \times 12] \setminus 365$ [x 0.40] £2.55	£2.50 for one claimant