

## TREATMENT OF ARREARS AND CAPITAL DISREGARDS IN INCOME-RELATED BENEFITS

Contents	Paragraphs
Introduction	1
Background	2
Changes	3
Annotations	
Contacts	

### INTRODUCTION

- 1 This memo provides guidance on The Social Security (Treatment of Arrears of Benefit) Regulations 2018<sup>1</sup> as they affect claimants of IS, JSA(IB), ESA(IR) and SPC. The regulations come into force on 11.9.18. See Memo ADM 19/18 for treatment of arrears in UC.

[1 SI 2018 No. 932](#)

### BACKGROUND

- 2 The regulations governing income-related benefits currently allow for a capital disregard to apply on arrears of certain benefits, payments and allowances of £5,000 or more<sup>1</sup> where one of the criteria is that the amount is paid to rectify or compensate for an official error<sup>2</sup>. (See DMG [29495](#) and [29511](#) - 29513 for IS/JSA; DMG [52495](#) and [52512](#) – 52514 for ESA and DMG [84566](#) – 84567 and [84671](#) – 84672 for SPC.)

*1 IS (Gen) Regs, Sch 10, para 7; JSA Regs, Sch 8, para 12; ESA Regs, Sch 9, para 11; SPC Regs, Sch V, para 20A; 2 SS CS (D&A) Regs, reg 3(5)(a)*

### CHANGES

- 3 From 11.9.18, the disregard on the arrears as described in paragraph 2 above will not only apply where the arrears have been paid as a result of official error, they will also apply to arrears paid to rectify or compensate for an error of law<sup>1</sup>.

*1 IS (Gen) Regs, Sch 10, para 7(2)(a); JSA Regs, Sch 8, para 12(2)(a); ESA Regs, Sch 9, para 11(2)(a); SPC Regs, Sch V, para 20A(1)*



### **Example**

Stuart is a lone parent receiving IS. On 20.11.18 he receives arrears of IS amounting to £6,233.75 following a supersession of his award for error of law. The £6,233.75 arrears can be disregarded for 52 weeks until 18.11.19 or until the end of his IS award, whichever is the longer period.

### **ANNOTATIONS**

Please annotate the number of this memo (Memo DMG 12/18) against the following DMG paragraphs: 29495, 29511, 52495, 52512, 84566 & 84671

### **CONTACTS**

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, Room 3E, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in [Memo DMG 03/13](#) - Obtaining legal advice and guidance on the Law.

**DMA Leeds: September 2018**

**The content of the examples in this document (including use of imagery) is for illustrative purposes only**