

Chapter M4: Effects of transition to UC – Gateway conditions

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Chapter M4: Effects of transition to UC – Gateway conditions

[See memo ADM 19/18]

Scope of Chapter

M4001 This Chapter gives guidance on the effect on

1. entitlement to **and**
2. claims for **and**
3. termination of

awards of existing benefits for claimants who are entitled to UC because the gateway conditions are met. See ADM Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of existing benefits and gateway conditions.

Note: This Chapter only applies to claims and awards of existing benefits in the Live Service area. See ADM Chapter M6 (Effects of transition to UC – Digital service area) for the effect on claims and awards of existing benefits in the digital service area (known as Full Service).

M4002 Guidance is also included on other effects of transition to UC for claimants who meet the gateway conditions, for example where they are entitled to an existing benefit and deductions or sanctions are in place.

Exclusion of entitlement to specified benefits

M4003 Unless M4004 applies a claimant is not entitled to

1. IS¹ **or**
2. HB² **or**
3. CTC³ **or**
4. WTC⁴ **or**
5. SPC⁵

at any time when they are entitled to UC⁶.

1 SS CB Act 92, s 124; 2 s 130; 3 TC Act 02, s 1(1)(a); 4 s 1(1)(b); 5 SPC Act 02, s 1; 6 UC (TP) Regs, reg 5(1)

M4004 M4003 does not apply

1. where HB is paid for
 - 1.1 specified accommodation¹ **or**
 - 1.2 temporary accommodation² **or**

- 1.3 a period of two weeks beginning with the first day of UC entitlement³ (see M4058) **or**
- 2. during the first assessment period for UC where the claimant is a new claimant partner and there is entitlement to⁴
 - 2.1 IS where their award ends⁵ after the first day of entitlement to UC **or**
 - 2.2 HB where
 - 2.2.a the new claimant partner leaves the accommodation for which HB was paid in order to live with a UC claimant with whom they are treated as making a joint claim⁶ **and**
 - 2.2.b their award ends after the first day of entitlement to UC **or**
 - 2.3 TC where their award ends⁷ after the first day of entitlement to UC.

Note: See ADM Chapter M3 (Claims for UC – Gateway conditions) for the meaning of new claimant partner and ADM Chapter F2 for the meaning of specified accommodation and temporary accommodation.

1 UC (TP) Regs, reg 5(2)(a); 2 UC Regs, Sch 1, para 3B; 3 UC (TP) Regs, reg 8(2A); 4 reg 5(2)(b); 5 reg 7(4); 6 reg 7(5)(b); 7 TC Act 02

M4005 The guidance at M4003 also applies to old style ESA and JSA¹. See ADM Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of old style ESA and JSA. See ADM Chapters V8 (ESA transition) and S8 (JSA transition) for guidance on when a former UC claimant may make a claim for old style ESA or JSA.

1 WR Act 12 (Commencement No. 9 etc.) Order, art 4

M4006 A person cannot claim UC if they are entitled to any of the benefits listed at M4003 - M4005 – see ADM Chapter M3 (Claims for UC – Gateway conditions). Where a new claimant partner is entitled to any of these benefits, see M4051 et seq for detailed guidance on the consequences.

HB for temporary accommodation – work allowance

M4007 Where in any assessment period a UC claimant is entitled to an award of

- 1. UC which does not include an amount for housing costs **and**
- 2. HB for temporary accommodation

the amount of the work allowance for that assessment period is to apply as if the award of UC included an amount for housing costs¹.

Note: See E2200 – E2205 for guidance on the work allowance.

1 UC (TP) Regs, reg 5A; UC Regs, reg 22(2)

M4008 - M4009

Claims for IS, HB, CTC & WTC

M4010 A UC claimant may not make a claim for

1. IS **or**
2. HB **or**
3. CTC **or**
4. WTC¹.

See M4012 for when this applies, and M4013 for exceptions.

1 UC (TP) Regs, reg 6(1)

M4011 The guidance at M4010 also applies to old style ESA and JSA¹. See ADM Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of old style ESA and JSA. See ADM Chapters V8 and S8 for guidance on when a former UC claimant may make a claim for old style ESA or JSA.

1 WR Act 12 (Commencement No. 9 etc.) Order, art 4

M4012 The guidance at M4010 applies

1. when a UC claimant takes any action resulting in a decision being required¹
and
2. unless M4013 applies, **even** if a claim for the benefit is made or treated as made at a time when the claimant was not a UC claimant²

*1 UC (TP) Regs, reg 6(3)(a) & 6(4); SS (C&P) Regs;
HB Regs; HB (SPC) Regs; TC (C&N) Regs; 2 UC (TP) Regs, reg 6(3)(b)*

M4013 A UC claimant is not precluded from

1. making a claim for IS¹ (including claims from people for whom a requirement to take part in a WFI is a condition for claiming – see DMG Chapters 02 and 05 for further details) where
 - 1.1 a notice of intention to claim had previously been given or a defective claim had been received² **and**
 - 1.2 entitlement will begin before they become entitled to UC **or**
2. making a claim for HB³ where
 - 2.1 a notice of intention to claim⁴ had previously been given **and**
 - 2.2 entitlement will begin before they become entitled to UC **or**
3. correcting or completing a defective claim for HB⁵ where
 - 3.1 the defective claim⁶ was made before the date of the UC claim **and**

- 3.2 entitlement will begin before they become entitled to UC **or**
- 4. making a claim for HB in respect of specified accommodation or temporary accommodation⁷ **or**
- 5. making a claim for a TC which they are treated as having made⁸ (see M4055 and M4070).

See M4051 et seq where the claimant is a new claimant partner.

*1 UC (TP) Regs, reg 6(5); 2 SS A Act 92, s 2A(1)(a); SS (C&P) Regs, reg 6(1A)(c) or 6A; 3 UC (TP) Regs; reg 6(6);
4 HB Regs, reg 83(5)(d); HB (SPC) Regs, reg 64(6)(d); 5 UC (TP) Regs, reg 6(7);
6 HB Regs, HB (SPC) Regs; 7 UC (TP) Regs, reg 6(8); 8 reg 6(9)*

Example

Laura is a lone parent with a child aged 3. She phones the DWP on 10.7.14 to make a claim for IS after losing her job. She is unable to answer all the questions over the phone, and the claim form is sent to her to complete. She returns this on 8.8.14.

In the meantime Laura joins her partner Greg on 27.7.14. Greg has been entitled to UC since 20.6.14, and his award as a single claimant ends on 19.7.14. Greg and Laura are entitled to UC as joint claimants from 20.7.14. Laura is entitled to claim IS for the period 10.7.14 – 19.7.14.

M4014 For the purposes of M4012, a person is a UC claimant if¹

- 1. they are entitled to UC **or**
- 2. a decision has not been made on a claim for UC and they have not been informed² that they are not entitled to claim UC **or**
- 3. a joint award of UC ends because they separate and they are not exempt³ from the requirement to make a claim for UC within one month, starting from the date they notify the Secretary of State that they ceased to be a couple **or**
- 4. they are treated as having made a claim for UC but a decision has not been made **or**
- 5. they may be entitled to UC without having to make a claim⁴ (see M4015 - M4019 for further details) **or**
- 6. a decision has been made that they are not entitled to UC **and**
 - 6.1 the DM is considering whether to revise⁵ that decision **or**
 - 6.2 they have appealed against that decision and the appeal has not been finally determined.

*1 UC (TP) Regs, reg 6(2); 2 WR Act 12 Commencement Orders;
3 UC, PIP, JSA & ESA (C&P) Regs, reg 9(6);
4 UC, PIP, JSA & ESA (C&P) Regs; 5 SS Act 98, s 9*

UC claim not required: six months award period

M4015 The definition of a UC claimant at M4014 **5.** includes people who could be awarded UC without the need for a claim as in M4016, within the six months period following

1. termination of a UC award **or**
2. disallowance of a UC claim

and the conditions in M4018 are satisfied.

M4016 A claim for UC is not required when

1. a decision is made as a result of a change of circumstances, whether as originally made or revised, that the person is not entitled to UC in cases where but for the receipt of earned income they would have continued to be entitled to an amount of UC¹ **and**
2. at the date of notification to an appropriate office of the change of circumstances referred to in **1.** the person was in receipt of earned income² **and**
3. not more than six months have elapsed since the last day of entitlement to UC³ **and**
4. the person provides such information as to their income at such times as may be required and the DM is satisfied that the claimant has provided such information as may be required to determine whether an award may be made and if so the amount⁴ **and**
5. since the last day of entitlement to UC the person's circumstances have changed such that, if the person were entitled to UC, the amount payable would not be less than the minimum amount of UC under prescribed legislation⁵.

*1 UC, PIP, JSA & ESA (C&P) Regs, reg 6(1)(a); 2 reg 6(1)(b); 3 reg 6(1)(c);
4 reg 6(1)(d); 5 reg 6(1)(e); UC Regs, reg 17*

M4017 A claim for UC is also not required where

1. a claim to UC has been made and a decision is made, whether as originally made or revised, that they are not entitled to UC in cases where but for the receipt of earned income they would have been entitled to an amount of UC¹ **and**
2. at the time the decision in **1.** was made the person was in receipt of earned income² **and**
3. not more than six months have elapsed since the date of the claim³ **and**
4. the person provides information as to their earned income at such times as may be required and the DM is satisfied that the claimant has provided such

information as may be required to determine whether an award may be made and if so the amount⁴ and

5. their circumstances change such that if they were entitled to UC the amount payable would not be less than the minimum amount under prescribed legislation⁵.

*1 UC, PIP, JSA & ESA (C&P) Regs, reg 6(2)(a); 2 reg 6(2)(b); 3 reg 6(2)(c);
4 reg 6(2)(d); 5 reg 6(2)(e); UC Regs, reg 17*

M4018 A person is a UC claimant where¹

1. they satisfy the conditions in M4016 1. - 3.² **and**
2. they may be entitled to UC without being required to claim if the conditions in M4016 4. - 5. or M4017 4. - 5.³ are met **and**
3. the Secretary of State
 - 3.1 has no information indicating a change of circumstances as in M4016 5. or M4017 5. **or**
 - 3.2 has the information but no decision has been made that the person is entitled to UC.

*1 UC (TP) Regs, reg 6(2)(ba); 2 UC, PIP, JSA & ESA (C&P) Regs, reg 6(1)(a) – (c) & (2)(a) – (c);
3 reg 6(1)(d) – (e) & (2)(d) – (e)*

UC claim not required: claims from members of a couple

M4019 A person is a UC claimant¹ where

1. they may be entitled to UC without being required to make a claim following termination of
 - 1.1 an award of UC to joint claimants on
 - 1.1.a the separation of the couple² **or**
 - 1.1.b the death of one member of a couple³ **or**
 - 1.2 awards to single claimants are terminated when they form a couple who are joint claimants⁴ **and**
2. no decision has yet been made as to the person's entitlement to UC.

Note: See ADM Chapter A2 (Claims) for guidance on when claims are not required.

1 UC (TP) Regs, reg 6(2)(ca); 2 UC, PIP, JSA & ESA (C&P) Regs, reg 9(6); 3 reg 9 (10); 4 reg 9(7)

Date of claim

M4020 In order to decide whether M4012 or M4013 applies, the date on which a claim is made or treated as made should first be determined in the normal way¹. See DMG Chapter 02 for detailed guidance on the date of claim for IS. See [HB guidance](#) for

guidance on the date of the claim for HB. A claim for a TC is made or treated as made on the date it is received by a relevant authority at an appropriate office, or in accordance with the normal rules. See [TC guidance](#) for further details.

1 UC (TP) Regs, reg 6(3) & (4); SS (C&P) Regs; HB Regs; HB (SPC) Regs; TC (C&N) Regs

M4021 In M4020, relevant authority means¹

1. the Board, that is the Commissioners for HMRC **or**
2. DWP **or**
3. the Department for Communities in Northern Ireland **or**
4. a person providing TC services to the bodies in 1. - 3..

1 TC (C&N) Regs, reg 2

M4022 In M4020, appropriate office means¹

1. Comben House, Farriers Way, Netherton, Merseyside **or**
2. any other office specified in writing by the Board.

1 TC (C&N) Reg, reg 2

IS

M4023 Unless M4013 applies, a claim for IS may not be made as in M4012 where

1. a properly completed claim is received, or made by telephone, within one month of first notification of intention to claim **and**
2. it is treated as made on the date of the notification of intention to claim¹.

Note: A defective claim is treated as a notification of intention to claim on the date that it is received². See DMG Chapter 02 for detailed guidance.

1 SS (C&P) Regs, reg 6(1A)(b); 2 reg 6(1A)(c)

M4024 A claim for IS may not be made as in M4012 where the time for claiming is extended¹ for a period of up to

1. one month² **or**
2. three months³

in specified circumstances, for example due to disruption of postal services, or where the claimant was given information which led them to believe that a claim for IS would not succeed. See DMG Chapter 02 for detailed guidance.

1 SS (C&P) Regs, reg 6(3); 2 reg 19(6) & (7); 3 reg 19(4) & (5)

Example

Holly is a lone parent with a child aged 2, and has learning difficulties. She lives with her parents. Her job in a sheltered workshop ends on 3.7.14 when it closes. On 26.9.14 Holly joins her partner Marcus, who has been entitled to UC since 24.6.14.

Marcus's award of UC as a single claimant terminates on 23.9.14, and Holly and Marcus are entitled to UC as joint claimants from 24.9.14.

On 26.9.14 Holly also claims IS for the period from 4.7.14 – 22.9.14. She explains that due to her learning difficulties she had good cause for not making the claim on 4.7.14. Holly is not entitled to claim IS for the period 4.7.14 – 22.9.14, and is notified that no decision will be made on the IS claim.

M4025 A claim for IS may not be made as in M4012 where

1. a previous claim for IS has been disallowed because a qualifying benefit has not been awarded **and**
2. an award of a qualifying benefit is later made **and**
3. a further claim for IS is treated as made on
 - 3.1 the date of the original IS claim **or**
 - 3.2 the date of the award of the qualifying benefitwhichever is later¹.

See DMG Chapter 02 for detailed guidance.

1 SS (C&P) Regs, reg 6(16) – (18)

M4026 A claim for IS may not be made as in M4012 where

1. an award of IS has been terminated **and**
2. an award of a qualifying benefit is later made **and**
3. a further claim for IS is treated as made on
 - 3.1 the date the original IS award was terminated **or**
 - 3.2 the date of the award of the qualifying benefitwhichever is later¹.

See DMG Chapter 02 for detailed guidance.

1 SS (C&P) Regs, reg 6(19) – (21A) & (30)

M4027 A claim for IS may not be made as in M4012 where

1. a claim for WTC is disallowed **and**
2. a claim for IS is treated as made on
 - 2.1 the date of the WTC claim **or**
 - 2.2 a later date where requested by the claimant¹.

See DMG Chapter 02 for detailed guidance.

1 SS (C&P) Regs, reg 6(28)

M4028 - M4029

HB

M4030 A claim for HB may not be made as in M4012 where

1. the claimant or their partner is entitled to IS, JSA(IB), ESA(IR) or SPC **and**
2. the claim for HB is made within one month of the date of claim for the benefit in **1. and**
3. the HB claim is treated as made on the first day of entitlement to the benefit in **1¹..**

See HB guidance for detailed guidance.

1 HB Regs, reg 83(5)(a); HB (SPC) Regs, reg 64(6)(a)

M4031 A claim for HB may not be made as in M4012 where

1. the claimant or their partner is entitled to IS, JSA(IB), ESA(IR) or SPC **and**
2. the claimant or their partner becomes liable for housing payments **and**
3. a claim for HB is made within one month of the date the liability arose **and**
4. the HB claim is treated as made on the date the liability arose¹.

See HB guidance for detailed guidance.

1 HB Regs, reg 83(5)(b); HB (SPC) Regs, reg 64(6)(b)

M4032 A claim for HB may not be made as in M4012 where

1. the claimant is the former partner of a HB claimant who has died or left the household **and**
2. the HB claim is made within one month of the death or separation **and**
3. the HB claim is treated as made on that date¹.

See HB guidance for detailed guidance.

1 HB Regs, reg 83(5)(c); HB (SPC) Regs, reg 64(6)(c)

M4033 Unless M4013 applies, a claim for HB may not be made as in M4012 where

1. a properly completed claim is received, or made by telephone, within one month of first notification of intention to claim **and**
2. it is treated as made on the date of the notification of intention to claim¹.

See HB guidance for detailed guidance.

1 HB Regs, reg 83(5)(d); HB (SPC) Regs, reg 64(6)(d)

M4034 A claim for HB may not be made as in M4012 where

1. the claimant requests that a claim for HB includes a period before the date of claim **and**

2. the claimant had good cause for not making the claim earlier **and**
3. the HB claim is treated as made on an earlier date¹.

See HB guidance for detailed guidance.

1 HB Regs, reg 83(12)

CTC and WTC

M4035 Claims for a TC may not be made as in M4012 where the claim is treated as made up to 31 days before the claim is received¹. See TC guidance for detailed guidance.

1 TC (C&N) Regs, reg 7

M4036 A claim for WTC may not be made as in M4012 where

1. an award of WTC including the disability element is made **and**
2. the claim in 1. is made within 31 days of the date that a claim for a specified benefit is allowed **and**
3. the claimant would have been entitled to WTC for an earlier period **and**
4. the WTC is treated as made on an earlier date¹.

See TC guidance for detailed guidance, including the specified benefits required to make an award of the disability element of WTC.

1 TC (C&N) Regs, reg 8

M4037 A claim for a TC may not be made as in M4012 where

1. the claimant makes or is treated as making a declaration following a final notice for a current award **and**
2. the declaration or deemed declaration is treated as a claim for a subsequent tax year¹.

See TC guidance for detailed guidance.

1 TC (C&N) Regs, reg 11(3) & 12(6)

M4038 - M4049

Termination of awards of existing benefits

Meaning of the relevant period

M4050 In this section the relevant period means the period

1. starting with the first day of the assessment period during which a UC single claimant and a new claimant partner form a couple **and**
2. ending on the date of formation of the couple¹.

1 UC (TP) Regs, reg 7(3)

New claimant partner

M4051 Where

1. an award of UC to a single claimant is terminated because they have become a member of a couple **and**
2. the other member of the couple was not previously entitled to UC as a single claimant (i.e. they are a new claimant partner) **and**
3. the couple is treated as having made a claim for UC¹ **and**
4. the DM is satisfied that the claimants meet the UC basic conditions of entitlement (other than the acceptance of a claimant commitment)²

all awards of IS or HB to which the new claimant partner was entitled, during the relevant period, end on the day before the first date of UC entitlement as joint claimants or on the day before what would have been the first day of entitlement if they had satisfied the conditions of entitlement³. However, where an award of IS or HB is made to a new claimant partner after what becomes the first day of entitlement to UC, the award of IS or HB terminates on the first day of entitlement to that benefit⁴. The existing award does **not** terminate where it is HB paid for specified accommodation or temporary accommodation or where the new claimant partner leaves the accommodation for which HB was paid in order to live with the person at 1.⁵. See ADM Chapter F2 for the meaning of specified accommodation and temporary accommodation. See Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of existing benefit and ADM Chapter E1 (Introduction and entitlement) for guidance on the UC basic conditions of entitlement.

Note 1: See M4055 et seq for further guidance where the new claimant partner is treated as having claimed a TC.

Note 2: See M4100 et seq for guidance where the new claimant partner has an on-going appeal about an existing benefit.

*1 UC, PIP, JSA & ESA (C&P) Regs, reg 9(8); 2 WR Act 12, s 4(1)(a) – (d);
3 UC (TP) Regs, reg 7(1) & (2)(a) & (b); 4 reg 7(1) & 2(c); 5 reg 7(5)*

Example

Wayne is entitled to IS as a lone parent following his partner's death. He is also entitled to CTC and HB. On 17.11.14 he is joined by his new partner Gwyneth, who has been entitled to UC as a single claimant since 10.7.14. Wayne and Gwyneth are entitled to UC as joint claimants from 10.11.14.

Wayne's awards of IS, CTC and HB also terminate on 9.11.14.

New claimant partner formerly member of a couple

M4052 Where, during the relevant period, a new claimant partner was a member of a couple and their IS award included an amount for their partner, the IS award terminates on the date they stopped being a couple unless

1. it terminates on that date for another reason **or**
2. it terminated on an earlier date¹.

1 UC (TP) Regs, reg 7(4)

M4053 - M4054

Treated as claiming and entitled to a TC

M4055 Where, immediately before forming a couple with a UC single claimant, the new claimant partner is treated as entitled to a TC as in M4070 et seq, they are treated as having made a claim for a TC for the current tax year¹.

1 UC (TP) Regs, reg 7(1) & 11

M4056 Where a claimant is treated as making a claim for a TC as in M4055, any award made terminates on the day before the first day

1. of UC entitlement **or**
2. on which the claimant would have been entitled to UC if they had satisfied the conditions of entitlement¹.

1 UC (TP) Regs, reg 8(4)

Other claimants

IS

M4057 Where

1. a claim for UC is made (other than one which is treated as made¹) **and**
2. the DM is satisfied that the claimants meet the UC basic conditions of entitlement (other than the acceptance of a claimant commitment)²

all awards of IS or a TC made to the claimant end on the day before the first day of UC entitlement or on the day before what would have been the first day of entitlement if they had satisfied the conditions of entitlement³. See ADM Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of existing benefit and ADM Chapter E1 (Introduction and entitlement) for guidance on the UC basic conditions of entitlement.

1 UC, PIP, JSA & ESA (C&P) Regs, reg 9(8); 2 WR Act 12, s 4(1)(a) – (d);

3 UC (TP) Regs, reg 8(1) & (2)

HB – transitional housing payment

M4058 Where

1. a claim for UC is made (other than one which is treated as made¹) **and**
2. the DM is satisfied that the claimant meets the UC basic conditions of entitlement (other than the acceptance of a claimant commitment)²

an award of HB to which a UC claimant is entitled on the day on which an award of IS or a TC would terminate as in M4056 or M4057 ends on the last day of the two weeks beginning with the day after that day³.

Note 1: This applies whether or not the UC claimant is also entitled to IS or a TC.

Note 2: The award does not end where it is HB paid for specified accommodation or temporary accommodation⁴.

*1 UC, PIP, JSA & ESA (C&P) Regs, reg 9(8); 2 WR Act 12, s 4(1)(a) – (d);
3 UC (TP) Regs, reg 8(1) & (2A); 4 reg 8(3)*

Example 1

Nicola is entitled to IS and HB as a lone parent. Her daughter Jessica reaches age 5 on 15.5.18, and Nicola claims UC from that date. Nicola's award of IS ends on 14.5.18, the day before her award of UC begins. Her award of HB ends on 28.5.18.

Example 2

Andy is entitled to HB and works in a local shop. His job ends on 8.6.18 when the shop closes, and he is paid one week's wages in lieu of notice. Andy claims and is awarded UC from 11.6.18. His award of HB remains in payment up to and including 24.6.18.

M4059 Where a transitional housing payment is made as in M4058, for the purposes of HB the claimant is treated as entitled to UC for the period of the payment, even if no decision has been made on the UC claim¹.

1 UC (TP) Regs, reg 8A(a)

M4060 Where

1. a transitional housing payment is made as in M4058 **and**
2. the claim for UC is made because the claimant moves to a new home in a different LA

HB is paid directly to the claimant for the period of the transitional housing payment¹.

1 UC (TP) Regs, reg 8A(b)

Benefit cap

M4061 Where a claimant, who is a new claimant partner or who has been awarded UC for a period for which the prescribed time for claiming has been extended¹, is entitled to

1. a welfare benefit² (other than UC) for all or part of the first UC assessment period **and**
 2. HB at any time during the first UC assessment period, or would be so entitled
- those welfare benefits are ignored for the purpose of the BC³. This prevents the BC being applied twice if it has already been applied to HB. See ADM Chapter A2 (Claims) for guidance on when the prescribed time for claiming UC can be extended and ADM Chapter E5 (Benefit cap) for guidance on welfare benefits.

1 UC, PIP, JSA & ESA (C&P) Regs, reg 26; 2 WR Act 12, s 96(1); 3 UC (TP) Regs, reg 9

Overpayments

M4062 Where

1. an award of UC is made to a claimant previously entitled to an existing award (other than a TC or a joint-claim JSA) **and**
2. there has been a payment of the existing benefit (“the overpayment”) in a period
 - 2.1 during which the claimant is not entitled to that benefit **and**
 - 2.2 which is in a UC assessment period¹

the overpayment is taken into account as unearned income² for UC purposes. The amount of the overpayment is taken into account in each assessment period for the period for which it is paid. However, the normal rules for calculating unearned income do not apply³. See ADM Chapter H5 (Unearned income) for full guidance on unearned income.

Note: Any amount of an overpayment taken into account as unearned income is not to be recovered as an overpayment under the normal rules for the existing benefit⁴ (see DMG Chapter 09).

1 UC (TP) Regs, reg 10(1); 2 reg 10(2)(a); UC Regs, reg 66; 3 UP (TP) Regs, reg 10(2)(b); UC Regs, reg 73; 4 UC (TP) Regs, reg 10(4); Social Security (Payments on account, Overpayment and Recovery) Regulations 1988; HB Regs; HB (SPC) Regs

Example

Keir is entitled to JSA(IB) and lives with his parents. He moves in with his partner Ellen on 15.9.17, and he reports this when he attends the Jobcentre on 19.9.17. Ellen has been entitled to UC as a single claimant since 16.1.17. Keir and Ellen are entitled to UC as joint claimants from 16.8.17.

Keir receives two weeks' payment of JSA(IB) for the period ending 22.8.17 on 24.8.17, another payment for the period 23.8.17 – 5.9.17 on 7.9.17, and a final payment for the period 6.9.17 – 19.9.17 on 21.9.17. Keir is not entitled to JSA(IB) from 16.8.17, the first day of UC entitlement. JSA(IB) for the period 16.8.17 – 15.9.17 is taken into account as unearned income for the assessment period ending on 15.9.17, and JSA(IB) for the period 16.9.17 – 19.9.17 is taken into account as unearned income for the assessment period ending on 15.10.17.

M4063 - M4069

Treated as entitled to a TC

Introduction

M4070 The guidance at M4075 et seq applies for the purpose of considering whether a person is treated as having made a claim for a TC for the current tax year¹ (see M4055).

Note: Decisions relating to TC entitlement for the purposes of the gateway conditions and new claimant partners will continue to be made by HMRC. The following guidance is for information only.

1 UC (TP) Regs, reg 11(1), 7(7) & 8(4)

Meaning of tax year

M4071 Tax year means the period

1. beginning on 6 April in one year **and**
2. ending on 5 April in the following year¹.

1 TC Act 02, s 48(1); UC (TP) Regs, reg 2(1)

Meaning of final notice

M4072 Where a claim for a TC is made, an initial decision is made as to whether an award should be made¹. If an award is made, the Board (see M4020 1.) notifies the claimant or claimants that

1. they are required to
 - 1.1 declare that their circumstances are as specified **or**
 - 1.2 state where their circumstances are not as specifiedby a specified date **or**
2. they are treated as having made a declaration as in 1.1 unless they state otherwise by a specified date².

This is known as a final notice. After the date specified in the final notice, a decision on entitlement for the tax year for which the award was made is given³.

1 TC Act 02, s 14; 2 s 17; 3 s 18

M4073 - M4074

When is a person treated as entitled to a TC

M4075 A person is treated as entitled to a TC from the beginning of the current tax year even though a decision has not been made on a claim for that year if

1. the person was entitled to a TC for the previous tax year **and**
2. any of the cases in M4076 - M4079 apply¹.

1 UC (TP) Regs, reg 11(1); TC Act 02, s 14

Case 1

M4076 Case 1 is where a final notice has not been given to the person in respect of the previous tax year¹.

1 UC (TP) Regs, reg 11(2)(a); TC Act 02, s 17

Case 2

M4077 Case 2 is where¹ a final notice has been issued **and**

1. the date or later of the dates specified in the notice has not been reached and no claim for CTC or WTC has been made or treated as made² **or**
2. a claim for CTC or WTC has been made or treated as made before the date or later of the dates specified in the notice, but no initial award has been made on that claim³.

1 UC (TP) Regs, reg 11(2)(b); TC Act 02, s 17(2), (4) & (6); 2 s 17(2) & (4); 3 s 14(1)

Case 3

M4078 Case 3 is where¹

1. a final notice has been given **and**
2. no claim for CTC or WTC for the current tax year has been made or treated as made **and**
3. no decision on entitlement for the previous tax year has been made².

1 UC (TP) Regs, reg 11(2)(c); 2 TC Act 02, s 18(1)

Case 4

M4079 Case 4 is where¹

1. a final notice has been given **and**

2. the person made a declaration as in M4072 1.1 or M6142 1.1²
 - 2.1 by the specified date **or**
 - 2.2 if not as in 2.1, within 30 days of notification that payment of TC had ceased because of a failure to make the declaration by the specified date³ **or**
 - 2.3 if not as in 2.1 or 2.2, by 31 January in the tax year following the period to which the final notice relates and in the opinion of HMRC the claimant had good reason for not making the declaration as in 2.1 or 2.2.

1 UC (TP) Regs, reg 11(2)(ca); 2 TC Act 02, s 17(2)(a), (4)(a) or (6)(a); 3 s 24(4)

Case 5

M4080 Case 5 is where¹

1. a final notice has been given **and**
2. the person did not make a declaration by the specified date² as in M4072 1.1 **and**
3. they were notified that payment of TC had ceased because of the failure³ **and**
4. during the period of 30 days starting with the date on the notice in 3. is given
 - 4.1 the claim for UC is made **or**
 - 4.2 in the case of a new claimant partner, notification of the formation of a couple is given.

1 UC (TP) Regs, reg 11(2)(d); 2 TC Act 02, s 17(2)(a), (4)(a) or (6)(a); 3 s 24(4)

M4081 - M4089

TC overpayments and penalties

M4090 Where¹

1. a claim for UC is made or treated as made **and**
2. the claimant is, or was at any time during the tax year in which the claim is made or treated as made, entitled to a TC **and**
3. the DM is satisfied that the claimant meets the UC basic conditions of entitlement (other than the acceptance of a claimant commitment)²

the TC legislation is modified³. See TC guidance for further details.

1 UC (TP) Regs, reg 12(1); 2 WR Act 12, s 4(1)(a) – (d); 3 UC (TP) Regs, reg 12 (2) – (6); TC Act 02

M4091 - M4094

Finalisation of TC awards

M4095 Where¹

1. a claim for UC is made or treated as made **and**
2. the claimant
 - 2.1 is entitled to a TC **or**
 - 2.2 was entitled to a TC during the tax year in which the UC claim was made or treated as made **and**
3. the Secretary of State is satisfied that the claimant meets the basic conditions² apart from the claimant commitment³ - see E1013 1. - 4. (but see E2015 - E2021 for exceptions for joint claimants⁴)

the amount of TC to which the claimant is entitled is calculated by HMRC in accordance with modified legislation which allows a TC award to be finalised before the end of the tax year⁵.

*1 UC (TP) Regs, reg 12A(1); 2 WR Act 12, s 4(1)(a) – (d); 3 s 4(1)(e); 4 UC Regs, reg 3;
5 UC (TP) Regs, reg 12A(2) & Sch*

M4096 M4095 does not apply if, in the opinion of HMRC, it is not practicable to apply the modified legislation¹, for example due to unforeseen difficulties. In these cases the normal end of year finalisation of the TC award proceeds as usual.

1 UC (TP) Regs, reg 12A(3)

M4097 - M4099

On-going reconsideration and appeals – new claimant partner

Existing benefits

M4100 See M4101 - M4103 for the action to take where, after a claimant has been awarded UC¹

1. an appeal against a decision relating to the claimant's entitlement to IS, HB or a TC is finally determined **or**
2. a decision relating to the claimant's entitlement to
 - 2.1 IS or HB is revised² or superseded³
 - 2.2 a TC is revised⁴ **or**
 - 2.3 a TC is varied or cancelled⁵.

*1 UC (TP) Regs, reg 13(1); 2 SS Act 98, s 9; Child Support, Pensions and Social Security Act 2000, Sch 7;
3 SS Act 98, s 10; Child Support, Pensions and Social Security Act 2000, Sch 7;
4 TC Act 02, s 20; Tax Credit (Official Error) Regulations 2003; 5 TC Act 02, s 21*

M4101 Where the claimant

1. is a new claimant partner **and**
2. would, as a result of the determination of the appeal, revision or supersession, be entitled to IS or HB in the relevant period (see M4050) the awards of IS or HB terminate as in M4051 or M4052¹.

1 UC (TP) Regs, reg 13(2)

M4102 Where the claimant

1. is not a new claimant partner **and**
2. would, as a result of the determination of the
 - 2.1 appeal
 - 2.2 revision
 - 2.3 supersession
 - 2.4 variation **or**
 - 2.5 cancellationbe entitled to IS, HB or a TC on the day the UC claim was made the awards of IS, HB or a TC terminate as in M4056 or M4060¹.

1 UC (TP) Regs, reg 8 & 13(3)

M4103 The DM should consider whether to revise the decision awarding UC or any subsequent supersession decision in the light of the outcome of the

1. appeal
2. revision
3. supersession
4. variation **or**
5. cancellation

as in M4100, including any findings of fact made by the FtT, UT or court¹.

1 UC (TP) Regs, reg 13(4) & (5)

Example

Olivia's entitlement to ESA(IR) is terminated after she is found not to have LCW following application of the WCA. She appeals, and a new award of ESA is made pending the outcome of the appeal.

Olivia joins her partner John, and an award of UC is made to them both as joint claimants. Olivia's award of ESA(IR) is terminated on the day before that UC entitlement begins.

Olivia's ESA appeal is successful, and the FtT places her in the support group. The pending appeal award is revised to include the support component for the period up to the day before UC entitlement began. The DM also revises the decision awarding UC to Olivia and John to include the LCWRA element (see M4133 et seq).

UC

M4104 Where

1. a decision is made that a claimant is not entitled to UC **and**
2. the claimant becomes entitled to IS, HB or a TC **and**
3. an appeal against the decision in 1. is finally determined or it is revised¹ **and**
4. an award of UC is made in consequence of 3. **and**
5. the claimant would be entitled to

5.1 UC **and**

5.2 IS, HB or a TC

for the same period

awards of IS, HB or a TC terminate at the beginning of first day of entitlement to that award². However, this does not apply to HB to which the claimant is entitled for specified accommodation or temporary accommodation or to a transitional housing payment³.

Note: The guidance at M4062 applies where there has been an overpayment.

1 SS Act 98, s 9; 2 UC (TP) Regs, reg 14(1) & (2); 3 reg 14(3)

Claims to UC

M4105 Where a claim for UC is made by a person previously entitled to an existing benefit, the rules for the prescribed time for claiming¹ are modified². That modification means the time limit for claiming UC is to be extended, subject to a maximum of one month to the date on which the claim is made, where

1. notification of the expiry of entitlement to the existing benefit was not sent to the claimant before the date their entitlement expired **and**
2. as a result the claimant could not have been expected to make the UC claim earlier³.

Note: See ADM Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of existing benefits and ADM Chapter A2 (Claims) for full guidance on the prescribed time for claiming.

1 UC, PIP, JSA & ESA (C&P) Regs, reg 26; 2 UC (TP) Regs, reg 15;

3 UC, PIP, JSA & ESA (C&P) Regs, reg 26(3)(aa)

Persons unable to act

M4106 Where a person has been appointed to act for a claimant for the purposes of an existing benefit¹, the Secretary of State may treat that person as having been appointed to act for the claimant for UC purposes². The reverse also applies³. See DMG Chapter 02 for guidance on people appointed to act for the purpose of an existing benefit and ADM Chapter A2 (Claims) for guidance on people appointed to act for the purpose of UC.

1 SS (C&P) Regs, reg 33(1); TC (C&N) Regs, reg 18(3); 2 UC (TP) Regs, reg 16(1) & (2); UC, PIP, JSA & ESA (C&P) Regs, reg 57(1); 3 UC (TP) Regs, reg 16(3) & (4)

M4107 - M4109

Advance payment of UC

M4110 Where a claim has been made, and the circumstances in M4112 apply, a request for an advance payment of UC may be made during the first assessment period by

1. a single claimant **or**
2. both claimants jointly¹.

1 UC (TP) Regs, reg 17(1) & (2)

M4111 If a request as in M4110 is made, the DM may make an advance payment of an appropriate amount of UC¹. If an advance payment is made, payments of UC are reduced until the amount of the advance has been repaid².

1 UC (TP) Regs, reg 17(3); 2 reg 17(4)

M4112 An advance payment of UC may be made as in M4111 where

1. a claim for UC has been made **and**
2. the claimant is, or was previously, entitled to an existing benefit **and**
3. the UC claim is made within a period of one month starting with the date on which the award of the existing benefit terminated, if that was before the date of the UC claim¹.

Note: 1. does not apply where a claim for UC is treated as having been made².

1 UC (TP) Regs, reg 17(1); 2 UC, PIP, JSA & ESA (C&P) Regs, reg 9(8)

M4113 - M4124

Deductions

M4125 Where

1. an award of UC is made to a claimant who¹

- 1.1 was previously entitled to JSA(IB), ESA(IR) or IS on the date the UC claim was made or treated as made **or**
 - 1.2 is a new claimant partner who was, immediately before forming a couple with a person entitled to UC, the partner of a person entitled to JSA(IB), ESA(IR) or IS **or**
 - 1.3 is not a new claimant partner and was, immediately before making a claim for UC, the partner of a person who was entitled to JSA(IB), ESA(IR) or IS, where the award of UC is not a joint award to the claimant and that person **and**
2. on the relevant date, deductions were being made² for
- 2.1 fuel costs **or**
 - 2.2 water charges **or**
 - 2.3 both

deductions for fuel costs or water charges may continue to be made from the award of UC without the need for any consent³. This applies even if the award of JSA(IB), ESA(IR) or IS terminated before the date on which the deduction first applied⁴. See ADM Chapter D2 (Third party deductions) for detailed guidance on utility deductions.

Note: See M4126 for the meaning of the relevant date.

1 UC (TP) Regs, reg 18(1); 2 SS (C&P) Regs, reg 35 & Sch 9; 3 UC (TP) Regs, reg 18(3); UC, PIP, JSA & ESA (C&P) Regs, Sch 6; para 3(3); 4 UC (TP) Regs, reg 18(4), WR Act 12 Commencement Orders, UC (TP) Regs, reg 7 & 8

Example

Ashley is entitled to JSA(IB). He has deductions in place for arrears of gas, electricity and water charges. His award of JSA(IB) is terminated when he is joined by his partner Selma, who is entitled to UC. Ashley and Selma's award of UC as joint claimants continues to have amounts deducted for fuel and water charges.

M4126 For the purposes of M4125 2. the relevant date is

- 1. the date the UC claim was made where M4125 1.1 applies and the claimant is not a new claimant partner **or**
- 2. the date the UC claim is treated as made where M4125 1.1 applies and the claimant is a new claimant partner **or**
- 3. the date the claimant stopped being a partner of a person entitled to ESA(IB), ESA(IR) or IS where M4125 1.2 or 1.3 apply¹.

1 UC (TP) Regs, reg 18(2)

Removal of WRAC and LCW element

M4127 From 3.4.17 the WRAC is no longer included in an award of ESA, and the LCW element is no longer included in an award of UC, for claims made on or after that date. Where a UC award is made to a claimant who was entitled to

1. old style ESA (see M4130 – M4138) **or**
2. JSA EPS (see M4139) **or**
3. NI credits only on the basis that they had LCW (see M4140 – M4149)

on the date the UC claim was made, references to awards of the WRAC, the support component and the LCW element are removed, and replaced with references to the claimant having, or being treated as having, LCW or LCWRA as appropriate¹.

1 UC (TP) Regs, reg 19 - 21

Example

Molly claims and is awarded old style ESA from 5.4.17. The DM determines that she has LCW after application of the WCA, but as her claim was made after 3.4.17, she is not entitled to the WRAC. Molly joins her partner Matt who is a UC claimant. Matt and Molly claim UC as joint claimants, and Molly's award of ESA terminates. Molly is treated as having LCW for the purposes of work-related requirements, but her UC award does not include the LCW element.

M4128 The removal of the WRAC and the LCW element does not apply where **continuous** entitlement to old style ESA and NI credits began **before** 3.4.17. See the Appendix to Chapter V6 (ESA: Assessment phase and component), and the Appendix to Chapter F5 (LCWRA element), for where transitional provisions apply.

M4129 The removal of the WRAC and the LCW element also does not apply where an award of UC is made to a person entitled to B, IS, SDA and NI credits on the basis of IfW¹. See M4155 - M4172 for detailed guidance.

1 UC (TP) Regs, reg 22 - 27

Transition from old style ESA

Introduction

M4130 This section gives guidance on the effect on entitlement to UC for claimants who were previously entitled to old style ESA. The claimant may be treated as having LCW or LCWRA, and may be entitled to the LCWRA element. If they are treated as having LCW or LCWRA, then the normal UC rules for further referrals for the WCA apply¹. See ADM Chapter G1 (Work capability assessment) for further details.

1 UC (TP) Regs, reg 19(7); UC Regs, Part 5

Meaning of relevant date

M4131 In this section, the relevant date is the date the claim for UC was made or treated as made¹.

1 UC (TP) Regs, reg 19(1)(a) & 20(1)(a)

Claimant entitled to ESA – assessment phase has ended

Claimant has LCW

M4132 Where

1. an award of UC is made to a claimant who was entitled to old style ESA on the relevant date (see M4131) **and**
2. before the relevant date, it had been determined that the claimant had LCW¹ **and**
3. the assessment phase had ended

the claimant is treated as having LCW without the need for the WCA².

Note: See M4136 et seq for guidance where the assessment phase had not ended when ESA was terminated. See DMG Chapter 42 for guidance on ESA and LCW, and Chapter 44 for guidance on when the assessment phase ends.

1 WR Act 07, Part 1; 2 UC (TP) Regs, reg 19(1) & (2); WR Act 12, s 21(1)(a); UC Regs, reg 27(1)(a) & (3)

M4133

Claimant has LCWRA

M4134 Where

1. an award of UC is made to a claimant who was entitled to old style ESA on the relevant date (see M4131) **and**
2. before the relevant date, it had been determined that the claimant had, or was treated as having, LCWRA¹ **and**
3. the assessment phase had ended

the claimant is treated as having LCWRA without the need for the WCA².

Note: See M4136 et seq for guidance where the assessment phase had not ended when ESA was terminated. See DMG Chapter 42 for guidance on ESA and LCW, and Chapter 44 for guidance on when the assessment phase ends.

1 WR Act 07, Part 1; 2 UC (TP) Regs, reg 19(1) & (4); WR Act 12, s 19(2)(a); UC Regs, reg 27(1)(b) & (3)

M4135 Where M4134 applies, the LCWRA element is normally included in the amount of UC award to the claimant from the beginning of the first assessment period¹. The

guidance about the relevant period before which the element is not included in the UC award² in ADM Chapter F5 (The LCWRA element) does not apply.

1 UC (TP) Regs, reg 19(5); 2 UC Regs, reg 28

Example 1

Fergal has been entitled to UC since 6.8.14. He is joined on 15.10.14 by his partner Donna, who is entitled to ESA(Cont) and (IR), including the support component. The ESA(IR) part of Donna's award is terminated on 5.10.14, the day before Fergal and Donna's award of UC as joint claimants begins. The UC includes the LCWRA element from 6.10.14. Donna remains entitled to new style ESA.

Example 2

Tamsin claims UC on 2.7.14 after being dismissed from her job. Soon after she becomes pregnant, and is diagnosed with severe hyperemesis gravidarum and high blood pressure early on in the pregnancy. She requires hospital treatment for dehydration on several occasions, and submits medical evidence. Tamsin is referred for the WCA, and the HCP advises that the condition is likely to continue throughout the pregnancy given the stage she has now reached, with a consequent risk to her health. Tamsin is treated as having LCWRA, and the LCWRA element is included in her UC award from 2.11.14.

Tamsin is joined by her partner Noel on 17.11.14. Noel is entitled to ESA(IR) including the support component. Noel's award of ESA(IR) is terminated on 1.11.14. Tamsin and Noel are entitled to UC as joint claimants from 2.12.14. Although both have LCWRA, only one LCWRA element can be included in the UC award.

Claimant entitled to ESA – assessment phase has not ended

Assessment phase less than 13 weeks

M4136 Where

1. an award of UC is made to a claimant who was entitled to old style ESA on the relevant date (see M4131) **and**
2. on the relevant date, the assessment phase¹ had lasted for less than 13 weeks

the guidance in ADM Chapter F5 (LCWRA element) about the length of the relevant period (during which the LCWRA element cannot be included in a UC award), and when it begins, does **not** apply². Instead, the relevant period is 13 weeks, beginning with the first day of the ESA assessment phase³. However, where the ESA assessment phase had not ended on a previous claim⁴, the relevant period ends when the total period of old style ESA and UC is 13 weeks.

Note: If on application of the WCA it is determined that the claimant has LCWRA, the LCWRA element should be included in the UC award from the first day of the assessment period after the one in which the relevant period ends⁵.

1 WR Act 07, s 24(2); UC (TP) Regs, reg 19(8); 2 reg 20(1) & 2(a); 3 reg 20(2)(b); 4 ESA Regs 08, reg 5; 5 UC Regs, reg 28(1); UC, PIP, JSA & ESA (D&A) Regs, reg 35(9)(a)

Example

Olumide claimed and was awarded ESA(IR) from 19.4.14. On 25.7.14 he is joined by his partner Ayo, who has been entitled to UC since 15.6.14. Olumide's award of ESA(IR) terminates on 14.7.14, and he and Ayo are entitled to UC as joint claimants from 15.7.14. The DM determines that Olumide has LCWRA. The relevant period began on 19.4.14, and ends on 18.7.14. The LCWRA element is included in the UC award from 15.8.14.

Assessment phase more than 13 weeks

M4137 Where

1. an award of UC is made to a claimant who was entitled to old style ESA on the relevant date (see M4131) **and**
2. on the relevant date, the assessment phase¹ had
 - 2.1 not ended **and**
 - 2.2 lasted for more than 13 weeks

the guidance in ADM Chapter F5 (The LCWRA element) about the relevant period (during which the LCWRA element cannot be included in a UC award) does **not** apply².

1 WR Act 07, s 24(2); UC (TP) Regs, reg 19(8); 2 reg 20(1) & (3)(a)

M4138 If on application of the WCA it is determined that the new claimant partner has LCWRA, the LCWRA element as appropriate is included in the UC award from the beginning of the first assessment period¹.

1 UC (TP) Regs, reg 20(3)(b) & (c)

Example

Carly claimed and was awarded ESA(IR) from 21.2.14. On 15.7.14 she joins her partner Warren, who has been entitled to UC since 7.5.14. Carly's award of ESA(IR) ends on 6.7.14, and she and Warren are entitled to UC as joint claimants from 7.7.14.

On 19.9.14 after application of the WCA, the DM determines that Carly has LCWRA. The UC award is revised to include the LCWRA element from 7.7.14. The decision awarding ESA is superseded to award the support component for the period 23.5.14 – 6.7.14.

Transition from old style JSA

Extended period of sickness

M4139 Where

1. the claimant's first day of entitlement to UC immediately follows the claimant's last day of entitlement to JSA **and**
2. immediately before the first day of UC entitlement, the claimant was in a JSA extended period of sickness

the guidance in ADM Chapter F5 (The LCWRA element) about the length of the relevant period (during which the LCWRA element cannot be included in a UC award) does not apply¹. Instead, the relevant period is the period beginning with the first day of the JSA extended period of sickness².

1 UC (TP) Regs 14, reg 20A(1) & (2)(a); JSA Regs, reg 55ZA; JSA Regs 13, reg 46A;

2 UC (TP) Regs 14, reg 20A(2)(b)

Claimants with LCW - credits only cases

Introduction

M4140 This section gives guidance on the effect on entitlement to UC for claimants who were previously not entitled to old style ESA¹ but were entitled to NI credits². The claimant may be treated as having LCW or LCWRA, and may be entitled to the LCWRA element. If they are treated as having LCW or LCWRA, then the normal UC rules for further referrals for the WCA apply³. See ADM Chapter G1 (Work capability assessment) for further details.

Note: This applies even if, if there are joint claimants, the other joint claimant was entitled to old style ESA⁴.

1 UC (TP) Regs, reg 21(1)(b); 2 reg 21(1)(a); SS (Credits) Regs, reg 8B(2)(iv), (iva) & (v);

3 UC (TP) Regs, reg 21(8); UC Regs, Part 5; 4 UC (TP) Regs, reg 21(1)(b)

Definitions

Meaning of relevant date

M4141 In this section the relevant date is the date the claim for UC was made or treated as made¹.

1 UC (TP) Regs, reg 21(1)(a)

Meaning of notional assessment phase

M4142 The notional assessment phase is the period of 13 weeks starting on the day the assessment phase would have started if the claimant had been entitled to old style ESA and the claimant would have been entitled to the support component¹ because it had ended². However, the notional assessment phase has not ended if there had been no determination of LCW³ at the end of that 13 week period⁴.

1 WR Act 07, s 2(2)(a), 2(3)(a), 4(4)(a) & 4(5)(a); 2 UC (TP) Regs, reg 21(9)(e);

3 WR Act 07, Part 1; 4 UC (TP) Regs, reg 21(9)(f)

Claimant would have been entitled to ESA

Claimant would have LCW

M4143 Where

1. an award of UC is made to a claimant who was not entitled to old style ESA on the relevant date (see M4131) **and**
2. before the relevant date, it had been determined that the claimant would have LCW **and**
3. the notional assessment phase had ended

the claimant is treated as having LCW without the need for the WCA¹.

Note: See M4147 for guidance where the notional assessment phase had not ended when ESA was terminated. See DMG Chapter 42 for guidance on ESA and LCW, and Chapter 44 for guidance on when the assessment phase ends.

1 UC (TP) Regs, reg 21(1) & (2); WR Act 12, s 21(1)(a); UC Regs, reg 27(1)(a) & (3)

M4144

Claimant would have LCWRA

M4145 Where

1. an award of UC is made to a claimant who was not entitled to old style ESA on the relevant date (see M4131) **and**
2. before the relevant date, it had been determined that the claimant would have LCWRA **and**
3. the notional assessment phase had ended

the claimant is treated as having LCWRA without the need for the WCA¹.

Note: See M4136 et seq for guidance where the notional assessment phase had not ended when ESA was terminated. See DMG Chapter 42 for guidance on ESA and LCW, and Chapter 44 for guidance on when the assessment phase ends.

1 UC (TP) Regs, reg 21(1) & (4); WR Act 12, s 19(2)(a); UC Regs, reg 27(1)(b) & (3)

M4146 Where M4145 applies, the LCWRA element is normally included in the amount of UC award to the claimant from the beginning of the first assessment period¹. The guidance about the relevant period before which the element is not included in the UC award² in ADM Chapter F5 (The LCWRA element) does not apply.

1 UC (TP) Regs, reg 21(5); 2 UC Regs, reg 28

Claimant not entitled to ESA – notional assessment phase has not ended

Notional assessment phase less than 13 weeks

M4147 Where

1. an award of UC is made to a claimant who was not entitled to old style ESA on the relevant date (see M4131) **and**
2. on the relevant date, the notional assessment phase¹ had lasted for less than 13 weeks

the guidance in ADM Chapter F5 (The LCWRA element) about the length of the relevant period (during which the LCWRA element cannot be included in a UC award), and when it begins, does not apply². Instead, the relevant period is 13 weeks, beginning with the first day of the ESA notional assessment phase³.

Note: If on application of the WCA it is determined that the claimant has LCWRA, the LCWRA element should be included in the UC award from the first day of the assessment period after the one in which the relevant period ends⁴.

*1 WR Act 07, s 24(2); UC (TP) Regs, reg 19(8); 2 reg 21(1) & (6)(a); 3 reg 21(6)(b);
4 UC Regs, reg 28(1); UC, PIP, JSA & ESA (D&A) Regs, reg 35(9)(a)*

Notional assessment phase more than 13 weeks

M4148 Where

1. an award of UC is made to a claimant who was not entitled to old style ESA on the relevant date (see M4131) **and**
2. on the relevant date, the notional assessment phase¹ had
 - 2.1 not ended **and**
 - 2.2 lasted for more than 13 weeks

the guidance in ADM Chapter F5 (The LCWRA element) about the relevant period (during which the LCWRA element cannot be included in a UC award) does not apply².

1 WR Act 07, s 24(2); UC (TP) Regs, reg 19(8); 2 reg 21(1) & (7)(a)

M4149 If on application of the WCA it is determined that the claimant has LCWRA, the LCWRA element is included in the UC award from the beginning of the first assessment period¹.

1 UC (TP) Regs, reg 21(7)(c)

M4150 - M4154

Claimants with IfW – credits only cases

Claimants approaching pensionable age

M4155 Where

1. an award of UC is made to a claimant who is entitled to credits¹ **and**
2. the claimant will reach pensionable age² within one year **and**
3. the claimant was not receiving
 - 3.1 IS on the grounds of incapacity for work or disability **or**
 - 3.2 IB or SDA

the claimant is treated as having LCW or LCWRA from the beginning of the first assessment period for the purposes of entitlement to a work capability element only if they are also entitled to one of the benefits at M4171 or M4172. There is no requirement to serve a relevant period, and the work capability element is included in the UC award from the beginning of the first assessment period³. See M4156 - M4157 for guidance on which element is included in the UC award.

Note 1: See DMG Chapter 45 for the meaning of pensionable age.

Note 2: See M4158 for guidance where the claimant is not entitled to any of the benefits at M4171 or M4172.

1 SS (Credits) Regs, reg 8B(2)(a)(i), (ii) & (iii); 2 ESA (TP, HB & CTB)(EA)(No. 2) Regs, reg 2(1); Pensions Act 95, Sch 4, para 1; 3 UC (TP) Regs, reg 26

M4156 The claimant is entitled to the LCW element where they are entitled to any of the benefits at M4171 and are **not** entitled to any of the benefits at M4172¹.

1 UC (TP) Regs, reg 24(1)(d) & 26(2)

M4157 The claimant is entitled to the LCWRA element where they are entitled to any of the benefits at M4172¹.

1 UC (TP) Regs, reg 24(3)(d) & 26(3)

M4158 Where the claimant

1. satisfies the conditions at M4155 1. - 3.¹ **and**
2. is not entitled to any of the benefits at M4171 or M4172² **and**
3. is found to have LCW or LCWRA under UC provisions³

they are treated as having LCW or LCWRA as appropriate from the beginning of the first assessment period. The LCW or LCWRA element is included in the UC award from the same date⁴.

1 UC (TP) Regs, reg 26(1); 2 reg 24(1)(d) or 24(3)(d); 3 UC Regs, Part 5; 4 UC (TP) Regs, reg 26(4)

Other claimants

M4159 Where

1. an award of UC is made to a claimant who is entitled to credits¹ **and**
2. the claimant will not reach pensionable age² within one year **and**
3. the claimant was not receiving
 - 3.1 IS on the grounds of incapacity for work or disability **or**
 - 3.2 IB or SDA³

the claimant is treated as having LCW or LCWRA, if assessed as such, from the beginning of the first assessment period for the purposes of entitlement to a work capability element⁴. There is no requirement to serve a relevant period, and the work capability element is included in the UC award from the beginning of the first assessment period⁵.

*1 SS (Credits) Regs, reg 8B(2)(a)(i), (ii) & (iii); UC (TP) Regs, reg 27(1)(a);
2 ESA (TP, HB & CTB)(EA)(No. 2) Regs, reg 2(1); Pensions Act 95, Sch 4, para 1;
UC (TP) Regs, reg 27(1)(b); 3 reg 27(1)(b); 4 reg 27(2)(a); 5 reg 27(2)(b)*

Claimant entitled to IS, IB or SDA

Introduction

M4160 Claimants who are entitled to

1. IS on the grounds of incapacity for work or disability **or**
2. IB **or**
3. SDA

are being reassessed to determine whether their benefit, referred to as an existing award¹, can be converted to ESA. This is known as IB Reassessment – see DMG Chapter 45 for detailed guidance. This section gives guidance on the action to take where a claimant entitled to an existing award becomes a UC claimant.

1 WR Act 07, Sch 4, para 11

M4161 Where IB or SDA is in payment at the time the award of UC to claimants begins, it is taken into account as unearned income¹. See ADM Chapter H5 (Unearned income) for detailed guidance. For the purposes of this section, IB and SDA are existing benefits².

1 UC (TP) Regs, reg 25(1); UC Regs, reg 66; 2 UC (TP) Regs, reg 25(2)

Claimant entitled to IS on the grounds of incapacity for work or disability

M4162 Where

1. an award of UC is made to a claimant who was entitled to IS on the grounds of incapacity for work or disability on the day the UC claim was made or treated as made¹ **and**
2. it is determined under UC provisions² that the claimant has LCW or LCWRA the claimant is treated as having LCW or LCWRA from the beginning of the first assessment period for the purposes of entitlement to a work capability element³. There is no requirement to serve a relevant period, and the work capability element is included in the UC award from the beginning of the first assessment period⁴.

Note: Whether or not the conversion phase had begun, it terminates when the award of IS terminates – see DMG Chapter 45 for further details. The new claimant partner should be referred for the WCA under UC rules – see ADM Chapters G1 - G3.

*1 WR Act 07, Sch 4, para 11; UC (TP) Regs, reg 22(3); 2 UC Regs, Part 5;
3 UC (TP) Regs, reg 22(1) and (2)(a)(i) & (b)(i); 4 reg 22(2)(a)(ii) & (iii) and (b)(ii) & (iii)*

Claimant entitled to IB or SDA

Conversion notice not issued

M4163 Where

1. an award of UC is made to a claimant who was entitled to IB or SDA on the day the UC claim was made or treated as made¹ **and**
2. it is determined under UC provisions² that the claimant has LCW or LCWRA the claimant is treated as having LCW or LCWRA from the beginning of the first assessment period for the purposes of entitlement to a work capability element³. There is no requirement to serve a relevant period, and the work capability element is included in the UC award from the beginning of the first assessment period⁴.

Note 1: See M4170 - M4172 where the claimant is approaching pensionable age.

Note 2: See DMG Chapter 45 for guidance on IB Reassessment, the conversion notice and pensionable age.

*1 WR Act 07, Sch 4, para 11; UC (TP) Regs, reg 22(3); 2 UC Regs, Part 5;
3 UC (TP) Regs, reg 22(1) and (2)(a)(i) & (b)(i); 4 reg 22(2)(a)(ii) & (iii) and (b)(ii) & (iii)*

M4164 Where the UC claimant is found to have LCW or LCWRA as in M4163, the award of IB or SDA should continue to be taken into account as unearned income¹ as in M4161 until it is converted to an award of new style ESA.

1 UC (TP) Regs, reg 25

Conversion notice issued

M4165 Where

1. an award of UC is made to a claimant who is entitled to IB or SDA (“the relevant award”) **and**
2. on or before the date the UC claim is made or treated as made the conversion notice is issued¹

the question of whether the claimant has LCW or LCWRA is determined under the IB Reassessment provisions².

1 UC (TP) Regs, reg 23(1); 2 reg 23(1A); ESA (TP, HB & CTB)(EA)(No. 2) Regs

M4166 Where, following application of the WCA, the relevant award qualifies for conversion to ESA including the WRAC

1. the claimant is treated as having had LCW **and**
2. the LCW element is included in the UC award from the beginning of the first assessment period¹.

1 UC (TP) Regs, reg 23(2)

M4167 Where, following application of the WCA, the relevant award qualifies for conversion to ESA including the support component

1. the claimant is treated as having had LCWRA **and**
2. the LCWRA element is included in the UC award from the beginning of the first assessment period¹.

1 UC (TP) Regs, reg 23(3)

M4168 Where M4166 or M4167 applies, the award of IB or SDA is converted to an award of new style ESA¹.

1 ESA (TP, HB & CTB)(EA)(No. 2) Regs; WR Act 12(Commencement No. 9 etc.) Order, art 9(1) & Sch 4

M4169

Claimant entitled to IB or SDA and approaching pensionable age

M4170 Where

1. an award of UC is made to a claimant who is entitled to IB or SDA¹ **and**

2. no conversion notice has been issued² **and**
3. the claimant will reach pensionable age³ within one year **and**
4. the claimant is entitled to
 - 4.1 PIP **or**
 - 4.2 DLA **or**
 - 4.3 AA **or**
 - 4.4 AFIP **or**
 - 4.5 CAA **or**
 - 4.6 any payment for attendance which is a part of WDisP

the claimant is treated as having LCW or LCWRA from the beginning of the first assessment period for the purposes of entitlement to a work capability element. There is no requirement to serve a relevant period, and the work capability element is included in the UC award from the beginning of the first assessment period⁴. See M4171 - M4172 for guidance on which element is included in the UC award.

1 WR Act 07, Sch 4, para 11; UC (TP) Regs, reg 19(8); 2 ESA (TP, HB & CTB)(EA)(No. 2) Regs, reg 4; 3 reg 2(1); Pensions Act 95, Sch 4, para 1; 4 UC (TP) Regs, reg 24

M4171 The claimant is entitled to the LCW element where they are entitled to¹

1. PIP and neither
 - 1.1 the daily living component **or**
 - 1.2 the mobility component
 is payable at the enhanced rate² **or**
2. DLA and either
 - 2.1 the care component is payable at the middle rate **or**
 - 2.2 the mobility component is payable at the lower rate³ **or**
3. AA payable at the lower rate⁴ **or**
4. CAA which is not awarded for exceptionally severe disablement⁵ **or**
5. payment for attendance as part of WDisP which is not awarded for exceptionally severe disablement⁶.

Note: Where a claimant also receives a benefit at M4172 they will be entitled to the LCWRA element only.

1 UC (TP) Regs, reg 24(1)(d) & (2)(d); 2 WR Act 12, s 78 – 80; 3 SS CB Act 92, s 71, 72(4) & 73(11); 4 s 64 & 65; 5 s 104 & Sch 4, Part 5, para 2(a); 6 Income Tax (Earnings and Pensions) Act 2003, s 639(2); SS CB Act 92, Sc4, part 5, para 2(a)

M4172 The claimant is entitled to the LCWRA element where they are entitled to¹

1. PIP and either
 - 1.1 the daily living component **or**
 - 1.2 the mobility componentis payable at the enhanced rate² **or**
2. DLA and either
 - 2.1 the care component is payable at the highest rate **or**
 - 2.2 the mobility component is payable at the higher rate³ **or**
3. AA payable at the higher rate⁴ **or**
4. AFIP⁵ **or**
5. CAA which is awarded for exceptionally severe disablement⁶ **or**
6. payment for attendance as part of WDisP which is not awarded for exceptionally severe disablement⁷.

1 UC (TP) Regs, reg 24(3)(d) & 4(d); 2 WR Act 12, s 78 – 80; 3 SS CB Act 92, s 71, 72(4) & 73(11); 4 s 64 & 65; 5 AF & RF (Comp Scheme) Order; 6 SS CB Act 92, s 104 & Sch 4, Part 5, para 2(b); 7 Income Tax (Earnings and Pensions) Act 2003, s 639(2); SS CB Act 92, Sch 4, part 5, para 2(a)

Qualifying young person

M4173 A person who is receiving an existing benefit is not a qualifying young person¹. See ADM Chapter M3 (Claims for UC – Gateway conditions) for guidance on the meaning of existing benefit and ADM Chapter F1 (Child element) for guidance on qualifying young person.

1 UC (TP) Regs, reg 28

M4174 - M4179

Support for housing costs

Claimant previously entitled to housing costs

M4180 Where¹

1. an award of UC is made to a claimant who was
 - 1.1 entitled to JSA(IB), ESA(IR) or IS at any time during the period of one month ending on the day the UC claim was made or treated as made or would have been so entitled had the award not been terminated² **or**
 - 1.2 the partner of a person entitled to JSA(IB), ESA(IR) or IS at any time during the period of one month ending on the day the UC claim was

made or treated as made but the UC award is not a joint award to the claimant and that person **and**

2. on the relevant date (see M4181) the award in 1. of JSA(IB), ESA(IR) or IS included housing costs³ **and**
3. the claimant is liable for housing costs for the purposes of UC

the requirement to serve a qualifying period before a HCE for owner-occupiers can be included in the UC award does not apply³. See ADM Chapter F2 (Housing costs element: general) for detailed guidance on the qualifying period, and ADM Chapter F4 (Housing costs element: support for owner occupiers) for guidance on the HCE for owner-occupiers.

*1 UC (TP) Regs, reg 29(1); 2 WR Act 12 Commencement Orders; UC (TP) Regs;
3 JSA Regs 96, Sch 2, para 14 – 16; ESA Regs 08, Sch 6, para 16 – 18;
IS (Gen) Regs, Sch 3, para 15 – 17; UC (TP) Regs, reg 29(3); UC Regs, Sch 5, para 5*

Example

Maureen has been entitled to UC since 22.6.14. She moves in with her partner Calvin on 14.9.14. Calvin is entitled to JSA(IB), including housing costs for a loan used to buy his home. Calvin's award of JSA(IB) terminates on 21.8.14, and he and Maureen are entitled to UC as joint claimants from 22.8.14. Their UC award includes the owner-occupier housing costs element from 22.8.14

Meaning of relevant date

M4181 For the purpose of M4180 2. the relevant date¹ is

1. the day entitlement to JSA(IB), ESA(IR) or IS terminated where
 - 1.1 M4180 1.1 applies **and**
 - 1.2 the claimant was not entitled to JSA(IB), ESA(IR) or IS on the day the claim for UC was made or treated as made **or**
2. the day the UC claim was made where
 - 2.1 M4180 1.1 applies **and**
 - 2.2 the claimant is not a new claimant partner and was entitled to JSA(IB), ESA(IR) or IS on that day **or**
3. the day the UC claim was treated as made where
 - 3.1 M4180 1.1 applies **and**
 - 3.2 the claimant is a new claimant partner and was entitled to JSA(IB), ESA(IR) or IS on that day **or**
4. the day

4.1 the claimant ceased to be the partner of a person entitled to JSA(IB), ESA(IR) or IS **or**

4.2 if earlier, the day the award of JSA(IB), ESA(IR) or IS terminated where M4180 **1.2** applies.

1 UC (TP) Regs, reg 29(2)

Claimant not previously entitled to housing costs

M4182 Where¹

- 1.** an award of UC is made to a claimant who was
 - 1.1** entitled to JSA(IB), ESA(IR) or IS at any time during the period of one month ending on the day the UC claim was made or treated as made or would have so entitled had the award not been terminated² **or**
 - 1.2** the partner of a person entitled to JSA(IB), ESA(IR) or IS at any time during the period of one month ending on the day the UC claim was made or treated as made but the UC award is not a joint award to the claimant and that person **and**
- 2.** the award of JSA(IB), ESA(IR) or IS did not include housing costs because the qualifying period had not ended³ **and**
- 3.** the claimant is liable for housing costs for the purposes of UC

the qualifying period during which the housing costs element cannot be paid is reduced as in M4183⁴.

1 UC (TP) Regs, reg 29(1)(a) & (b) &(4); 2 WR Act 12 Commencement Orders; UC (TP) Regs; 3 JSA Regs 96, Sch 2, para 6(1)(c) & (7)(1)(b); ESA Regs 08, Sch 6, para 8(1)(c) & 9(1)(b); IS (Gen) Regs, Sch 3, para 6(1)(c) or 8(1)(b); 4 UC (TP) Regs, reg 29(5)

M4183 Where M4182 applies, the qualifying period¹ before which the HCE is included in the UC award is 273 days starting with the first day the claimant or their partner was continuously entitled to JSA(IB), ESA(IR) or IS, including linked periods². For this to apply

- 1.** receipt of UC has to be continuous **and**
- 2.** the claimant would otherwise qualify for the HCE

throughout the part of the qualifying period after the award of UC is made³. See DMG Chapter 23 for guidance on housings costs for JSA(IB) and IS, and DMG Chapter 44 for guidance on ESA(IR) housing costs.

Note: The qualifying period is 91 days for claimants who are entitled or treated as entitled to UC for a continuous period which includes 31.3.16⁴.

1 UC (TP) Regs, reg 29(5)(b); 2 JSA Regs 96, Sch 2, para 13; ESA Regs 08, Sch 6, para 15; IS (Gen) Regs, Sch 3, para 14; 3 UC (TP) Regs, reg 29(5)(b); 4 SS (HC Amdt) Regs, reg 8

M4184 Where M4182 and M4183 apply the normal rules about non-inclusion of the HCE and the qualifying period do not apply¹.

1 UC (TP) Regs, reg 29(3) & (5)(a); UC Regs, Sch 5, para 5

M4185 - M4189

Sanctions

Introduction

M4190 This section gives guidance on reduction of UC awards made to a UC claimant, including a new claimant partner, who, immediately before the relevant date (see M4191), was entitled to an award of ESA or JSA (see ADM Chapter M3 (Claims for UC – Gateway conditions) for the meaning of old style ESA and old style JSA) which had been subject to

1. a sanction – see M4195 et seq **or**
2. a loss of benefit penalty – see M4230 et seq.

See DMG Chapter 53 for guidance on ESA sanctions, DMG Chapter 34 for guidance on JSA sanctions, and DMG Chapter 08 for guidance on deductions from benefit for a loss of benefit penalty.

Note: If the claimant had been awarded ESA or JSA hardship payments and that award is terminated, they can apply for hardship under UC provisions. See DMG Chapter 35 and ADM Chapter L1 (Hardship) for further details.

Relevant date

M4191 In this section, the relevant date¹ is

1. the day the award of ESA or JSA terminated where the claimant was not entitled to old style ESA or old style JSA on the day the UC claim was made or treated as made **or**
2. the day before the first date of entitlement to UC where the UC claim was made where the claimant is not a new claimant partner and was entitled to old style ESA or old style JSA on that day **or**
3. the day the UC claim was treated as made where the claimant is a new claimant partner and was entitled to old style ESA or old style JSA on that day.

1 UC (TP) Regs, reg 2(1), 30(2) & 32(2)

M4192 - M4194

Old style ESA sanctions

M4195 Where

1. an award of UC is made to a claimant who was previously entitled to old style ESA **and**
2. on the relevant date, the award of ESA was reduced because the claimant had failed without good cause to
 - 2.1 take part in a WFI **or**
 - 2.2 undertake WRA¹

the ESA failure is treated as a sanctionable failure for the purposes of UC².

1 WR Act 07, s 12 & 13; ESA Regs 08, reg 61 & 63; ESA (WRA) Regs, reg 8;

2 WR Act 12, s 27; UC (TP) Regs, reg 30(1) & (3)(a)

M4196 Where M4195 applies

1. the award of UC is reduced as in M4197¹ **and**
2. the reduction is treated as a reduction in accordance with UC rules².

See ADM Chapter K1 for guidance on general principles for UC reduction periods.

1 UC (TP) Regs, reg 30(3)(b); 2 WR Act 12, s 27; UC (TP) Regs, reg 30(3)(c); UC Regs, reg 101

Period of reduction

M4197 The reduction period is the number of days equivalent to the length of the fixed period part of the ESA reduction¹ less

1. the number of days (if any) in that period for which old style ESA was reduced **and**
2. if there was a gap between the end of the ESA award and the first date of entitlement to UC, the number of days (if any) in the period
 - 2.1 after the termination of the old style ESA award **and**
 - 2.2 before the start of the UC award².

Note: Although the claimant may not have complied with the requirement for which the old style ESA sanction was imposed, the requirement no longer applies where the award is terminated or changed to an award of new style ESA. The fixed period still has to be served and is applied to UC.

1 ESA Regs, reg 63(7); 2 UC (TP) Regs, reg 30(4)

Example

Joy is entitled to ESA(IR). She joins her partner Tony on 14.9.14. Tony has been entitled to UC since 11.7.14. Joy's award of ESA(IR) terminates on 10.9.14, as does

Tony's award of UC as a single claimant. Tony and Joy are entitled as joint claimants from 11.9.14.

Joy's award of ESA(IR) had been reduced because she had failed to take part in a WFI. This was Joy's second failure, and a fixed period of reduction of two weeks was imposed after she agreed to attend a WFI. The fixed period began on 4.9.14. Joy's award of ESA(IR) was reduced for seven days before it terminated on 10.9.14, and a further seven days reduction period is imposed for the UC award.

Escalation

M4198 Where

1. the UC claimant fails for no good reason to comply with a work-related requirement **and**
2. the failure is a sanctionable failure **and**
3. the claimant was previously entitled to old style ESA

the DM should take into account any previous ESA fixed period reductions, including a reduction carried forward to UC as in M4196, when determining what reduction period applies for the purposes of a low-level sanction¹. See ADM Chapter K5 for guidance on low-level sanctions, and DMG Chapter 53 for guidance on ESA reductions.

Note 1: See M4199 for when M4198 does not apply.

Note 2: ESA fixed period reductions began on 3.12.12. Reductions before 3.12.12 are disregarded when considering what reduction period applies for low-level sanctions.

1 UC (TP) Regs, reg 31(1) & (2); UC Regs, reg 104; ESA Regs 08, reg 63

Example 1

Hussain was entitled to ESA. His award terminated on 16.4.14 after he returned to work. Hussain had failed to undertake WRA on 17.12.13, and a fixed period reduction of one week was imposed from 9.1.14.

Hussain's job comes to an end, and he claims UC from 12.8.14. He is required to attend the Jobcentre fortnightly, but fails for no good reason to attend on 28.8.14. He attends on 30.8.14. The DM treats the ESA one week reduction as a seven day low-level sanction. As this was within 365 days of the current sanctionable failure, the DM decides that Hussain's award of UC is subject to a reduction of two days for the period before compliance, followed by 14 days, as the failure is within 365 days of a previous failure for which a seven day reduction period is treated as applying.

Example 2

Ryan is entitled to ESA. He fails to attend a WFI on 15.1.14, for which a one week fixed period reduction is imposed. Ryan then fails to undertake WRA on 28.5.14, and as this is within 52 weeks of the failure on 15.1.14, a two week fixed period reduction is imposed following compliance. The fixed period begins on 12.6.14.

Linzi has been entitled to UC since 16.5.14. On 24.6.14 she moves in with Ryan. Ryan and Linzi are entitled as joint claimants from 16.6.14. Their UC award is reduced for a period of 10 days, the balance of the ESA two weeks fixed period reduction (calculated by reducing half of the joint standard allowance).

On 5.9.14 Ryan fails for no good reason to attend a WFI. He meets the specified compliance condition by phoning on 11.9.14 and agreeing to attend a WFI. A low-level sanction is applied. When calculating the reduction period, the DM treats the failure of 15.1.14 as incurring a seven day reduction period, and the failure of 28.5.14 as incurring a 14 day reduction period. Ryan and Linzi's award of UC is reduced for a total period of 34 days (six for the period before compliance, and 28 as the previous failure within 365 days was for 14 days).

M4199 When determining a reduction period for a low-level sanction as in M4197, no account is taken of

1. a reduction of old style ESA carried forward to UC as in M4196, if the claimant is subsequently entitled to an existing benefit (see ADM Chapter M3 (Claims for UC – Gateway conditions) for meaning of existing benefit) **or**
2. a reduction of old style ESA, if after that reduction the claimant was entitled to UC, new style ESA or new style JSA, and was subsequently entitled to an existing benefit

if they are awarded UC again and there is a sanctionable failure¹.

Note: See ADM Chapter V8 and S8 for guidance on where a UC claimant is subsequently entitled to an existing benefit.

1 UC (TP) Regs, reg 31(3); ESA Regs 08, reg 63

Example

Maddie is entitled to ESA. She fails to attend a WFI on 15.1.14, for which a one week fixed period reduction is imposed. Maddie then fails to undertake WRA on 28.5.14, and as this is within 52 weeks of the failure on 15.1.14, a two week fixed period reduction is imposed following compliance. The fixed period begins on 12.6.14.

David has been entitled to UC since 16.5.14. On 24.6.14 he moves in with Maddie. David and Maddie are entitled as joint claimants from 16.6.14. Their award is

reduced for a period of 10 days, the balance of the ESA two weeks fixed period reduction.

On 5.9.14 Maddie fails for no good reason to attend a WFI. She phones up on 11.9.14 and agrees to attend a WFI. When calculating the reduction period, the DM treats the failure of 15.1.14 as incurring a seven day reduction period, and the failure of 28.5.14 as incurring a 14 day reduction period. David and Maddie's award of UC is reduced for a total period of 34 days (six days for the period before compliance, and 28 days as the previous failure within 365 days was for 14 days).

On 30.5.14 David finds work and because of his earnings both he and Maddie are no longer entitled to UC. On 30.6.14 David's job finishes because he is not fit for work. David is not entitled to claim UC because he does not meet the gateway conditions, so he makes a claim for ESA(IR). He receives the full amount of ESA for himself and Maddie. This is because the previous reductions applied to the UC award are not brought forward to the ESA award.

David fails to attend a WFI on 1.10.14 and a one week fixed period reduction is applied to his ESA. This is because the previous reductions applied to the UC award do not count for the purpose of ESA reduction periods. David then fails to undertake WRA on 28.11.14, and as this is within 52 weeks of the failure on 1.10.14, a two week fixed period reduction is imposed following compliance.

M4200 - M4209

Old style JSA sanctions

M4210 Where

1. an award of UC is made to a claimant who was previously entitled to old style JSA **and**
2. on the relevant date (see M4191), the award of old style JSA was reduced because of a sanctionable failure (whether before or after 22.10.12)¹ **and**
3. in the case of joint-claim couples, the sanction applies to the member of the couple who is subsequently awarded UC

the JSA failure is treated as a higher-level, medium-level or low-level sanctionable failure for the purposes of UC². See ADM Chapter K3 (Higher-level sanctions), Chapter K4 (Medium-level sanctions) and Chapter K5 (Low-level sanctions) for further guidance.

1 JS Act 95, s 19 & 19A; JSA Regs, 96, reg 69B; 2 UC (TP) Regs, reg 32(1) – (3)

M4211 Where M4210 applies

1. the award of UC is reduced as in M4212¹ **and**
2. the reduction is treated as a reduction in accordance with UC rules².

See ADM Chapter K1 for guidance on general principles for UC reduction periods.

1 UC (TP) Regs, reg 32(3)(b); 2 WR Act 12, s 26 & 27; UC (TP) Regs, reg 32(3)(c); UC Regs, reg 101

Period of reduction

M4212 The UC reduction period is the number of days equivalent to the length of the period of the reduction¹ less

1. the number of days (if any) in that period for which old style JSA was reduced **and**
2. if there was a gap between the end of the JSA award and the first date of entitlement to UC, the number of days (if any) in the period
 - 2.1 after the termination of the JSA award **and**
 - 2.2 before the start of the UC award².

1 JSA Regs 96, reg 69, 69A or 69B; 2 UC (TP) Regs, reg 32(4)

Amount of reduction

M4213 Where

1. the JSA award was to a joint–claim couple **and**
2. the failure was by one member of the couple

the daily reduction rate for the UC award is the amount specified for the purposes of JSA divided by seven and rounded down to the nearest 10 pence¹. See DMG Chapter 34 for guidance on JSA sanctions, and DMG Chapter 35 for JSA hardship.

Note: But see M4214 for exceptions.

1 JSA Regs 96, reg 70(3); UC (TP) Regs, reg 32(6) & (7); UC Regs, reg 111

M4214 M4213 does not apply if, at the end of the assessment period, the claimant for whom the reduction is imposed is¹

1. aged 16 or 17² **or**
2. subject to no work–related requirements³ because they
 - 2.1 are responsible for a child aged under one⁴ **or**
 - 2.2 are an adopter⁵ **or**
 - 2.3 are pregnant and within 11 weeks of the EWC⁶ **or**
 - 2.4 were pregnant and within 15 weeks of confinement⁶ **or**
 - 2.5 are the foster parent of a child aged under one⁷ **or**
 - 2.6 have LCWRA⁸ **or**
3. subject to a WFI only work–related requirement⁹.

The normal UC rules apply instead. See ADM Chapter K9 (Amount of reduction) for guidance on what reduction amounts apply.

1 UC (TP) Regs, reg 32(6); UC Regs, reg 11(2) & (3); 2 reg 111(2)(a); 3 WR Act 12, s 19; 4 s 19(2)(c); 5 UC Regs, reg 89(1)(c); 6 reg 89(1)(d); 7 reg 89(1)(f); 8 WR Act 12, s 19; UC Regs, reg 40; 9 WR Act 12, s 20

Escalation

M4215 Where

1. the UC claimant fails for no good reason to comply with a work-related requirement **and**
2. the failure is a sanctionable failure **and**
3. the claimant was previously entitled to old style JSA

the DM should taken into account any previous old style JSA sanctions, including a sanction carried forward to UC as in M4211, when determining what reduction period applies for the purposes of a higher-level, medium-level or low-level sanction¹. See ADM Chapter K3 (Higher-level sanctions), Chapter K4 (Medium-level sanctions) and Chapter K5 (Low-level sanctions) for further guidance. See DMG Chapter 34 for guidance on JSA sanctions.

Note: See M4216 for when M4215 does not apply.

1 UC (TP) Regs, reg 33(1) & (2); UC Regs, reg 102, 103 & 104; JS Act 95, s 19 & 19A; JSA Regs 96, reg 69, 69A & 69B

M4216 When determining a reduction period for a higher-level, medium-level or low-level sanction as in M4215, no account is taken of

1. a reduction of old style JSA carried forward to UC as in M4211, if the claimant is subsequently entitled to an existing award **or**
2. a reduction of old style JSA, if after that reduction the claimant was entitled to UC, new style ESA or new style JSA, and was subsequently entitled to an existing award

if they are awarded UC again and there is a sanctionable failure¹.

Note: See ADM Chapter V8 (ESA transition) and S8 (JSA transition) for guidance on where a UC claimant is subsequently entitled to an existing award.

1 UC (TP) Regs, reg 33(3); JS Act 95, s 19 & 19A; JSA Regs 96, reg 69B

Example

Rita is entitled to JSA. She fails to attend a training course on 15.1.14, for which a 4 week lower level fixed period reduction is imposed. Rita then fails to provide a CV on 28.5.14 and as this is within 52 weeks of the failure on 15.1.14, a 13 week fixed period reduction is imposed following compliance. The fixed period begins on 4.6.14.

Ben has been entitled to UC since 12.5.14. On 24.7.14 he moves in with Rita. Ben and Rita are entitled as joint claimants from 12.7.14. When Ben and Rita form a couple any sanction which has not yet been applied to Rita's JSA is transferred to the joint UC award. The balance of the sanction is converted into days (53 days) and added to Rita's total outstanding reduction period. This is applied to the first assessment period of the joint UC award i.e. 12.7.14 to 11.8.14 (31 days), with the remaining 32 days applied until the outstanding period runs out i.e. 12.8.14 to 11.9.14 (31 days) and 12.9.14 to 13.9.14 (2 days).

On 5.9.14 Rita again fails for no good reason to attend a training course, but after talking to her adviser she starts the course on 11.9.14. When calculating the reduction period, the DM treats this as the third low-level sanction failure in UC and imposes an open ended sanction.

On 30.9.14 Ben finds work and because of his earnings both he and Rita are no longer entitled to UC. On 30.10.14 Ben's job finishes because it was a short-term contract. Ben is excluded from claiming UC because he does not meet the gateway conditions as he is not single, so he makes a claim for JSA(IB). He receives the full amount of JSA. This is because the previous reductions applied to the UC award are not brought forward into the JSA award.

Ben fails to provide a CV on 12.11.14 and a 4 week lower level sanction is applied to his JSA. This is because the previous reductions applied to the UC award do not count towards JSA sanction escalation. Ben then fails to attend a training course on 17.12.14, and as this is within 52 weeks of the first lower level sanction failure on 12.11.14, a 13 week fixed period reduction is imposed.

M4217 - M4219

UC claimant awarded existing benefit

M4220 Where

1. an award of UC terminates **and**
2. there is an outstanding reduction period **and**
3. the claimant is entitled to an existing award during the reduction period

the rules about the reduction period continuing after UC terminates (including where UC terminates before a determination has been made) does not apply¹, even if the claimant is awarded UC again. Instead, the reduction period ends on the first day of entitlement to the existing award². See ADM Chapter K8 (When the reduction period begins and ends) for guidance on termination of the reduction period.

1 UC (TP) Regs, reg 34(a); UC Regs, reg 107; 2 UC (TP) Regs, reg 34(b)

M4221 - M4224

Appeals

M4225 Where, after a claimant has been awarded UC

1. an appeal against a decision about the claimant's entitlement to old style ESA or JSA is finally determined **or**
2. a decision about the claimant's entitlement to old style ESA or JSA is revised or superseded

the DM should consider whether the decision awarding UC, or any later supersession decisions, should be revised¹.

1 WR Act 12 (Commencement No. 9 etc.) Order, art 24(1) & (2)

M4226 Where the DM considers it is appropriate to revise the UC decision, the revision should take into account

1. the decision about old style ESA or JSA
 - 1.1 as revised or superseded **or**
 - 1.2 as made by the FtT, UT or court **and**
2. any findings of fact made by the FtT, UT or court¹.

1 WR Act 12 (Commencement No. 9 etc.) Order, art 24(3)

Example

Olivia's entitlement to old style ESA is terminated after she is found not to have LCW following application of the WCA.

Olivia joins her partner John, who is entitled to UC. Olivia and John are entitled to UC as joint claimants. In the meantime, Olivia applies for mandatory reconsideration, but the decision is not changed, and she appeals to the FtT. Her appeal is successful, and the FtT places her in the WRAG.

Olivia and John's award of UC is revised to include the LCW element from the first day of entitlement to UC. Olivia is also paid any arrears of old style ESA up the day before the first day of UC entitlement.

M4227 - M4229

Loss of benefit penalties

Introduction

M4230 Where

1. a claimant is awarded UC
 - 1.1 within one month of the end of an award of JSA, ESA, IS or HB¹ **or**
 - 1.2 at any time after previous entitlement to WTC² **and**

2. the award in 1.1 or 1.2 was subject to a loss of benefit penalty³

the penalty continues to be applied to the UC award⁴.

Note: See ADM Chapter B2 (Restrictions on payment of benefit) for guidance on benefit offences, offenders and loss of benefit restrictions.

*1 UC (TP) Regs, reg 35; 2 reg 37; 3 SS Fraud Act 01; Tax Credits Act 02; SS (LoB) Regs;
4 UC (TP) Regs, reg 36 & 37*

M4231 For JSA, ESA, IS and HB, the reduction rules for the previous benefit apply, instead of the normal UC rules for calculating the reduction. See M4235 and M4240 - M4245 for further details. But see M4236 - M4238 for exceptions.

M4232 For WTC, the UC reduction rules apply. See M4255 for further details.

M4233 Where the claimant is subject to reductions as in M4231 **and** M4232, the reduction is subject to a maximum total reduction. See M4256 for details.

M4234

Transition from JSA, ESA, IS or HB

Introduction

M4235 Where

1. an award of UC is made to a claimant who is
 - 1.1 an offender, who was entitled to an award of JSA, ESA, IS or HB (see M4240 - M4241) **or**
 - 1.2 an offender, and their former family member was entitled to an award of JSA, ESA, IS or HB (see M4242 - M4243) **or**
 - 1.3 an offender's family member, and the claimant or offender was entitled to an award of JSA, ESA, IS or HB (see M4244 - M4245) **and**
2. the offender or offender's family member was entitled to an award of JSA, ESA, IS or HB within one month of the date the UC claim was made or treated as made **and**

3. payment of the award in 2. was reduced due to a loss of benefit penalty
subsequent payments of UC are reduced¹ for assessment periods which fall wholly or partly in the remainder of the disqualification period². See M4240 - M4245 for when this applies, and M4250 - M4253 for guidance on calculation of the amount of the reduction.

Note: The normal UC rules³ for calculating the amount of the reduction do **not** apply⁴. But see M4236 - M4238 for exceptions.

1 UC (TP) Regs, reg 36; 2 reg 35(5)(a); 3 SS (LoB) Regs, reg 3ZB; 4 UC (TP) Regs, reg 35(5)(b)

Exceptions

M4236 M4235 does not apply if the award of UC is made more than one month after a previous award of JSA, ESA, IS or HB ended. The normal UC reduction rules apply to any remaining disqualification period¹. See ADM Chapter B2 (Restrictions on payment of benefit) for further guidance.

1 SS (LoB) Regs, reg 3ZB

M4237 M4235 does not apply if there was previous entitlement to old style joint-claim JSA where

1. on the relevant date, payment restrictions¹ applied (see M4238) **or**
2. the UC award is not made to joint claimants who were both entitled to joint-claim JSA on the relevant date².

The normal UC rules apply instead. See ADM Chapter B2 (Restrictions on payment of benefit) for detailed guidance.

Note: See M4241, M4243 and M4245 for guidance on the relevant date.

1 SS Fraud Act 01, s 8(2); UC (TP) Regs, reg 35(6)(a); 2 reg 35(6)(b)

M4238 The payment restrictions in M4237 1. are where

1. both members of the couple were subject to a loss of benefit penalty¹ **or**
2. one member of the couple was subject to a loss of benefit penalty, and the other member was subject to a reduction of benefit due to a sanctionable failure².

Note: See DMG Chapter 34 for guidance on JSA sanctions, and M4210 - M4216 for guidance on transition of JSA sanctions to UC.

1 SS Fraud Act 01, s 8(2)(a); 2 s 8(2)(b); JS Act 95, s 19, 19A & 19B

M4239

Case 1

M4240 The guidance at M4235 applies where¹

1. an award of UC is made to a claimant who is an offender² **and**
2. the claimant was entitled, or would have been entitled if it had not terminated, to old style JSA, old style ESA, IS or HB within one month of the day the UC claim was made or treated as made **and**
3. on the relevant date, payments of old style JSA, old style ESA, IS or HB were restricted as a penalty for a benefit offence³.

1 UC (TP) Regs, reg 35(2); 2 SS Fraud Act 01, s 6B & 7; 3 s 6B, 7 & 8

M4241 For the purpose of M4240, the relevant date¹ is

1. the day on which the award of old style JSA, old style ESA, IS or HB terminated where the claimant was not entitled to any of those benefits on the day the UC claim was made or treated as made **or**
2. the day the UC claim was made where the claimant is not a new claimant partner and was entitled to old style JSA, old style ESA, IS or HB on that day **or**
3. the day the UC claim was treated as made where the claimant is a new claimant partner and was entitled to old style JSA, old style ESA, IS or HB on that day.

1 UC (TP) Regs, reg 35(7)

Example 1

Donna's award of JSA is not payable while she is serving a 26 week disqualification period, which started on 12.1.17. She is not eligible for hardship. On 6.2.17 Donna's entitlement to JSA ends when she starts a temporary job which lasts for four weeks. The job ends on 3.3.17, and Donna claims UC on 6.3.17 as she satisfies the gateway conditions. Donna's UC award is reduced for the remainder of the disqualification period.

Example 2

Claire is entitled to JSA(IB). Her award is subject to a three year penalty restriction. On 11.1.7 Claire is joined by her partner Matt, who has been entitled to UC as a single claimant since 18.10.16 Claire's award of JSA(IB) is terminated on 19.12.16, as is Matt's award of UC. Matt and Claire are awarded UC as joint claimants from 19.12.16, and their award of UC is restricted for the remainder of the disqualification period.

Case 2

M4242 The guidance at M4235 also applies where¹

1. an award of UC is made to a claimant who is an offender² **and**
2. another person who was that offender's family member (but who is no longer) was entitled to old style JSA, old style ESA, IS or HB within one month of the day the UC claim was made or treated as made **and**
3. on the relevant date, payments of old style JSA, old style ESA, IS or HB were restricted as a penalty for a benefit offence³.

Note: For the purposes of **2.**, the offender's family member is the UC claimant's former partner.

1 UC (TP) Regs, reg 35(3); 2 SS Fraud Act 01, s 6B & 7; 3s 9

M4243 For the purpose of M4242 the relevant date¹ is

1. the day the person entitled to old style JSA, old style ESA, IS or HB ceased to be the offender's family member **or**
2. the day the award of old style JSA, old style ESA, IS or HB terminated if earlier than the day in 1..

1 UC (TP) Regs, reg 35(7)

Example

John is entitled to IS for himself and his partner Lynne while he cares for his severely disabled mother. Lynne is convicted of a benefit offence for which a three year disqualification period is imposed, and John's award of IS is subject to a reduction from 20.4.16. John and Lynne separate on 25.11.16. John's award of IS as a single claimant continues without the reduction. Lynne claims UC as a single claimant from 5.12.16. Lynne's award of UC is reduced for the remainder of the disqualification period.

Case 3

M4244 The guidance at M4235 also applies where¹

1. an award of UC is made to a claimant who is an offender's family member² **and**
2. the offender, or the claimant, was entitled to old style JSA, old style ESA, IS or HB within one month of the day the UC claim was made or treated as made **and**
3. on the relevant date, payments of old style JSA, old style ESA, IS or HB were restricted as a penalty for a benefit offence³.

1 UC (TP) Regs, reg 35(4); 2 SS Fraud Act 01, s 9; 3 s 6B, 7, 8 & 9

M4245 For the purpose of M4244 the relevant date¹ is

1. the day on which the award of old style JSA, old style ESA, IS or HB terminated where the claimant was entitled to any of those benefits but that entitlement terminated before the day the UC claim was made or treated as made **or**
2. the day the UC claim was made where the claimant is not a new claimant partner and was entitled to old style JSA, old style ESA, IS or HB on that day **or**
3. the day the UC claim was treated as made where the claimant is a new claimant partner and was entitled to old style JSA, old style ESA, IS or HB on that day **or**

4. the earlier of the day a person ceased to be an offender's family member or the day the award of old style JSA, old style ESA, IS or HB terminated where the offender's family member was entitled to any of those benefits.

1 UC (TP) Regs, reg 35(7)

M4246 - M4249

Amount of reduction

M4250 Where M4235 et seq applies, the amount by which payment of UC is reduced in an assessment period is calculated by multiplying the daily reduction rate by the number of days in the assessment period¹. Where the disqualification ends during an assessment period, the amount by which UC is reduced in an assessment period is calculated by multiplying the daily reduction rate by the number of days in the assessment period which are in the disqualification period². However, the reduction must not exceed the claimant's standard allowance for an assessment period³. See M4251 - M4253 for guidance on the daily reduction rate. See ADM Chapter E2 (Benefit unit, awards and maximum amount) for guidance on assessment periods and the standard allowance.

Note: See M4256 for guidance where more than one reduction as in M4235 - M4245 and M4255 applies.

1 UC (TP) Regs, reg 36(1); 2 reg 36(2); 3 reg 36(6)

Daily reduction rate

M4251 Unless M4252 or M4253 apply, the daily reduction rate is calculated by

1. taking the amount equal to the amount by which payments of old style JSA, old style ESA, IS or HB were reduced¹ in the last complete week before the relevant date (see M4241, M4243 and M4245) **and**
2. multiplying by 52 **and**
3. dividing by 365 **and**
4. rounding down to the nearest 10 pence².

Note: See M4253 for joint-claim JSA reduction rates.

1 SS Fraud Act 01, s 6B & 7; SS (LoB) Regs, reg 3, 3ZA & 17; 2 UC (TP) Regs, reg 36(3)

Example

Cordelia is aged 27, and is entitled to ESA(IR) for herself and her partner Andrei. Andrei is convicted of a benefit offence which took place before 1.4.13, and Cordelia's award of ESA(IR) is subject to a penalty reduction of £29.25 a week (40% reduction of the applicable amount for a single claimant aged 25 or over) with a 3 year disqualification period. Cordelia's award of ESA(IR) is terminated when she

is found not to have LCW, and the couple claims UC. The daily reduction applied to their UC award is $\text{£}29.25 \times 52 \div 365 = \text{£}4.16$ rounded down to $\text{£}4.10$. This equates to a reduction of $\text{£}123$ in a 30 day month, and $\text{£}127.10$ in a 31 day month.

M4252 Where the amount by which payments of old style JSA, old style ESA, IS or HB would have been reduced would, if the claimant had remained entitled to those benefits, have changed during the disqualification period because of uprating¹

1. the daily reduction rate is calculated as in M4251 except that for **1.** the amount is the new amount by which payments would have been reduced **and**
2. any adjustment of the UC reduction takes effect from the start of the first assessment period after the date of change².

1 SS A Act 92, s 150; 2 UC (TP) Regs, reg 36(4)

M4253 Where the claimant was previously receiving joint-claim JSA the daily reduction rate is calculated by

1. taking the amount of the standard allowance for UC joint claimants¹ **and**
2. multiplying by 12 **and**
3. dividing by 365 **and**
4. reducing by 60% **and**
5. rounding down to the nearest 10 pence².

1 UC Regs, reg 36; 2 UC (TP) Regs, reg 36(5)

Example

Courtney and Justin are entitled to joint-claim JSA. Courtney is convicted of a benefit offence with a three year disqualification period, and their award of JSA is reduced to include the single claimant applicable amount instead of the couple rate, with no hardship payable, i.e. $\text{£}73.10$ instead of $\text{£}114.85$ weekly. Justin finds temporary work, and the award of JSA(IB) is terminated. Justin's job ends four weeks later, and the couple claims UC. The daily reduction rate is $\text{£}498.89 \times 12 \div 365 - 60\% = \text{£}6.56$ rounded to $\text{£}6.50$. This is a reduction of $\text{£}195$ in a 30 day assessment period, and $\text{£}201.50$ in a 31 day assessment period.

M4254

Transition from WTC

M4255 Where a UC claimant

1. was previously entitled to WTC **and**
2. is an offender

the guidance on reduction of UC for benefit offences in ADM Chapter B2 applies as if the terms “disqualification period”, “offender” and “offender’s family member” had the same meanings as in TC provisions¹. This allows a penalty applied to a WTC award to continue in relation to a UC award.

1 SS CB Act 92, s 137(1); TC Act 02, s 36A & 36C; SS (LoB) Regs, reg 3ZB; UC (TP) Regs, reg 37

Example

Craig is single and entitled to WTC, which is subject to a 100% reduction for a three year fraud penalty. Craig’s work ends, and he claims UC. The normal UC reduction rules apply. Craig had served one year of the penalty when he claimed UC. The daily reduction rate is £317.82 (standard monthly allowance) x 12 ÷ 365 = £10.44, rounded down to £10.40. The monthly reduction varies for the remaining two years of the penalty according to the number of days in the month, so that in 30 day months Craig’s UC award is reduced by £312, and in 31 day months by £322.40.

Maximum total reduction

M4256 Where reductions as in M4235 - M4245¹ and M4255² apply, the total amount of the reduction must not exceed the amount of the standard allowance³ applicable for the reduction period⁴.

1 UC (TP) Regs, reg 35; 2 reg 37; SS (LoB) Regs, reg 3ZB; 3 WR Act 12, s 9; 4 UC (TP) Regs, reg 38

Example

Richard is aged 30 and is entitled to WTC and HB. He was convicted of a benefit offence and has served one year of a three year penalty. His award of WTC is subject to a 100% reduction, while the HB award is subject to a 40% reduction. Richard claims UC after his job ends.

The daily rate reduction for the WTC penalty is £317.82 (UC standard monthly allowance) x 12 ÷ 365 = £10.44, rounded down to £10.40. The daily rate reduction for the HB penalty is £73.10 (HB weekly personal allowance) x 40% = £29.24 rounded to £29.25 x 52 ÷ 365 = £4.16 rounded to £4.10. The total daily reduction is £10.40 + £4.10 = £14.50. As this amount multiplied by the number of days in a month exceeds the standard monthly allowance of £317.82 in any month, the total maximum reduction is £317.82.

M4257 - M4999

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