

UNIVERSAL CREDIT – MISCELLANEOUS AMENDMENTS

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INTRODUCTION

- 1 This memo gives guidance on changes to UC introduced by the Universal Credit and Jobseeker’s Allowance (Miscellaneous Amendments) Regulations 2018 (UC & JSA (Misc Amdts) Regs (SI 2018 No. 1129). The changes, apart from paragraph 4 below, at paragraph take effect on 28.11.18¹ and the changes at paragraph 4 below take effect on 31.12.18². .

1 UC & JSA (Misc Amdts) Regs, reg 1(2); 2 reg 1(3)

TWO CHILD MAXIMUM

- 2 In UC, support is provided for a maximum of two children, with exceptions that can apply to the third and subsequent children. Currently, the first and second children in a household are counted towards the two child maximum, even if they would meet one of the five exceptions, including adoption or non-parental caring arrangements¹.

1 UC Regs, reg 24A(1) and(2)

- 3 From 28.11.18 children who are adopted or in non-parental caring arrangements will be disregarded when determining the order of children. A parent or carer will be able to receive a child element for any children in these arrangements, plus the first and

second child in the household, as well as any other children who qualify for the other exceptions¹.

1 UC Regs, reg 24A(1)(za), 24B(2A), Sch 12 para 3,4&6

HOUSING COSTS ELEMENT FOR UC CLAIMANTS AGED 18 TO 21

- 4 Automatic entitlement to housing costs support within UC was withdrawn¹ from April 2017 for 18-21 year olds and they qualify only if they fall within to one of the exemptions (see ADM Memo 6/17). From 31.12.18, that legislation is revoked and claimants aged 18 to 21 will receive support with housing costs in the normal way². ADM Memo 6/17 should **not** be followed from 31.12.18.

1 Universal Credit (Housing Costs Element for claimants aged 18 to 21) (Amendment) Regulations 2017, reg 2; 2 UC Regs, Sch 4

SHARED ACCOMMODATION RATE

- 5 Currently, all claimants with housing costs who are foster carers can qualify for an extra bedroom to be awarded when applying the relevant Local Housing Allowance rate to their housing cost element. However, single claimants with no dependent children have been unintentionally excluded from this support and only qualify for the shared accommodation rate¹. The changes to Schedule 4 rectify this and bring foster carers into the exceptions².

1 UC Regs, Sch 4, para 29; 2 Sch 4, para 29(9A)

PERSON TREATED AS A SOLE OWNER OR PARTNER IN COMPANY

- 6 Guidance at ADM H1882 and H4377 exempts certain people, known as “off payroll or IR35 workers”, who would otherwise be treated as a sole owner or partner in a company for UC purposes, from having their income treated as self-employed earnings. Such workers operate through an intermediary, usually a limited company that the worker controls, but HMRC has legislated so that they are treated as employees and UC legislation follows this. From 28.11.18

1. this exemption also applies to people whose earnings come from workers services provided to public sector through intermediaries **and**

2. where UC claimants have engagements as both off-payroll workers and as genuinely self-employed contractors, whichever is their main employment will determine how they are treated under UC.¹.

1 UC Regs, reg 77(5)

ANNOTATIONS

Please annotate the number of this memo (KS01/18) against ADM paragraphs:

F1016, F3131, F3133, H1882, H4377 and ADM memo 6/17

DN: Other annotations to be added later

CONTACTS

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 1S25, 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: November 2018

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