

# Chapter 46 - ESA - Payment questions

## Contents

### General rules

<b>Introduction</b> .....	46001
<b>When entitlement begins</b> .....	46011
Meaning of benefit week .....	46012
Period for which benefit is calculated.....	46021
Date entitlement begins .....	46024
<b>Change of circumstances</b> .....	46025
<b>When entitlement ends</b> .....	46031

### Part-week payments ESA

#### Part-week payments - general

Introduction.....	46041
Definitions	
Meaning of notional entitlement .....	46042
What is the relevant week .....	46043
Who can get a part-week payment .....	46044
Reductions in certain cases	
Applications for hardship payments - ESA(IR) only.....	46045
Payment of ESA(Cont) for days of regular treatment .....	46046

#### Part-week payments at the beginning of an award

Period covered .....	46051
The relevant week .....	46052
Personal rate in the relevant week - ESA(Cont) .....	46053
Applicable amount in the relevant week - ESA(IR) .....	46055
Income in the relevant week .....	46061

The part-week payment .....	46071
ESA(Cont) .....	46072
ESA(IR) .....	46074

#### **Part-week payments at the end of a claim**

Period covered .....	46081
The relevant week .....	46082
Personal rate in the relevant week - ESA(Cont) .....	46083
Applicable amount in the relevant week - ESA(IR) .....	46084
Income in the relevant week .....	46091
The part-week payment .....	46093

#### **Part-week payments on change of benefit week**

Reasons for change .....	46101
Period covered .....	46102
The relevant week .....	46103
Personal rate in the relevant week - ESA (Cont) .....	46104
Applicable amount in the relevant week - ESA(IR) .....	46105
Income in the relevant week .....	46111
The part-week payment	
ESA(Cont) .....	46121
ESA(IR) .....	46123

### **Third Party Deductions**

#### **Third party deductions - general**

Payment to discharge claimant's liabilities .....	46131
Liability for debt .....	46136
Meaning of specified benefit .....	46140
ESA(IR) .....	46141
ESA(Cont) - underlying entitlement to ESA(IR) .....	46142
ESA(Cont) .....	46143
Amount of benefit to be left for claimant	
Specified benefit .....	46151
ESA(Cont) .....	46152

Maximum amount for payment of debts (arrears only) ESA(IR) and ESA(Cont) where underlying entitlement to ESA(IR) .....	46153
ESA(Cont) .....	46154
Consent required.....	46155
Consent not required.....	46161
Priority between debts.....	46162
Part-week payments .....	46165
<b>Third party deductions for mortgage interest and housing costs .....</b>	<b>46171</b>
Mortgage interest direct .....	46172
Qualifying lenders .....	46175
Relevant benefits .....	46176
Amount of relevant benefit to be left for claimant .....	46177
Mortgage protection policies .....	46181
Third party deductions - more than one loan .....	46182
Mortgage Interest Excess Payments .....	46185
Application of payment where it exceeds borrower's actual mortgage interest .....	46187
Third party deductions for housing costs .....	46191
Interests of the family.....	46196
Definition of housing costs .....	46198
Mortgage payments .....	46199
Service charges .....	46201
Amount of benefit to be left for claimant .....	46204
Housing costs payments in arrears .....	46206
Priority between housing costs debts .....	46207
<b>Third party deductions for miscellaneous accommodation costs</b>	
Meaning of miscellaneous accommodation costs .....	46211
Rules for third party deductions .....	46212
Polish homes and homes run by voluntary organizations .....	46216
Amount deducted - complete weeks.....	46221
Personal expenses.....	46223
Amount deducted - part-weeks .....	46231

Amount of benefit to be left for claimant ..... 46234

**Third party deductions for hostel service charges**

Meaning of hostel ..... 46241

Rules for third party deductions ..... 46245

Current charges ..... 46246

    Arrears of hostel charges ..... 46250

**Third party deductions for rent and service charges for fuel**

Definitions ..... 46261

Rules for third party deductions ..... 46263

Interests of the family ..... 46271

Amount deducted for arrears ..... 46281

Amount deducted for current charges ..... 46282

Joint tenants ..... 46286

Superseding the third party deduction decision ..... 46290

**Third party deductions for fuel costs**

Green Deal ..... 46296

Definition of fuel item ..... 46300

Rules for third party deductions ..... 46301

Interests of the family ..... 46304

Amount to be deducted and paid direct ..... 46310

    Exception to general rules ..... 46311

    Amount of benefit left for claimant ..... 46312

Arrears of fuel - original debt ..... 46321

Fuel - current consumption ..... 46325

Original debt recovered ..... 46330

Joint tenants ..... 46341

Priority between fuel debts ..... 46343

Consent of claimant required ..... 46351

Superseding the third party deduction decision ..... 46352

**Third party deductions for water charges - England and Wales**

Meaning of water charges ..... 46361

Methods of charging.....	46362
Rules for third party deductions .....	46363
Interests of the family .....	46365
Amount to be deducted and paid direct .....	46368
Amount of benefit to be left for claimant .....	46370
The original debt.....	46376
Unmetered water	
Original debt.....	46377
Consumption .....	46379
Annual increases.....	46380
Metered water	
Original debt.....	46382
Consumption .....	46384
Original debt recovered.....	46389
Joint tenants .....	46391
Priority between debts for water charges.....	46393
Consent of claimant required .....	46395
Superseding the third party deduction decision.....	46397
<b>Third party deductions for water charges - Scotland</b>	
Meaning of water charges.....	46399
Rules for third party deductions .....	46402
Water debt only .....	46405
<b>Deductions from benefit – FRM or CMD</b>	
Child support maintenance .....	46408
Meaning of Fee .....	46411
Meaning of specified benefit .....	46412
Meaning of beneficiary .....	46413
Meaning of maintenance .....	46414
Meaning of person with care .....	46415
Deductions from specified benefit.....	46416
Prevention of duplicate deductions.....	46421
Amount of ESA to be left after deduction of FRM or CMD .....	46422
Arrears – FRM deductions only .....	46423

Apportionment .....	46427
Claimant and partner both liable to pay maintenance	
FRM deductions .....	46428
CMD .....	46430
Claimant or partner liable to pay maintenance	
FRM deductions .....	46432
CMD .....	46433
Polygamous marriages .....	46434
Cases exempt from CMD or FRM.....	46435
Notice .....	46437
<b>Third party deductions for payments in place of payments of child support maintenance – CTM deductions</b>	
Introduction.....	46438
Deductions	
Sufficient specified benefit in payment .....	46442
Number of deductions .....	46443
DMs action .....	46445
The fixed amount.....	46447
Specific deductions .....	46448
Exception to general rule .....	46449
Maximum amount of deduction .....	46451
Deductions from ESA(Cont).....	46452
Rules for deduction of CSM .....	46453
Amount deducted.....	46454
Maximum amount of deduction .....	46455
Order of priority .....	46456
<b>Third party deductions for Council Tax</b>	
Introduction.....	46461
Application for deductions .....	46462
Contents of application .....	46464
DMs action .....	46465
Can a deduction be made	
ESA(IR) .....	46471

ESA(Cont) - underlying entitlement to ESA(IR) .....	46472
ESA(Cont) .....	46473
Amount of deduction .....	46474
Other deductions .....	46475
Maximum amount of deduction .....	46476
More than one application.....	46478

**Third party deductions for Community Charge**

Introduction.....	46481
Application for deductions .....	46483
Contents of application .....	46485
DMs action .....	46486

Can a deduction be made

ESA(IR) .....	46496
ESA(Cont) - underlying entitlement to ESA(IR) .....	46497
ESA(Cont) .....	46498
Amount deducted - single debtor .....	46499
Amount deducted - couples .....	46500
Maximum amount of deduction.....	46511
Order of priority .....	46513
More than one application.....	46514

**Third party deductions for fines**

Introduction.....	46521
Application for deductions .....	46522
Contents of application .....	46530
DMs action .....	46531

Can a deduction be made

ESA(IR) .....	46533
ESA(Cont) - underlying entitlement to ESA(IR) .....	46534
ESA(Cont) .....	46535
Amount of deduction .....	46536
Maximum amount of deduction .....	46537
Order of priority .....	46539
Further applications.....	46561

### **Third party deductions for eligible loan deduction scheme**

Introduction.....	46571
Definitions	
Borrower.....	46575
Eligible benefit.....	46576
Eligible lender.....	46577
Eligible loan.....	46578
Loan agreement.....	46579
Deductions from benefit .....	46581
Prevention of duplicate deductions.....	46584
Deductions - priority order.....	46585
Amount of the deduction .....	46601
Notification .....	46602
Circumstances in which deductions will cease .....	46603
Payments of amounts deducted .....	46611
Maximum amount of deductions .....	46613
Consent of claimant required.....	46614
Priority between debts.....	46615

### **Third party deductions for integration loan scheme**

Introduction.....	46621
Definitions	
Integration loan .....	46625
Specified benefit.....	46626
Deductions from benefit .....	46631
Amount of the deduction .....	46632
Consent.....	46635
Priority between debts .....	46636
Payments or awards .....	<b>Appendix 1</b>
Payments or awards which may affect liability for FRM or CMD.....	<b>Appendix 2</b>

# Chapter 46 - ESA - Payment questions

## General rules

### Introduction

- 46001 There are some payment questions that apply only to claims for ESA. This Chapter deals with those questions.
- 46002 Guidance on the other general rules that also apply can be found in other Chapters. For example those governing the
1. period of an award (see DMG Chapter 02)
  2. time and manner of payment (see DMG Chapter 08)
  3. payment of small amounts of benefit (see DMG Chapter 08)
  4. question of revision or supersession (see DMG Chapter 04)
  5. usual effects of a change in circumstance (see DMG Chapter 04).

46003 - 46010



## When entitlement begins

46011 ESA is a weekly benefit that is normally paid for complete weeks (benefit weeks). See DMG 46041 et seq for guidance on when payment may be made for part-weeks.

## Meaning of benefit week

46012 Benefit week means a period of seven days ending on any such day as the DM may direct<sup>1</sup>.

*1 ESA Regs, reg 2(1)*

46013 DMG 46012 applies but for the purposes of calculating any payment of income where benefit week will mean

1. on the day before the first day of the first benefit week following the date of claim **or**
2. on the last day on which an ESA is paid if it is in payment for less than a week<sup>1</sup>.

*1 ESA Regs, reg 2(1)*

46014 - 46020

## Period for which benefit is calculated

46021 ESA must be paid fortnightly in arrears<sup>1</sup> on the day of the week determined in accordance with DMG 46023. However the Secretary of State may in any particular case or classes of case, arrange for payment to be made other than fortnightly<sup>2</sup>.

*1 SS (C&P) Regs, reg 26C(1); 2 reg 26C(3)*

46022 When benefit is paid in arrears, the period up to and including the BWE is used. That is the seven days ending on the last day of the benefit week.

46023 The day is determined by the last two numbers of the NINO as follows<sup>1</sup>

00 to 19	Monday
20 to 39	Tuesday
40 to 59	Wednesday
60 to 79	Thursday
80 to 99	Friday

However the Secretary of State can arrange in any particular case or class of cases for payment to be made on any day of the week<sup>2</sup>.

*1 SS (C&P) Regs, reg 26C(2); 2 reg 26C(3)*

## Date entitlement begins

46024 A person is not normally entitled to ESA for the first seven days (waiting days) at the beginning of a PLCW<sup>1</sup>. This means that entitlement to ESA does not start until the day after those seven waiting days.

**Note:** Please see guidance in Chapter 41 on waiting days<sup>1</sup> and linking rules<sup>2</sup>.

*1 ESA Regs, reg 144, 2 reg 145*

## Change of circumstances

46025 A change in the claimant's circumstances can give grounds to supersede the award<sup>1</sup> in ESA. The normal rules on supersession are in DMG Chapter 41.

*1 SS Act 98, s 10*

46026 - 46030



## When entitlement ends

46031 The date a supersession takes effect is usually the first day of a benefit week<sup>1</sup>.

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

46032 DMG Chapter 04 gives guidance on the rules that apply and the exceptions to those rules. The date entitlement ends is such an exception.

46033 Entitlement may end or be expected to end for a reason other than a change in income or applicable amount. For example the claimant may start work. See DMG Chapter 04 for full guidance on the date supersession takes effect when entitlement ends.

46034 - 46040



# Part-week payments ESA

## Part-week payments - general

### Introduction

46041 This section gives guidance on how to calculate part-week payments of ESA.

### Definitions

#### Meaning of notional entitlement

46042 In this guidance notional entitlement means

1. in ESA(Cont), the claimant's personal rate
2. in ESA(IR), the amount by which the applicable amount exceeds income.

#### What is the relevant week

46043 Part-week payment calculations are based on the claimant's notional entitlement during the relevant week<sup>1</sup> (sometimes known as the notional benefit week). The period covered by the relevant week depends on when the need for a part-week payment arises. For a part-week payment

1. at the beginning of an award, the relevant week is defined in DMG 46052
2. at the end of an award, the relevant week is defined in DMG 46082
3. on a change of benefit week, the relevant week is defined in DMG 46103.

*1 ESA Regs, reg 166*

### Who can get a part-week payment

46044 Most ESA claimants will be able to get part-week payments.

### Reductions in certain cases

#### Applications for hardship payments - ESA(IR) only

46045 The amount of ESA payable<sup>1</sup> in respect of a part-week, where a disqualification is made under specified legislation<sup>2</sup>, is

1. one seventh of the ESA which would have been paid for the part-week if
  - 1.1 there was no disqualification **and**
  - 1.2 it was not a part-week

**multiplied by**

2. the number of days in the part-week in respect of which no disqualification is to be made.

*1 ESA Regs, reg 168; 2 reg 157*

### **Example**

Paul is disqualified from ESA because he failed to attend a medical recommended by his doctor, and had no good cause for not attending. His weekly entitlement to ESA is £71.70. Paul needs a part-week payment for three days. The calculation is

1. £71.70 divided by 7

### **Multiplied by**

2. 3 (number of days of the part-week)

The part-week payment is £30.73

### **Payment of ESA(Cont) for days of regular treatment**

46046 Where a claimant entitled to ESA(Cont) is treated as having LCW because they receive or are recovering from regular treatment (see DMG Chapter 42) any part week payment will be the

1. claimant's entitlement to ESA(Cont) divided by seven multiplied by
2. number of days in that week on which the claimant was receiving or recovering from that treatment, but that does not include any day during which the claimant does work<sup>1</sup>.

*1 ESA Regs, reg 169*

### **Example**

If a claimant has one day of treatment that claimant would receive one day of ESA(Cont). Where a claimant has one day of treatment and two days recovery, that claimant would receive three days ESA(Cont).

46047 - 46050

# Part-week payments at the beginning of an award

## Period covered

- 46051 A part-week payment will be made at the beginning of an award if
1. the day when entitlement begins is not the first day of the claimant's benefit week **or**
  2. benefit is awarded for a fixed definite period of less than a week.

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

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

## The relevant week

- 46052 For part-week payments at the beginning of a claim, the relevant week is the period of seven days **ending** on the last day of the part-week period<sup>1</sup>.

*1 ESA Regs, reg 166(1)(a)*

### Example 1

Noel's entitlement to ESA begins on Monday 24 November. His benefit week runs from Friday to Thursday. A part-week payment is needed for the period Monday 24 to Thursday 27. The relevant week is Friday 21 to Thursday 27.

### Example 2

ESA is awarded to Harry for the definite period Monday 10 November to Saturday 15 November. A part-week payment is needed for that period. The relevant week is Sunday 9 to Saturday 15.

## Personal rate in the relevant week - ESA(Cont)

- 46053 Calculate the claimant's personal rate in the relevant week in the normal way.
- 46054 Where the applicable amount includes a fraction of a penny treat that fraction as a penny<sup>1</sup>.

*1 ESA Regs, reg 3(b)*

## Applicable amount in the relevant week - ESA (IR)

- 46055 Calculate the claimant's applicable amount in the relevant week in the normal way (see DMG Chapter 44).

46056 Where the applicable amount includes a fraction of a penny treat that fraction as a penny<sup>1</sup>.

*1 ESA Regs, reg 3(b)*

46057 - 46060

## **Income in the relevant week**

46061 Calculate the claimant's income in the normal way **but**

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

*1 ESA Regs, reg 167(a); 2 reg 167(f)*

46062 [\[See DMG memo 11/17\]](#) In addition, to decide the amount of

1. ESA (Cont) payable, disregard in full any

1.1 WB

1.2 CA

1.3 TA

1.4 US

1.5 WPA

1.6 Bereavement Allowance

payable in the relevant week but not for any day in the part-week<sup>1</sup>

2. ESA (IR) payable, disregard in full any

2.1 JSA

2.2 IS

2.3 MA

2.4 IB

2.5 SDA

2.6 ESA

2.7 UC

payable to the claimant or member of the family in the relevant week, but not for any day in the part-week<sup>2</sup>.

**Note:** If JSA, ESA, IS, MA, IB, SDA or UC is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 46074).

*1 ESA Regs, reg 167(d); 2 reg 167(b)*

### Example

George is entitled to ESA(IR). He needs a part-week payment for two days as his entitlement begins earlier than the first day of his benefit week. His first complete benefit week runs from Thursday 6 November to Wednesday 12 November. He is entitled to ESA(IR) from Tuesday 4. A part-week payment is due for Tuesday 4 to Wednesday 5. The relevant week is Thursday 30 October to Wednesday 5 November. His wife receives IB in the relevant week (2nd to 3rd), but the payment does not cover any days in the part-week. The IB is disregarded in full when calculating income.

46063 Disregard the amount of any

1. ESA
2. JSA
3. IS
4. MA
5. IB
6. SDA
7. UC

payable to the claimant or partner in respect of any day in the part-week<sup>1</sup>.

*1 ESA Regs, reg 167(c)*

46064 - 46070

### The part-week payment

46071 There are different rules to calculate the amount of a part-week payment depending on whether ESA(Cont) or ESA(IR) is involved.

#### ESA(Cont)

46072 [\[See DMG memo 11/17\]](#) The part-week payment is the claimant's notional entitlement in the relevant week multiplied by the number of days in the part-week divided by seven **less** any

1. WB
2. CA
3. TA
4. US
5. WPA
6. Bereavement Allowance

payable for any day in the part-week<sup>1</sup>.



### Example

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

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

$$£14.386 - £8.00 = £6.386$$

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

- 46073 Where the part-week payment includes a fraction of a penny treat that fraction as a penny<sup>1</sup>.

*1 ESA Regs, reg 3(b)*

### ESA(IR)

- 46074 The part-week payment is

1. the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by seven (carry forward any fraction of a penny) **less**
2. any JSA, ESA, IS, MA, IB or SDA payable to the claimant or partner for any day in the part-week<sup>1</sup>.

*1 ESA Regs, reg 165(2)*

- 46075 The amount deducted under DMG 46074 **2.** depends on whether the payment of JSA, ESA, IS, MA, IB or SDA is payable

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

- 46076 Where DMG 46074 **1.** applies the amount deducted is the actual amount payable. Where DMG 46074 **2.** applies the amount deducted is<sup>1</sup> in the case of a payment of JSA, ESA, IS, IB, MA or SDA the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by seven.

*1 ESA Regs, reg 165*

### Example

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

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

$$£34.286 - £17.154 = £17.143$$

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

46077 Where the part-week payment includes a fraction of a penny treat that fraction as a penny<sup>1</sup>.

*1 ESA Regs, reg 3(b)*

46078 - 46080



# Part-week payments at the end of a claim

## Period covered

- 46081 A part-week payment is needed at the end of a claim if
1. the day when entitlement ends is not the last day of the claimant's benefit week **or**
  2. benefit is awarded for a definite period of a week or more which ends on a day other than the last day of the claimant's benefit week.

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

## The relevant week

- 46082 For part-week payments at the end of a claim the relevant week is the period of seven days **beginning** on the first day of the part-week period<sup>1</sup>.

*1 ESA Regs, reg 166(1)(b)*

### Example

Katja's entitlement to ESA ends on Saturday 15 November. Her benefit week runs from Thursday to Wednesday. A part-week payment is needed for the period Thursday 13 to Saturday 15. The relevant week is Thursday 13 to Wednesday 19.

## Personal rate in the relevant week - ESA(Cont)

- 46083 Calculate the claimant's personal rate in the relevant week in the normal way.

## Applicable amount in the relevant week - ESA(IR)

- 46084 Calculate the claimant's applicable amount in the relevant week as in DMG 46054 - 46055.

46085 - 46090

## Income in the relevant week

- 46091 Calculate the claimant's income in the relevant week in the normal way **but**
1. treat any income due to be paid in the relevant week as paid on the first day of that week<sup>1</sup> **and**
  2. disregard in full
    - 2.1 any new income first payable in the relevant week but not in the part-week<sup>2</sup> **and**
    - 2.2 any change to an existing income which occurs in the relevant week but not in the part-week<sup>3</sup>.

*1 ESA Regs, reg 167(a); 2 reg 167(e)(i); 3 reg 167(e)(ii)*

## Example

David's last day of entitlement to ESA(IR) is Thursday 4 December. His benefit week runs from Tuesday to Monday. He therefore needs a part-week payment for Tuesday 2 to Thursday 4. The relevant week is Tuesday 2 to Monday 8. He will receive his first payment of RP on Monday 8. As this new income is payable in the relevant week but not in the part-week it is disregarded in full.

46092 [\[See DMG memo 11/17\]](#) In addition, to decide the amount of

1. ESA(Cont) payable, disregard in full any

1.1 WB

1.2 CA

1.3 TA

1.4 US

1.5 WPA

1.6 Bereavement Allowance

payable in the relevant week, but not for any day in the part-week<sup>1</sup>.

2. ESA(IR) payable, disregard in full any

2.1 JSA

2.2 IS

2.3 MA

2.4 IB

2.5 SDA

2.6 ESA

2.7 UC

payable to the claimant or member of the family in the relevant week but not for any day in the part-week<sup>2</sup>.

**Note:** If JSA, IS, MA, IB, SDA, ESA or UC is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 46074).

*1 ESA Regs, reg 167(d); 2 reg 167(b)*

## The part-week payment

46093 Calculate the part-week payments for both ESA(Cont) and ESA(IR) as in DMG 46072 - 46076.

46094 - 46100

# Part-week payments on change of benefit week

## Reasons for change

- 46101 A change of ESA benefit week is needed when the DM directs that the benefit week should change during an award.

## Period covered

- 46102 A part-week payment is made to cover the period beginning on the day after the last complete old benefit week and ending on the day before the first complete new benefit week<sup>1</sup>.

*1 ESA Regs, reg 166(1)*

## The relevant week

- 46103 For part-week payments on a change of benefit week in ESA, the relevant week is the period of seven days beginning on the day after the last complete benefit week<sup>1</sup>.

*1 ESA Regs, reg 166(2)*

## Example

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

## Personal rate in the relevant week - ESA(Cont)

- 46104 Calculate the claimant's personal rate in the relevant week in the normal way.

## Applicable amount in the relevant week - ESA(IR)

- 46105 Calculate the claimant's applicable amount in the relevant week in the normal way.
- 46106 Any change in the applicable amount because of any change of circumstances (for example death or marriage), which takes place between the end of the last complete old benefit week and the beginning of the first complete new benefit week will take effect from the first day of the relevant week.

46107 - 46110

## Income in the relevant week

- 46111 Calculate the claimant's income in the relevant week in the normal way **but**
1. treat any income due to be paid in the relevant week as paid on the first day of that week<sup>1</sup> **and**
  2. when only part of the weekly income is taken into account in the relevant week, disregard the balance<sup>2</sup>.

*1 ESA Regs, reg 167(a); 2 reg 167(f)*

46112 [\[See DMG memo 11/17\]](#) In addition, to decide the amount of

1. ESA(Cont) payable, disregard in full any
  - 1.1 WB
  - 1.2 CA
  - 1.3 TA
  - 1.4 US
  - 1.5 WPA
  - 1.6 Bereavement Allowance

payable in the relevant week, but not for any day in the part-week<sup>1</sup>

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

payable to the claimant or member of the family in the relevant week but not for any day in the part-week<sup>2</sup>.

**Note:** If a payment of JSA, IS, MA, IB, SDA, ESA or UC is payable for any day in the part-week take it into account when calculating the part-week payment (see DMG 46121 - 46126).

*1 ESA Regs, reg 167(d); 2 reg 167(b)*

46113 - 46120

## The part-week payment

### ESA(Cont)

46121 [\[See DMG memo 11/17\]](#) The part-week payment is the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week divided by seven **less** any

1. WB
2. CA
3. TA
4. US
5. WPA
6. Bereavement Allowance

payable for any day in the part-week<sup>1</sup>.

*1 ESA Regs, reg 165(3)*

46122 Where the part-week payment includes a fraction of a penny treat that fraction as a penny<sup>1</sup>.

*1 ESA Regs, reg 3(b)*

### ESA(IR)

46123 The part-week payment is the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by seven **less** any

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

payable to any member of the claimant's family for any day in the part-week<sup>1</sup>.

*1 ESA Regs, reg 165(2)*

46124 The amount deducted under DMG 46123 depends on whether the payment of JSA, IS, MA, IB, SDA or ESA was payable

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

46125 Where DMG 46123 **1.** applies the amount deducted is the amount actually payable.  
Where DMG 46124 **2.** applies the amount deducted is<sup>1</sup> in the case of a payment of JSA, IS, IB, MA, SDA or ESA the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by seven.

**Note:** See **Example** at DMG 46075.

*1 ESA Regs, reg 169*

46126 Where the part-week payment includes a fraction of a penny treat that fraction as a penny<sup>1</sup>.

*1 ESA Regs, reg 3(b)*

46127 - 46130

# Third party deductions

## Third party deductions - general

### Payment to discharge claimant's liabilities

46131 The DM has discretion to make deductions from benefit, under the third party deduction scheme, which are paid directly to third parties<sup>1</sup>.

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

46132 Deductions and payments to third parties can be made under the third party deduction scheme if the claimant or partner is liable to pay<sup>1</sup>

1. housing costs
2. miscellaneous accommodation costs
3. hostel payments
4. rent arrears and service charges for fuel and water
5. fuel costs
6. water charges
7. CSM (under CTM scheme only)
8. Integrated Loan Scheme<sup>2</sup>
9. ELDS<sup>3</sup>.

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

**Note:** Deductions for CSM can be made under CTM (see DMG 46438 – 46460) or FRM/CMD (See DMG 46408 – 46437) schemes. CTM deductions fall within the third party deductions scheme. However deductions for FRM or CMD fall outside the scheme and do not sit within the priority list (see DMG 46163).

46133 ESA can also be paid direct for arrears of CC and CT payable by a claimant or partner (see DMG 46481 and DMG 46461), or for a claimant only for fines or compensation orders (see DMG 46521).

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

46134 When a decision is made to

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

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

46135

## Liability for debt

46136 Deductions and payments to third parties can only be made if the claimant or partner is liable to pay the debt<sup>1</sup>. A claimant or partner will normally be liable for a debt if named on the bill.

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

46137 A debt may be disputed by the claimant or partner. This is a factor for the DM to consider when deciding whether they are liable to pay the debt. Although the Department cannot get involved in the dispute, enquiries should be made of the third party.

46138 Give the claimant the opportunity to provide evidence to support any claim that the debt is not liable to be paid.

46139 Deductions should only be made where there is evidence that the claimant or partner is liable to pay the debt.

## Meaning of specified benefit

46140 Specified benefit means<sup>1</sup>

1. ESA(IR) or

2. ESA(Cont) where

2.1 both ESA(IR) and ESA(Cont) are in payment and the ESA(IR) is insufficient for the purposes of making such deductions or

2.2 if there was no entitlement to ESA(Cont) there would be entitlement to ESA(IR) at the same rate.

*1 SS (C&P) Regs, Sch 9, para 1(1) & 1(3); Criminal Justice Act 91, s 24*

## ESA(IR)

46141 The full range of third party deductions is available in ESA(IR).

## ESA(Cont) - underlying entitlement to ESA(IR)

46142 With the exception of mortgage interest (see DMG 46172) the full range of third party deductions is available where, if there was no entitlement to ESA(Cont), there would be entitlement to ESA(IR) of at least the same rate.

## ESA(Cont)

46143 Where ESA(IR) is not an issue, only three categories of third party deductions are available. These are

1. CC/CT arrears

2. fines
3. arrears of CSM under the old scheme (see DMG 46436 - 46455).

46144 - 46150

## Amount of benefit to be left for claimant

### Specified benefit

- 46151 The claimant should be left with at least 10p **specified benefit** after third party deductions have been made<sup>1</sup>. No deduction should be made if it would leave the claimant with less than 10p. But see DMG 46205 and DMG 46235 for when the deduction may be adjusted instead of not being made.

*1 SS (C&P) Regs, Sch 9, para 2(2); Council Tax (Deductions from IS) Regs 93, reg 5(1)(b); Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1); Fines (Deductions from IS) Regulations 1992, reg 4(1)(b)*

### ESA(Cont)

- 46152 Where ESA(IR) is not an issue, the claimant need not be left with any ESA(Cont) after a deduction has been made. A deduction can be made if the amount of ESA(Cont) payable before the deduction is at least one third of the appropriate age-related amount. This is so even where the claimant would be left with nothing<sup>1</sup>.

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

## Maximum amount for payment of debts (arrears only) ESA(IR) and ESA(Cont) where underlying entitlement to ESA(IR)

- 46153 There is a maximum amount<sup>1</sup> for payment of **arrears** to third parties. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over (see DMG Chapter 44). The total amount deducted for arrears should not exceed this amount. Arrears deductions include

1. arrears of
  - 1.1 housing costs (not covered by the mortgage interest direct scheme)
  - 1.2 rent
  - 1.3 fuel
  - 1.4 water **and**
2. CT (but not CC) **and**
3. fines **and**
4. CSM under the old scheme (see DMG 46436 - 46455) **and**

5. Integrated Loan Scheme
6. ELDS.

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

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

## **ESA(Cont)**

46154 Where ESA(Cont) is in payment and ESA(IR) is not an issue (see DMG 46143), the maximum total amount deducted for

1. CC/CT arrears **or**
2. fines **or**
3. arrears of CSM under the old scheme (see DMG 46436 - 46455)

cannot exceed one third of the appropriate age related amount payable.

## **Consent required**

46155 Unless the claimant consents<sup>1</sup>, third party deductions cannot be made for

1. housing costs arrears (not covered by the mortgage interest direct scheme)
2. rent arrears and service charges for fuel and water
3. fuel costs (including arrears)
4. water charges (including arrears)
5. Integrated Loan Scheme<sup>2</sup>
6. ELDS

where the total deduction for that item, or any combination of those items, exceeds 25% of the family's applicable amount.

**Note:** Any housing costs included in the applicable amount should not be taken into consideration when deciding whether third party deductions exceed 25% of the family's applicable amount<sup>3</sup>.

*1 SS (C&P) Regs, Sch 9, para 8(2); 2 para 7C(12)(b);  
3 para 8 (4)(a)(iv); ESA (TP, HB & CTB) (EA) (No. 2) Regs, Sch 4, para 1*

46156 The amount of CTC and CHB entitlement should be added to the applicable amount when deciding if deductions exceed 25% of the total.

46157 - 46160

## **Consent not required**

46161 The claimant's consent is not required if a deduction, or a combination of deductions, for

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

makes the total amount deducted exceed 25% of the applicable amount for the family<sup>1</sup>.

**Note:** For definition of independent hospital see guidance at DMG 33327.

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

## Priority between debts

46162 The claimant may satisfy the criteria for third party deduction of more than one debt. But the amount of benefit may not be enough to meet all those liabilities. The deductions should then be given a particular order of priority<sup>1</sup>.

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

46163 For ESA(IR) and ESA(Cont) with underlying entitlement to ESA(IR), the order of priority is<sup>1</sup>

1. housing costs
2. miscellaneous accommodation costs
3. hostel payments
4. rent arrears and service charges for fuel
5. fuel costs
6. water charges
7. CC or CT arrears
8. fines
9. CSM under the old scheme (see DMG 46436 - 46455).
10. Integrated Loan Scheme
11. ELDS.

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

46164 Where ESA(Cont) is in payment and ESA(IR) is not an issue the order of priority is

1. CC/CT arrears
2. fines
3. arrears of CSM under the old scheme (see DMG 46436 - 46455).

## Part-week payments

46165 Third party deductions from part week payments of specified benefit can be made for

1. hostel payments<sup>1</sup> (see DMG 46241) **and**
2. miscellaneous housing costs<sup>2</sup> (see DMG 46211).

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

46166 Third party deductions to discharge any other liability cannot be made from part-week payments.

46167 - 46170

# Third party deductions for mortgage interest and housing costs

46171 There are two schemes for third party deductions of housing costs

1. the mortgage interest direct scheme (see DMG 46172 et seq)<sup>1</sup> **and**
2. the third party deductions scheme (see DMG 46191 et seq)<sup>2</sup>.

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

## Mortgage interest direct

46172 Mortgage interest payments must be made directly to a third party where

1. the loan is secured on the home<sup>1</sup> **and**
2. the loan is payable to a qualifying lender<sup>2</sup> **and**
3. the claimant is entitled to a relevant benefit<sup>3</sup>.

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

46173 The DM decides the amount of qualifying loan interest to be paid direct to a qualifying lender. This should

1. be calculated using<sup>1</sup> the standard rate of interest **and**
2. include any addback (see DMG Chapter 44) which is appropriate to the specific loan<sup>2</sup>.

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

46174 The DM then pays the specified amount in arrears at four weekly intervals directly to the qualifying lender<sup>1</sup>.

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

## Qualifying lenders

46175 A qualifying lender is<sup>1</sup>

1. any company describing itself as a bank under certain law<sup>2</sup>
2. any building society incorporated under relevant law<sup>2</sup>
3. any body or person carrying on insurance business under certain law<sup>3</sup>
4. any county council, district council, county borough council or London Borough Council
5. any council under certain law<sup>4</sup>
6. the Common Council of the Isles of Scilly
7. the Common Council of the City of London
8. any new town corporation<sup>5</sup>

9. the Regulator of Social Housing
10. Housing for Wales<sup>6</sup>
11. Communities Scotland<sup>7</sup>
12. the Development Board for Rural Wales
13. any body incorporated under certain law<sup>8</sup> whose main objectives include making loans secured by a mortgage or charge over land or (in Scotland) by heritable security.

*1 SS A Act 92, s 15A(3); SS (C&P) Regs, Sch 9A, para 8; 2 SS A Act 92, s 15A(3)(a); Financial Services and Markets Act 2000, Part 4; 3 SS A Act 92, s 15A(3)(c); Financial Services and Markets Act 2000, Part 4; 4 Local Government etc (Scotland) Act 94, s 2; 5 SS (C&P) Regs, Sch 9A, para 8(a); 6 Sch 9A, para 8(b); 7 Sch 9A, para 8(c); 8 Companies Act 85*

### **Relevant benefits**

46176 Relevant benefit means<sup>1</sup>

1. ESA(IR) **and**
2. ESA(IR) and ESA(Cont) where
  - 2.1 both are in payment **and**
  - 2.2 the ESA(IR) alone is insufficient for the purposes of the deductions.

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

### **Amount of relevant benefit to be left for claimant**

46177 The claimant should be left with a minimum of 10p after the mortgage interest third party deduction has been made<sup>1</sup>.

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

46178 - 46180

### **Mortgage protection policies**

46181 Claimants may have insured against the risk of being unable to meet mortgage interest repayments. The amount of mortgage interest to be paid direct should then be reduced<sup>1</sup>. The reduction will be the amount of income from the insurance policy which is taken into account.

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

### **Third party deductions - more than one loan**

46182 The claimant may be liable to pay mortgage interest on more than one loan. The DM will then pay each qualifying lender the appropriate mortgage interest third party deduction for each loan.

46183 A claimant may have more than one loan, but there may not be enough relevant benefit in payment to meet them all. The DM should then pay the qualifying lender

according to the priority of the loans<sup>1</sup>. This will usually be the order, by date, in which they have been charged on the home.

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

46184 Where there is a non-dependant the amount of non-dependant deduction should be apportioned between the loans. The formula is<sup>1</sup>

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

A is the total weekly eligible housing costs (including any addback that may be appropriate)

B is the mortgage interest payable on a loan (including any addback)

C is the amount of the non-dependant deduction.

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

### Example

Gareth has weekly housing costs of £80 made up of

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

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

$$\frac{£6.00 (C) \times £40.00 (B)}{£80.00} = £3.00$$

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

## Mortgage Interest Excess Payments

46185 Any excess interest payment paid to a claimant's mortgage account as a result of the SIR being higher than the claimant's actual mortgage interest rate is applied only to the claimant's mortgage account and cannot be repaid to the claimant<sup>1</sup>.

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

46186 Where payments of MID are deducted from ESA(IR) and are paid to a qualifying lender, any amount paid in excess of the borrower's actual mortgage interest liability has to be applied by the qualifying lender in accordance with DMG 46187 or DMG 46188<sup>1</sup>.

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

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

46187 Unless DMG 46188 applies, the amount paid in excess of the borrower's actual mortgage interest liability has to be applied<sup>1</sup>

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

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

#### **Example**

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

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

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

46188 Where the borrower is liable to pay mortgage interest to the same qualifying lender in respect of two or more different loans and the sum paid to that lender in respect of one of those loans ("Loan A") exceeds the borrower's liability in respect of the mortgage interest payable on that loan the excess has to be applied by that lender<sup>1</sup>

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

**Note:** DMs should be aware that it is the qualifying lenders who will apply these priorities and not the DM. It is a matter between the lender and the claimant. Nothing in the regulations authorises repayment of any excess by the lender to the claimant.

*1 SS (C&P) Regs, Sch 9A, para 4A(2); 2 SS Act 92, sec 15A(4)(b)*

46189 - 46190

## Third party deductions for housing costs

46191 Housing costs for which the claimant has a liability may be deducted from the specified benefit and paid direct where<sup>1</sup>

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

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

46192 Third party deductions for housing costs can include<sup>1</sup>

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

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

46193 Third party deductions for loan interest cannot be made where<sup>1</sup>

1. payment is made to a qualifying lender under the mortgage interest direct scheme (see DMG 46172) **or**
2. payment would have been made under the mortgage interest direct scheme had the lender not opted out of it.

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

46194 Third party deductions should be considered for

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

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

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

46195

## Interests of the family

46196 It will normally be in the interests of the claimant or their family to introduce third party deductions if there is

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

46197 Third party deductions will not normally be in the interests of the claimant or their family if they

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

## Definition of housing costs

46198 For third party deductions purposes housing costs are<sup>1</sup>

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

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

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

## Mortgage payments

46199 Mortgage payments means<sup>1</sup> the amount of eligible housing costs allowable towards the interest on a loan taken out and used to

1. acquire an interest in the home
2. undertake repairs or improvements to the home
3. pay for service charges for repairs and improvements to the home.

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

46200 This includes any addback (see DMG Chapter 44) awarded specifically for that loan. It excludes amounts which are not allowable because of restriction and deductions for non-dependants.

## Service charges

- 46201 Service charges can be made for many items including fuel and water. But not all such charges are housing costs for the purposes of third party deductions.
- 46202 A service charge for communal water charges is a housing cost for these purposes<sup>1</sup>. For example a charge to cover the communal supply of water for central heating. But water charges for the claimant's home which are paid with rent are not housing costs for these purposes. They are covered by separate provisions (see DMG 46261).

*1 SS (C&P) Regs, Sch 9, para 1 & 3; ESA Regs, Sch 6, para 1(1)*

- 46203 A service charge for fuel paid with rent is also not a housing cost for the purposes of deductions (see 46198 3.)<sup>1</sup>. Deductions for water and fuel charges paid with rent are covered by separate provisions (see DMG 46261 et seq)<sup>2</sup>.

*1 SS (C&P) Regs, Sch 9, para 1 & 3; ESA Regs, Sch 6, para 18(2);*

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

## Amount of benefit to be left for claimant

- 46204 The DM determines
1. whether there is enough benefit in payment to make a deduction **and**
  2. the specified amount to be deducted **and**
  3. the priority of deductions (see DMG 46207).
- 46205 The amount deducted for housing costs may leave the claimant with less than the minimum amount (see DMG 46151). The amount of the deduction should then be adjusted so that 10p of the award is payable to the claimant<sup>1</sup>.

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

## Housing costs payments in arrears

- 46206 If claimants are in arrears with their housing costs payments, a standard deduction should be made and paid direct with the housing costs. The standard deduction is 5% of the personal allowance for a single person aged not less than 25<sup>1</sup>. But deductions should only be made where the DM is satisfied that there are in fact arrears<sup>2</sup> of housing costs. In cases of dispute the DM should give the claimant the opportunity to provide evidence to support any claim that they are not in arrears.

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

## Priority between housing costs debts

- 46207 The criteria may be met for deductions for several items of housing costs. Mortgage interest payments should then be given priority over all other items<sup>1</sup>.

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

46208 - 46210



# Third party deductions for miscellaneous accommodation costs

## Meaning of miscellaneous accommodation costs

46211 Third party deductions for miscellaneous accommodation costs can be made<sup>1</sup> where the claimant has an award of ESA and is living in<sup>2</sup>

1. a care home **or**
2. an independent hospital **or**
3. an Abbeyfield Home **or**
4. the Ilford Park Polish Home<sup>3</sup>.

**Note:** For definition of independent hospital see guidance at DMG 33327.

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

## Rules for third party deductions

46212 Where the claimant is living in accommodation mentioned at DMG 46211, part of the specified benefit (see DMG 46140) may then be deducted and paid to a third party. This can happen where<sup>1</sup>

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

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

46213 Where a person enters a private home without any LA involvement any payment of third party deductions must be made to the home. Where the accommodation has been provided by the LA any third party deduction should be paid to the LA. This is so whether the person is in LA or non LA premises. However if the LA requests it, third party deductions can be paid to the home.

46214 Apart from the cases mentioned in DMG 46216, third party deductions can be considered **only** where the claimant has failed to budget for the accommodation charges. They cannot be made because of an expected debt. They also cannot be made where the landlord or claimant requests them simply for administrative convenience.

46215 A claimant may change address and be in debt to the former landlord. If so, any direct payments for that debt must stop. Third party deductions at the new address cannot be considered unless the claimant fails to pay the new weekly charge.

## Polish homes and homes run by voluntary organizations

- 46216 The claimant may be living in accommodation
1. in the Ilford Park Polish Home **or**
  2. run by a voluntary organization
    - 2.1 for purposes similar to those for which resettlement units are provided **or**
    - 2.2 providing facilities for alcoholics or drug addicts.
- 46217 Part of the specified benefit (see DMG 46140) may then be deducted and paid direct. In this type of accommodation failure to budget and the family's interests need not be considered.
- 46218 The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 46151)<sup>1</sup>.

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

46219 - 46220

## Amount deducted - complete weeks

- 46221 The amount to be deducted from the specified benefit and paid direct in respect of miscellaneous accommodation costs<sup>1</sup> is the award of ESA less either
1. where the claimant is not living in an independent hospital (see DMG 46211 2.) an amount which, when added to any other income of the claimant, equals the personal expenses rate (see DMG 46223) **or**
  2. in any other case, an amount in respect of personal expenses.

**Note 1:** Any other income is net income, for example after any disregards.

**Note 2:** For definition of independent hospital see guidance at DMG 33327.

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

- 46222 The claimant should be left with a minimum of 10p after the deduction has been made<sup>1</sup>.

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

## Personal expenses

46223 [\[See DMG Memo 5/17\]](#) [\[See DMG Memo 4/18\]](#) (See DMG Memo 03/19) The amount in respect of personal expenses<sup>1</sup>, referred to in DMG 46221 is, for a

1. single person £23.75
2. couple where both members are in such accommodation, £23.75 each
3. polygamous marriage where more than one member is in such accommodation, £23.75 for each member who is in such accommodation.

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

### Example 1

Dorothy lives in a care home, has an applicable amount of £106.50 and has no income.

She must be left with the amount of personal expenses at the personal rate (£23.75). The amount to be paid direct is £82.75 (£106.50 - £23.75).

### Example 2

William lives in a care home, has an applicable amount of £106.50 and net income of £6. The amount to be paid direct is

applicable amount	£106.50
less William's income	£6.00
ESA award	£100.50
less payment to William (personal expenses minus income)	£17.75
amount to be paid direct	£82.75

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

### Example 3

Simon lives in a care home provided, owned and managed by the LA, and has an income of £6.00 per week. He receives ESA of £100.50 (applicable amount £106.50 less income of £6.00). £76.75 is deducted and paid direct to the third party (ESA of £100.50 - £23.75 personal expenses). Simon retains £23.75 of his ESA for personal expenses.

46224 - 46230

## Amount deducted - part-weeks

46231 Third party deductions for part-weeks (see DMG 46041 - 46125) can be made for miscellaneous accommodation costs<sup>1</sup>. The amount deducted and paid direct for a part-week depends upon

1. whether the accommodation in which the claimant lives is described at DMG 46221 **1.** or **2. and**
2. whether the claimant has any income.

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

46232 In order to calculate the amount to pay direct to the third party for a part-week, the DM should calculate the amount of ESA due for the part-week and deduct<sup>1</sup>

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

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

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

### Example 1

Dilys lives in a care home. Her ESA is £106.50 and she has an income of £11.50 per week. She is due a part-week payment for 6 days.

The DM first calculates the part-week payment as follows:

ESA £106.50 less £11.50 = £95.00 divided by 7 and multiplied by 6 = £81.43 due for the part week.

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

£81.43 (the ESA due for the part-week) - £10.50 (the difference between 6/7ths of £11.50 and 6/7ths of £23.75) = £70.93. This is the amount paid to the third party.

Personal expenses of £10.50 are paid to the claimant.

## **Example 2**

Morris lives in a care home which is provided, owned and managed by the LA. His ESA is £106.50 and he has a weekly income of £15.00. A part-week payment of 4 days is due.

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

ESA £106.50 less £15.00 = £91.50, divided by 7 and multiplied by 4 (the number of days in the part-week) = £52.29 ESA due for the part-week.

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

£52.29 (the amount of ESA due for the part-week) - £13.57 (4/7ths of £23.75) = £38.72 is the amount paid to the third party. Morris retains personal expenses of £13.57.

- 46233 No deduction will be made for a part-week period if the DM certifies that it would be impracticable to do so. See DMG 46041 for full guidance on part-week payments.

## **Amount of benefit to be left for claimant**

- 46234 It may be that if the full amount is deducted for miscellaneous accommodation costs the claimant would be left with less than 10p. This can happen where the deduction is being taken for a complete week or for a part-week and the claimant has income equal to or greater than the weekly personal expenses amount.
- 46235 Under the normal rules (see DMG 46151) no deduction should then be taken. But there is a special rule that applies in such circumstances. The amount of the deduction can be adjusted so that 10p of the award is payable to the claimant<sup>1</sup>.

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

46236 - 46240



# Third party deductions for hostel service charges

## Meaning of hostel

46241 A hostel is<sup>1</sup> a building other than a care home, independent hospital or Abbeyfield Home which

1. is
  - 1.1 managed or owned by a housing association registered with the Regulator of Social Housing or the Welsh Ministers<sup>2</sup> **or**
  - 1.2 managed or owned by a social landlord registered with the Scottish Ministers<sup>3</sup> **or**
  - 1.3 operated other than on a commercial basis and funded wholly or partly by a government department or an LA **or**
  - 1.4 managed by a voluntary organization or charity and provides care, support or supervision for the purpose of
    - 1.4.a rehabilitation **or**
    - 1.4.b resettlement within the community **and**
2. provides accommodation not in separate and self-contained premises and facilities adequate for the needs of those living in the hostel including
  - 2.1 board **or**
  - 2.2 water **or**
  - 2.3 a service charge for fuel **or**
  - 2.4 meals **or**
  - 2.5 laundry **or**
  - 2.6 cleaning (other than communal areas).

**Note:** For definition of independent hospital see guidance at DMG 33327.

*1 SS (C&P) Regs, Sch 9, para 1(1); 2 Sch 9, para 1(1)(b)(i); 3 Housing (Scotland) Act 2001, sect 57*

46242 For the purposes of DMG 46241 **1.4**, voluntary organization means<sup>1</sup> a body that is not a

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

whose activities are carried out otherwise than for profit.

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

46243 In deciding if the hostel is managed the DM may find it useful to know

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

46244 Staffing levels may be flexible but should be appropriate to the claimant's needs. Some hostels may be run with few staff. Others may need to be fully staffed with a great deal of administration. The time spent managing the hostel and the quality of care provided is also important.

## Rules for third party deductions

46245 Part of the claimant's specified benefit (see DMG 46140) may be deducted and paid direct for hostel charges. This can include a deduction for

1. current hostel service charges<sup>1</sup> **and**
2. arrears of hostel charges<sup>2</sup>.

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

## Current charges

46246 Current hostel service charges can be deducted and paid direct if<sup>1</sup> the claimant or partner

1. is resident in a hostel and has claimed HB in the form of a rent rebate or rent allowance **or**
2. is resident in approved premises under specified legislation<sup>2</sup> **and**
3. the charge for the hostel or approved premises includes a payment for services<sup>3</sup> as listed in DMG 46241 2..

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

46247 Approved premises in DMG 46246 means<sup>1</sup> accommodation provided for persons granted bail or who have been convicted of offences.

*1 Offender Management Act, s 13*

46248 The amount to be paid direct is

1. decided by<sup>1</sup>
  - 1.1 the housing authority **or**
  - 1.2 the DM, where the housing authority has not made a determination

2. the total of the amounts deducted (or likely to be deducted) by the LA when determining the eligible rent, for<sup>2</sup>
  - 2.1 water, sewerage and allied environmental services
  - 2.2 laundry
  - 2.3 cleaning (other than communal areas)
  - 2.4 meals
  - 2.5 ineligible service charges (for HB)
  - 2.6 excessive service charges
  - 2.7 service charge for fuel.

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

46249 Deductions can be made for part-weeks at the beginning and end of an award of ESA<sup>1</sup>. But no deduction will be made if the DM certifies that it is impracticable to do so. See DMG 46041 et seq for full guidance on part-week payments.

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

### **Arrears of hostel charges**

46250 Arrears of hostel charges can be paid direct<sup>1</sup> for both

1. arrears of the housing benefit element of the charge **and**
2. arrears of those charges mentioned in DMG 46248 2..

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

46251 Deductions should only be made where the DM is satisfied that there are in fact arrears<sup>1</sup> of hostel charges. In cases of dispute the DM should give the claimant the opportunity to provide evidence to support any claim that they are not in arrears with the hostel charges.

*1 R(IS) 14/95*

46252 A deduction can be made and paid direct if

1. the claimant is awarded a specified benefit **and**
2. the claimant is entitled to HB **and**
3. the claimant or partner has arrears of hostel charges that exceed £100.00<sup>1</sup>

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

46253 The amount deducted for arrears and paid direct is fixed at 5% of the personal allowance for a single person aged 25 or over. The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 46151).

46254 - 46260



# Third party deductions for rent and service charges for fuel

## Definitions

46261 For third party deduction purposes rent<sup>1</sup> includes

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

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

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

46262

## Rules for third party deductions

46263 Part of the specified benefit (see DMG 46140) may be deducted and paid direct to the landlord for

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

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

46264 This can happen if<sup>1</sup>

1. the claimant or partner is entitled to HB for rent **and**
2. they have rent arrears of at least four times the full weekly rent, that have built up over a period of
  - 2.1 eight weeks or more and the landlord has requested third party deductions **or**
  - 2.2 less than eight weeks and it is in the overriding interests of the claimant or family (see DMG 46271) to arrange third party deductions.

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

46265 Deductions should only be made where the DM is satisfied that the claimant or partner do have rent arrears<sup>1</sup>. In cases of dispute the DM should give the claimant the opportunity to provide evidence to support any claim that they do not have rent arrears.

*1 R(IS) 14/95*

46266 Arrears of rent in this context does not include<sup>1</sup>

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

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

### **Example 1**

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

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

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

### **Example 2**

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

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

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

46267 - 46270

## Interests of the family

46271 It will normally be in the interests of the claimant or their family to introduce third party deductions if there is

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

46272 Third party deductions will not normally be in the interests of the claimant or their family if they have

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

46273 Third party deductions should not be considered

1. simply because the tenant or landlord has asked for it **or**
2. when rent is being withheld or is not being accepted because of a dispute between the claimant and landlord (unless DMG 46265 applies).

46274 Where there is a reluctance to seek eviction, third party deductions may still be considered if the other criteria are met. For example where housing associations specialize in providing accommodation for low income groups who are liable to have budgeting problems.

46275 - 46280

## Amount deducted for arrears

46281 The amount deducted for arrears and paid direct is fixed<sup>1</sup> at 5% of the personal allowance for a single person aged 25 or over rounded up to the next 5p.

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

## Amount deducted for current charges

46282 The following charges can be paid direct where they are paid with the rent<sup>1</sup>

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

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

46283 The amount to be paid direct is the amount deducted by the LA when determining the eligible rent for HB. If rent is payable for 50 weeks each year, the amount deducted should be paid direct for 50 weeks. No third party deduction should be made for the weeks when rent is not payable.

46284 But the claimant should be left with a minimum of 10p after the deduction has been made (see DMG 46151). Do not make a deduction if less than 10p would be left after the deduction of the whole amount of these charges<sup>1</sup>.

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

46285 Unless the claimant consents<sup>1</sup>, third party deductions cannot be made for both arrears and current charges where the total exceeds 25% of the family's applicable amount. The amount of CTC and CHB entitlement should be added<sup>2</sup> to the applicable amount when deciding if deductions exceed 25% of the total.

**Note:** Any housing costs included in the applicable amount should not be taken into consideration when deciding whether third party deductions exceed 25% of the family's applicable amount<sup>3</sup> (see DMG 46155).

*1 SS (C&P) Regs, Sch 9, para 5(5); 2 Sch 9, para 8(4); 3 Sch 9, para 8(4)(a)(iv);  
ESA (TP, HB & CTB) (EA) (No. 2) Regs, Sch 4, para 1*

## Joint tenants

46286 If the claimant is a joint tenant calculate the deduction by following DMG 46282 and DMG 46287 et seq.

46287 The deduction for weekly fuel service charges depends on information held by the LA. The DM should find out whether the LA has worked out the actual fuel cost for the property. The deduction is where the LA has

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

46288 Where fuel costs have been estimated the amount of the deduction from HB may change if the claimant gives details of their actual costs. The DM should then revise the deduction for weekly fuel service charge.

46289 The deduction may be for current weekly water charges. The deduction is then the charge for the property divided by the number of tenants.

## Superseding the third party deduction decision

46290 When a relevant change of circumstances occurs<sup>1</sup> the DM may supersede the outcome decision which includes the third party deduction decision, for example where the

1. fuel service charge or water charge changes **or**
2. fuel service charge stops being made by the landlord **or**
3. rent arrears are cleared (see DMG 46291) **or**
4. entitlement to specified benefit is reduced below the amount of the deduction plus 10p **or**
5. claimant changes address.

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

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

46291 The DM may decide that deductions for continuing charges only should continue where<sup>1</sup>

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

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

46292 - 46295



# Third party deductions for fuel costs

## Green Deal

46296 The Department of Energy and Climate Change has made provision for Green Deal plans under specified legislation<sup>1</sup>. The Green Deal plan provides finance for energy efficiency improvements to properties, with no up-front costs. The costs of the improvements are repayable by instalments through a charge on the electricity bills attached to the particular property. A Green Deal plan is essentially a new kind of credit arrangement, offered to customers by private bodies (which must be authorised as Green Deal providers).

*1 Energy Act 2011, s 1*

46297 Instalments under a Green Deal plan cannot be deducted from the electricity bill. If a customer falls into arrears, the electricity arrears and the Green Deal arrears should be paid off on a proportional basis.

46298 From 2.4.13, legislation<sup>1</sup> providing for third party deductions for fuel costs is amended to enable payments made under a Green Deal plan to be deducted from specified benefits and paid direct to the fuel company. Legislation is amended to include Green Deal payments, so that it may form part of both arrears and ongoing consumption (where applicable).

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

46299

## Definition of fuel item

46300 Fuel item<sup>1</sup> means

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

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

## Rules for third party deductions

46301 Part of the specified benefit (see DMG 46140) may be deducted and paid direct to the fuel company for mains gas and mains electricity plus any payment required under a Green Deal plan. This can happen if<sup>1</sup>

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

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

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

46302 Debt in this context includes disconnection and reconnection costs and any legal costs arising from that debt.

46303 Third party deductions for fuel should not be made where

1. the debt is less than the rate of personal allowance for a single claimant aged 25 or over
2. the size of the deduction (including any deduction for arrears)
  - 2.1 is more than the award of specified benefit **or**
  - 2.2 would leave the claimant with specified benefit of less than 10p (see DMG 46151)
3. the claim will last only a short time, for example where the claimant is due an income which will exceed ESA
4. the debt is the responsibility of a person who has deserted a partner (unless the deserted partner satisfies the criteria for third party deductions).

### **Interests of the family**

46304 It will normally be in the interests of the claimant or their family to introduce third party deductions where

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

46305 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example there may be a risk where the family includes

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

**Note:** This list is not exhaustive.

46306 Do not assume that third party deductions would not be in their interests just because the claimant is single or a member of a couple without young children.

46307 Third party deductions will not normally be in the interests of the claimant or their family if

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

46308 The DM must consider

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

46309 The claimant may ask for a prepayment meter as an alternative to third party deductions. The fuel company may be willing to install a meter calibrated to recover the arrears. The DM should consider which arrangement would best suit the interests of the family. Only one of these arrangements can be in operation at any time.

### **Amount to be deducted and paid direct**

46310 The amount of the weekly deduction should be

1. **before the debt is cleared** - an amount to pay off the arrears (see DMG 46323) plus an amount to cover current consumption (see DMG 46325)<sup>1</sup>
2. **after the debt is cleared** - an amount to cover current consumption (see DMG 46330) where appropriate<sup>2</sup>.

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

### **Exception to general rules**

46311 A prepayment meter may have been installed or other arrangements made with the fuel board to pay for current consumption<sup>1</sup>. The amount deducted should then be limited to the amount for arrears. See DMG 46309 where the meter is calibrated to recover arrears.

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

### **Amount of benefit left for claimant**

46312 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 46151). Do not make a deduction if less than 10p would be left.

46313 - 46320

## Arrears of fuel - original debt

46321 There is only one original debt during any period of deductions for an item of fuel<sup>1</sup>. That original debt cannot normally be increased. The exception is where the figure originally given by the fuel company was wrong. The figure used may then be changed and the decision which included the third party deduction superseded<sup>2</sup> (or revised if the new deduction is determined within one month of the previous decision<sup>3</sup>) because the DM's decision will have been given in ignorance of a material fact.

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

46322 Do not revise the figure used where further debt builds up during a period of deductions. The amount of the original debt can never be revised on the grounds of such a change in circumstances. An adjustment to the continuing consumption is made instead (see DMG 46328).

46323 The weekly deduction to recover the original debt is fixed at 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p<sup>1</sup>.

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

46324 Third party deductions for a second fuel item may have to be introduced. The deduction is then 5% for each fuel item (see DMG 46343) subject to the overall limit on deductions for arrears of fuel, that is 2 x 5% of the personal allowance for a single claimant aged 25 or over<sup>1</sup>.

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

## Fuel - current consumption

46325 When deductions begin the fuel company will provide an estimate of the average weekly cost of continuing consumption of the relevant fuel, plus any weekly amount that is required to meet any payments under a Green Deal plan<sup>1</sup>. If the estimate is unreasonable or inaccurate the DM should ask for details of the calculation.

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

46326 Periodically the fuel company will

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

46327 The recalculation should be based on the actual cost of past consumption<sup>1</sup>. A customer's own reading may be used but a calculation based on estimated past consumption is not acceptable.

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

46328 Where DMG 46326 applies, the DM may adjust<sup>1</sup>

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

**Note:** The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in DMG 46155.

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

46329 The original debt must not be adjusted to take account of additional credit or debit.

### **Example**

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

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

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

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

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

### **Original debt recovered**

46330 When the original debt has been cleared the DM may decide to make deductions for continuing consumption<sup>1</sup>. Such deductions are not compulsory.

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

46331 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 46271). The DM should consider

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

46332 - 46340

## Joint tenants

46341 A claimant asking for third party deductions for fuel costs may be a joint tenant. If the claimant is liable for the debt (see DMG 46136) the deduction should be

1. the weekly consumption figure (see DMG 46325) divided by the number of people named on the bill (whether they are claimants or not) **and**
2. the fixed amount to pay off any arrears (see DMG 46323).

46342 It is unusual to have more than one name on a fuel bill. If the claimant is the only person named, the other tenants should pay their share of the bill to the claimant. If the claimant is not named on the bill, the claimant is not liable. The claimant should pay a share to the tenant who is named on the bill.

## Priority between fuel debts

46343 The criteria may be met for deductions for both gas and electricity debts. But it may not be possible to implement both deductions. This may happen where, for example, there is not enough specified benefit in payment.

46344 The DM should decide which debt takes priority, taking into account<sup>1</sup>

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

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

46345 Priority should be given to whichever fuel is most needed to ensure the health and safety of the claimant or family.

### Example 1

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

### Example 2

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

### Example 3

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

46346 Where debts other than fuel are involved see DMG 46162.

46347 - 46350

### Consent of claimant required

46351 Unless the claimant consents<sup>1</sup>, third party deductions cannot be made where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 46155). The amount of CTC and CHB entitlement should be added to the applicable amount when deciding if deductions exceed 25% of the total.

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

### Superseding the third party deduction decision

46352 The decision to implement deductions should not be superseded where the only reason to do so is that the claimant wishes to take control of the budgeting. This is because the claimant's desire to take control of the budgeting is not, in itself, a relevant change of circumstances.

46353 The DM should supersede the outcome decision which includes the third party deduction decision for fuel costs, when a relevant change of circumstances occurs<sup>1</sup>. For example where

1. the average weekly cost estimated for the continuing need was not enough or was too much  
**Note:** The claimant's agreement must be obtained if the deduction required stays at or would increase to the level mentioned in DMG 46351
2. the original debt has been cleared and deductions stop, or carry on for current consumption only (see DMG 46330)
3. the claimant changes address from one fuel company area to another and the debt is not transferable
4. the weekly deduction (including arrears) would leave the claimant with less than 10p
5. the claimant withdraws the agreement permitting deductions in excess of 25% of the applicable amount (see DMG 46351)
6. the claimant stops receiving a supply of fuel from the fuel company to whom payment is being made, for example where the supply has been

disconnected due to meter interference. Or a claimant with deductions for gas may move to a house which is all electric

7. it is no longer in the interests of the family for deductions to continue.

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

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

46354 - 46360

# Third party deductions for water charges - England and Wales

## Meaning of water charges

46361 In England and Wales water charges means any water or sewerage charges under prescribed legislation<sup>1</sup>. Where these are charged separately or by different water authorities see DMG 46393.

**Note:** The definitions of water charges are different for the purposes of third party deductions from benefit (see DMG46399 for guidance on deductions for Scotland).

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

## Methods of charging

- 46362 Water charges can be made
1. with rent (see DMG 46261 et seq)
  2. by a meter (see DMG 46382)
  3. unmetered (see DMG 46377).

## Rules for third party deductions

- 46363 Part of the specified benefit (see DMG 46140) may be deducted for water charges and paid direct if<sup>1</sup>
1. the claimant or partner is in debt (the original debt) for water charges **and**
  2. the DM is satisfied that the claimant or partner has failed to budget for the charges **and**
  3. it is in the interests of the claimant or family that third party deductions be made.

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

46364 Debt in this context includes disconnection and reconnection costs and any legal or other costs arising from that debt.

## Interests of the family

- 46365 Third party deductions will normally be in the interests of the claimant or the family where there is
1. a threat of a court summons **and**
  2. no other suitable method of dealing with the debt.

46366 Third party deductions will not normally be in the interests of the claimant or their family if

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

46367 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example where the family includes

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

Do not assume that third party deductions would not be in their interests just because the claimant is single or a member of a couple.

### **Amount to be deducted and paid direct**

46368 The amount to be deducted and paid direct

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

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

46369 The DM should always use the fixed amount in DMG 46368 **1.2** to clear the arrears, even where

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

### **Amount of benefit to be left for claimant**

46370 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 46151). Do not make a deduction if less than 10p would be left.

46371 - 46375

## The original debt

46376 Before deductions for water charges can begin the claimant or partner must be in debt<sup>1</sup>. The amount of the debt is the original debt and includes

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

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

## Unmetered water

### Original debt

46377 There is only one original debt during any period of deductions<sup>1</sup>. That original debt cannot be increased. If the whole of the current year's charge for unmetered water is due it may be included in the original debt. A deduction for current consumption may not then be necessary until the start of the next financial year.

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

46378 The weekly deduction to recover the original debt is fixed at 5% of the personal allowance for a single person aged 25 or over.

### Example 1

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

### Example 2

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

## Consumption

46379 The amount deducted for continuing consumption is the weekly cost necessary to meet the continuing need for water consumption<sup>1</sup>. This is not always the annual charge divided by 52 weeks.

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

### Example

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

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

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

### Annual increases

46380 Following the annual increase in unmetered water charges, the deduction for current consumption should be superseded from the date of the increase<sup>1</sup>. If the water authority or company notify the new annual charge late, or the DM cannot (for operational reasons) supersede on the due date

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

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

### Example

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

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

46381 It is not necessary to change the deduction to the original amount at the end of the year. The same formula can be used if the amount is notified late the following year.

## Metered water

### Original debt

46382 There is only one original debt during any period of deductions<sup>1</sup>. That original debt cannot be increased. The weekly deduction to recover the original debt is a fixed amount. That is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

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

46383 If arrears build up during a period of deductions an adjustment to the continuing consumption is made (see DMG 46387). The original debt must not be adjusted to reflect added credits and debits which have built up during a period of deductions.

### Consumption

46384 When deductions begin the water company provides an estimate of the average weekly cost of continuing consumption<sup>1</sup>. Where this is unreasonable or inaccurate the DM should ask for details of the calculation.

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

46385 Periodically the water company will

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

46386 The recalculation should be based on the actual cost of past consumption. A customer's own reading may be used. But a calculation based on estimated past consumption is not acceptable.

46387 The DM should<sup>1</sup>

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

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

46388 The original debt must not be adjusted to take account of additional credit or debit.

### Example

Matthew is in receipt of ESA(IR). In June he requests deductions for a debt of £90 and continuing consumption. The water company estimate the average weekly cost of continuing consumption is £4. Deductions for current consumption should continue if it remains in the interests of the family (see DMG 46390).

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

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

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

### Original debt recovered

46389 When the original debt has been cleared the DM may decide to make deductions for continuing consumption<sup>1</sup>. Such deductions are discretionary and apply to both unmetered and metered water.

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

46390 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 46271). The DM should consider

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

## Joint tenants

- 46391 A claimant asking for third party deductions for water charges may be a joint tenant. If the claimant is liable for the debt (see DMG 46136) the deduction should be
1. the actual or estimated weekly cost for consumption (see DMG 46379) divided by the number of people named on the bill, whether they are claimants or not **and**
  2. the fixed amount to pay off any arrears (see DMG 46368).

46392 It is unusual to have more than one name on a bill. If the claimant is the only person named, the other tenants should pay their share of the bill to the claimant. If the claimant is not named on the bill, the claimant is not liable. The claimant should pay a share to the tenant who is named on the bill.

## Priority between debts for water charges

46393 The claimant or partner may be in debt for water and sewerage charges to two water companies. In such a case only one weekly amount should be deducted, with priority being given to water<sup>1</sup>.

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

46394 Deductions for sewerage debt can begin only when the whole of the original water debt has been cleared<sup>1</sup>. Deductions for current water and sewerage charges can be made at the same time<sup>2</sup>.

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

## Consent of claimant required

46395 Unless the claimant consents<sup>1</sup>, no third party deduction can be made for water charges where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 46155).

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

46396 The amount of CTC and CHB entitlement should be added<sup>1</sup> to the applicable amount when deciding if deductions exceed 25% of the total.

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

## Superseding the third party deduction decision

- 46397 The DM should supersede the third party deduction decision when a relevant change of circumstances occurs<sup>1</sup>. For example where
1. the original debt is cleared **or**
  2. the claimant changes address **or**

3. in the case of a metered water supply, the estimated weekly cost of continuing consumption is not enough or is too much<sup>2</sup> **or**
4. in the case of unmetered charges, the annual charge increases (usually in April).

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

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

46398 The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in DMG 46153. Where the claimant has already consented to a total above that level, any increase will require the claimant's further consent.

# Third party deductions for water charges - Scotland

## Meaning of water charges

46399 For Scotland, water charges means any water or sewerage charges established by Scottish Water under a charges scheme made under prescribed legislation<sup>1</sup>. Water charges can be made

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

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

46400 In Scotland, LAs have responsibility for the collection and billing of all water charges. Sewerage charges are included in the CT charge and water charges are collected through the council water charge.

46401 Where there is a mixture of water and CT arrears, or only CT arrears, the LA treats arrears for water and CT as a single debt and may request a single third party deduction to cover both items (see DMG 46404).

## Rules for third party deductions

46402 When water charges are paid with, or as part of, rent, third party deductions may be made on the same basis as in England and Wales<sup>1</sup> (see DMG 46361 et seq).

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

46403 But water charges may not be paid with rent. The LA may then ask the DM to make deductions to secure payments. This can be from

1. ESA(Cont) **or**
2. ESA(IR).

46404 LAs treat arrears of water charges and CT as a single debt. This means that only one weekly amount should be deducted to cover both items. The amount of that deduction is fixed and is equal to 5% of the personal allowance for a single person aged 25 or over (see DMG 46461 et seq for further guidance).

## Water debt only

46405 LAs in Scotland have the option to apply for a third party deduction for a water debt that has been billed as part of the CT to include an amount for arrears and an amount for ongoing costs to prevent further debt accruing.

- 46406 Where the application for deduction is for arrears of water only, there is no longer a legal requirement for the LAs to obtain a Summary Warrant or Decree before applying for the third party deduction. These applications will contain a current cost element to enable them to be distinguished from CT applications, where there is still a need for a Summary Warrant or Decree.
- 46407 Applications for third party deductions of water debt only may be accepted from the claimant or LA and should be treated the same as water costs in England and Wales (see DMG 46361 et seq).

# Deductions from benefit - FRM or CMD

## Child Support Maintenance

- 46408 Guidance within this section deals with deductions from ESA(IR) and ESA(C) made under the 2003 child maintenance scheme and the 2012 child maintenance scheme. See DMG chapter 33 for deductions from IS, JSA(IB) and JSA(C) and DMG chapter 79 for deductions from SPC. For guidance on third party deductions under the CTM scheme see DMG 46438 et seq.
- 46409 Deductions from a specified benefit under the 2003 scheme are referred to as FRM deductions. Deductions from a specified benefit under the 2012 scheme are referred to as a CMD.
- 46410 FRM deductions and CMDs are not part of the third party deduction scheme. The order of priority for deductions does not apply to FRM deductions or CMDs. Such deductions are the first deduction to be made from ESA after a deduction for MID.

## Meaning of Fee

- 46411 Fee<sup>1</sup> means any collection fee under specified legislation<sup>2</sup> which is payable by the NRP.

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

## Meaning of specified benefit

- 46412 For the purposes of making deductions for CSM under the 2003 or 2012 scheme specified benefit includes ESA(IR)<sup>1</sup>.

**Note:** The term specified benefit has a different meaning under this section, to that under the CTM scheme detailed in DMG 46438.

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

## Meaning of beneficiary

- 46413 Beneficiary<sup>1</sup> means a person who has been awarded a specified benefit.

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

## Meaning of maintenance

- 46414 Maintenance<sup>1</sup> with the exception of DMG 46422 - 46425 means child support maintenance which a NRP is liable to pay at a flat rate (or would be so liable but for a variation having been agreed to) and that rate applies (or would have applied) because the NRP falls within specified legislation<sup>2</sup>.

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

## Meaning of person with care

- 46415 A person is a person with care<sup>1</sup> in relation to any child, if that person is someone
1. with whom the child has his home **and**
  2. who usually provides day to day care for the child (whether exclusively or in conjunction with another person) **and**
  3. who does not fall within a prescribed category<sup>2</sup> of person.

*1 CS Act 91, s 3(3); 2 s 3(4)*

## Deductions from specified benefit

- 46416 The Child Maintenance Group DM will decide under which scheme the child maintenance liability is to be assessed.
- 46417 Where it is determined that the NRP is liable for a FRM deduction or CMD, the Child Maintenance Group DM will also determine whether the CMD is at a standard or non-standard rate or whether the FRM deduction is at a standard rate only.
- 46418 Requests for FRM deductions or CMD will be sent
1. electronically, to the relevant DWP IT system **or**
  2. manually, to the relevant DWP benefit centre.

The request may be on behalf of the NRP who is in receipt of a specified benefit, or is the partner of a claimant who is in receipt of a specified benefit, and paid to the PWC<sup>1</sup>.

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

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

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

- 46419 In the case of a NRP who is in receipt of ESA(IR), the amount to deduct is known as FRM or CMD<sup>1</sup>. The standard rate deduction is £7.00 per week, but could be more or less than that amount depending upon the circumstances. See DMG 46418 and 46420 in respect of any fee.

*1 CS (MCSC) Regs reg 4; SS (C&P) Regs, Sch 9B, para 1*

- 46420 Only one deduction of FRM or CMD and any fee can be made in any one benefit week<sup>1</sup>.

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

## Prevention of duplicate deduction

- 46421 No deduction will be made from a specified benefit (see DMG 46412) where
1. UC **or**
  2. new style ESA **or**

### 3. new style JSA

is in payment, unless the amount of benefit at 1., 2. or 3. is insufficient to meet the deduction<sup>1</sup>.

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

#### Example

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

## Amount of ESA to be left after deduction of FRM or CMD

46422 A deduction of FRM or CMD can only be made where the amount of specified benefit which the claimant would be left with after the deduction is at least 10p<sup>1</sup>.

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

## Arrears - FRM deductions only

46423 No deduction will be made in respect of arrears of child maintenance under the 2012 scheme.

46424 Except where ESA(IR) is awarded to the beneficiary or his partner, the sum of £1.20 per week may be deducted from the relevant specified benefit which the beneficiary has been awarded and paid to the PWC, in discharge of the beneficiary's liability to pay arrears of maintenance and retain any amount deducted in discharge of any liability to pay a fee<sup>1</sup>.

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

46425 Where deductions are made under DMG 46424, the deductions may be retained by the Secretary of State<sup>1</sup> in circumstances set out in specified legislation<sup>2</sup>.

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

*2 Child Support (Arrears, Interest and Adjustment of Maintenance Assessment) Regs 92, reg 8*

46426 Within DMG 46424, the meaning of maintenance<sup>1</sup> is periodical payments of CSM which are required to be paid in accordance with a maintenance calculation, as defined within specified legislation<sup>2</sup>.

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

## Apportionment

46427 Where maintenance is payable to more than one PWC<sup>1</sup>, the amount deducted in respect of maintenance must be apportioned between the persons with care in accordance with specified legislation<sup>2</sup>.

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

## Claimant and partner both liable to pay maintenance

### FRM deductions

46428 Where the claimant and their partner are both liable to pay maintenance at a flat rate and either of them has been awarded ESA, the amount of FRM deducted must not exceed £2.50 each<sup>1</sup>.

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

46429 An amount not exceeding an amount equal to the flat rate of maintenance may be deducted<sup>1</sup> from such an award in respect of the total liability of both partners to pay maintenance in the proportions described in specified legislation<sup>2</sup> and must be paid to discharge the respective liabilities to pay maintenance.

*1 SS (C&P) Regs, Sch 9B, para 5(2); 2 Child Support (Maintenance Calculation and Special Cases) Regs 2001, reg 4(3); Child Support Maintenance Calculations Regs 2012, reg 44(3)*

### CMD

46430 In a case where the claimant and their partner are

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

the total sum of the deductions from benefit for each NRP must not exceed the flat rate of maintenance and any fee<sup>1</sup>.

**Note 1:** the amount of the standard rate deduction is £3.50 and the non-standard rate deduction is any amount up to and including £3.49 for each NRP<sup>1</sup>.

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

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

46431 In a case where the claimant and partner are both NRPs, there could be a mix of CMDs at a standard and non-standard rate of deductions.

## Claimant or partner liable to pay maintenance

### FRM deductions

46432 Where the claimant or their partner is liable to pay maintenance at a flat rate and either of them has been awarded ESA, the amount of the standard rate of deduction is £5.00<sup>1</sup>.

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

### CMD

46433 In a case where the claimant or their partner is

1. a NRP **and**

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

the amount of the deduction from benefit must not exceed the flat rate of maintenance and any fee<sup>1</sup>.

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

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

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

## Polygamous marriages

- 46434 Where two or more members of a polygamous marriage are each liable to pay FRM or CMD and any fee and any member of the marriage has been awarded ESA, the total sum of the deductions from benefit being apportioned for each NRP must not exceed the flat rate of maintenance and any fee may be retained in discharge of any liability to pay a fee<sup>1</sup>.

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

## Cases exempt from CMD or FRM

- 46435 A NRP is exempt from paying CMD or FRM if they are<sup>1</sup>
1. a student **or**
  2. a prisoner **or**
  3. a person who is 16 or 17 years old **and**
    - 3.1 in receipt of ESA(IR) **or**
    - 3.2 a member of a couple whose partner is in receipt of ESA(IR) **or**
  4. a person receiving an allowance in respect of work-based training for young people, or in Scotland, Skillseeker's training **or**
  5. a person in a care home or independent hospital who
    - 5.1 is in receipt of a pension, benefit or allowance specified in Appendix 2 to this Chapter **or**
    - 5.2 has the whole or part of the cost of his accommodation met by a LA **or**
  6. a person, under certain circumstances, with shared care<sup>2</sup>.

**Note:** For definition of independent hospital see guidance at DMG 33327.

*1 CS (MCSC) Regs, reg 5; 2 CS Act 91, Sch 1, para 8*

- 46436 If the NRP falls into a nil rate category, the officer acting on behalf of the Child Maintenance Group DM decides that the NRP is not liable to pay FRM or CMD. Deductions are then not appropriate. But if the NRP is liable for FRM or CMD and

any fee, part of the specified benefit may be deducted<sup>1</sup>. It is then paid to the PWC of the child.

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

## **Notice**

46437 When CMD or FRM deductions commence, the DM must notify the beneficiary in writing of the amount and frequency of the deduction and the benefit from which the deduction is made. Further notice must be given when there is a change to any of the particulars specified in the notice<sup>1</sup>.

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

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

## Introduction

46438 When an application for CSM is made a Child Support Agency DM must make a maintenance assessment. If the NRP receives specified benefit (see DMG 46140) or if specified benefit is in payment for them (for example to their partner) that maintenance assessment is nil. In such a case the NRP does not have to pay any **maintenance**. The NRP may instead be liable for payments **in place of** payments of CSM (contributions to maintenance)<sup>1</sup>.

*1 Child Support Act 91, s 43; Child Support (Maintenance Calculation and Special Cases) Regs, reg 28*

46439 In such cases the Child Support Agency DM sends a maintenance assessment notification letter (CSA 55N) to the NRP to advise them that

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

46440 The Child Support Agency DM also sends form CSA 670 to the local office asking for deductions to be made from benefit. An officer acting on behalf of the Child Support Agency DM must then consider whether the NRP is exempt from making a contribution to maintenance. The DM cannot make a decision on the request for deductions (see DMG 46438) until the exemption criteria have been considered.

46441 A NRP is exempt from making a contribution to maintenance if

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

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

## Deductions

### Sufficient specified benefit in payment

46442 If there is sufficient specified benefit in payment<sup>1</sup> and the NRP is

1. covered by the exemption criteria **and**
2. liable for contributions to maintenance

the DWP DM must (subject to specified legislation<sup>2</sup>) determine that an amount is to be deducted from the claimant's award and paid to the PWC.

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

### Number of deductions

46443 The contribution to maintenance is not an assessed amount. It is a deduction from personal benefit of a standard amount, made only in certain circumstances. That amount is normally 2 x the fixed amount (see DMG 46447).

46444 Only one deduction can be made in any one benefit week<sup>1</sup>.

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

### DM's action

46445 The DM decides

1. whether there is enough specified benefit for a deduction of twice the fixed amount (see DMG 46447) to be made<sup>1</sup>, leaving at least 10p a week<sup>2</sup> (see DMG 46448 where other deductions apply)
2. where other deductions are being made - the total amount of specific deductions (see DMG 46448) is not more than three times the fixed amount<sup>3</sup>
3. the priority of deduction<sup>4</sup> - where there is more than one deduction to be made to a third party and there is not enough specified benefit in payment to make them all (see DMG 46456).

*1 SS (C&P) Regs, Sch 9, para 7A(1); 2 Sch 9, para 2(2); 3 Sch 9, para 8(1); 4 Sch 9, para 9*

46446 The DM should also revise or supersede the case if a NRP becomes liable for contributions to maintenance. A NRP who reaches age 18 and so is no longer exempt from their liability (see DMG 46441 1.) would be an example of such a case.

### The fixed amount

46447 The fixed amount is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

### Specific deductions

46448 The specific deductions mentioned in DMG 46445 2. are

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

**Example**

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

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

**Exception to general rule**

46449 The deduction for CSM is the fixed amount if, after determining the

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

the total amount is twice the fixed amount<sup>1</sup>.

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

46450 In these circumstances the normal amount (see DMG 46443) cannot be deducted. A deduction of just the fixed amount (see DMG 46447) should be made instead.

**Example**

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

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

**Maximum amount of deduction**

46451 The overriding rule is that the total deductions in DMG 46445 must not exceed three times the fixed amount<sup>1</sup>.

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

### Example

Neil receives ESA(Cont) but has underlying entitlement to ESA(IR) at the same rate. He has deductions for arrears of rent, water and electricity. A request is made for a deduction for CTM. The deduction cannot be made because the total amount for deductions has already reached the maximum amount of three times the fixed amount (3 x 5% of the personal allowance for a single claimant aged 25 or over).

### Deductions from ESA(Cont)

46452 A claimant may be entitled to ESA(Cont) where ESA(IR) is not an issue. A deduction for arrears of CSM may then be made for transfer to the person entitled to it<sup>1</sup>.

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

### Rules for deduction of CSM

46453 A deduction is made where<sup>1</sup>

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

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

### Amount deducted

46454 The amount of the deduction is the weekly amount asked for by the DM up to the maximum amount (see DMG 46455). It is **not** the fixed contribution to maintenance that applies to specified benefits. This means that the amount of the deduction from ESA(Cont) may vary.

### Maximum amount of deduction

46455 There is an overriding rule where ESA(Cont) is in payment and ESA(IR) is not an issue. That is that the total amount deducted for CSM cannot exceed one third of the ESA(Cont) payable (see DMG 46154)<sup>1</sup>. Where the amount specified by the Child Support Agency DM is more than that figure, the deduction should be restricted to one third of the appropriate personal rate.

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

### Order of priority

46456 Do not make a deduction from ESA(Cont) for arrears of CSM if deductions are being made for

1. CC arrears **or**

2. CT arrears **or**

3. fines<sup>1</sup>.

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

46457 Those deductions have a higher priority (see DMG 46162). They should be taken in place of any deduction for CSM that would otherwise be made. Deductions for CSM should stop if deductions for CC, CT or fines start.

46458 - 46460



# Third party deductions for Council Tax

## Introduction

46461 Deductions for arrears of CT may be made from

1. ESA(Cont) **and**
2. ESA(IR) .

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

## Application for deductions

46462 A billing authority (in Scotland, levying authority) may ask the DM to make deductions for arrears of CT<sup>1</sup> covered by in

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

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

46463 In Scotland the warrant or decree may include an amount for arrears of water charges (see DMG 46400). Treat any such arrears as a single debt with the CT arrears.

## Contents of application

46464 The DM must be able to identify the claimant from the details on the application for deductions, which should include<sup>1</sup> the

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

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

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

## DMs action

46465 Before deductions can be made the DM must be satisfied that the claimant is a debtor. A person is normally a debtor where there is

1. a liability order against them (in Scotland, a summary warrant or decree) **and**
2. an outstanding sum for which that liability order was made.

46466 The application for deductions should include these details (see DMG 46464) and can normally be accepted as evidence that the person named is a debtor. This means that in most cases the DM does not need to see the actual liability order or a certificate from the LA showing the amount outstanding.

46467 Where a debt is disputed on **reasonable grounds** the DM should investigate the matter and may need to see the liability order and LA certificate. Note that a dispute is not on reasonable grounds if claimants simply say that they are not a debtor.

46468 The DM should consider any documentary evidence that may be produced showing that liability is in doubt. Although the Department cannot get involved in any dispute, enquiries should be made to the LA. If the DM is not satisfied that the claimant is a debtor deductions should not be made. If deductions have already started the claim should be revised or superseded<sup>1</sup> and deductions stopped. Normal overpayment action should be taken if appropriate.

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

### **Example 1**

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

### **Example 2**

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

46469 If the DM is satisfied that the person named is a debtor, the DM then decides

1. whether there is enough benefit for a deduction to be made<sup>1</sup> **and**
2. the priority of deduction<sup>2</sup>, where there is more than one deduction to be made to a third party and not enough benefit in payment to make them all.

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

46470

## Can a deduction be made

### ESA(IR)

- 46471 A deduction can be made from ESA(IR) if the claimant would be left with at least 10p<sup>1</sup>. No deduction should be made if it would leave the claimant with less than 10p.

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

### ESA(Cont) - underlying entitlement to ESA(IR)

- 46472 People who get ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate are treated as if they are on ESA(IR)<sup>1</sup>. This means that a deduction can be made if the claimant would be left with at least 10p<sup>2</sup>. No deduction should be made if it would leave the claimant with less than 10p.

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

### ESA(Cont)

- 46473 There may be no underlying entitlement to ESA(IR) or underlying entitlement at less than the amount of ESA(Cont) payable. In such cases a deduction up to the maximum amount of 40% can be made if the amount of ESA(Cont) payable before the deduction is 10 pence or more<sup>1</sup>.

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

### Amount of deduction

- 46474 The amount of the deduction is fixed at
- 1. for ESA(IR)** - 5% of the personal allowance for a single person aged 25 or over<sup>1</sup>
  - 2. for ESA(Cont)** with underlying entitlement to ESA(IR) of at least the same rate - 5% of the personal allowance for a single person aged 25 or over<sup>2</sup>
  - 3. for ESA(Cont)** - up to the maximum amount of 40% of the appropriate age related amount<sup>3</sup>.

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

### Other deductions

- 46475 Do not make deductions for recovery of CT arrears if deductions are being made for arrears of CC<sup>1</sup>, even where there is enough benefit to do so.

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

## **Maximum amount of deduction**

46476 There is a maximum amount for payment of arrears to third parties where ESA(IR), ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate is in payment. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over. The total amount deducted should not exceed this amount<sup>1</sup>.

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

46477 But there is a different rule where ESA(Cont) is in payment and ESA(IR) is not an issue or there is underlying entitlement at less than the amount of ESA(Cont) payable. The amount that can be deducted then is fixed at 40% of the appropriate age-related amount<sup>1</sup>.

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

## **More than one application**

46478 Only one application for deductions can be dealt with at any one time<sup>1</sup>. But more than one application may be received for the same debtor. Or further applications may be received when deductions are already being made for CT. Any such multiple applications should be referred, in date order, to the DM. Further deductions can be made only when deductions on any earlier application have ceased.

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

46479 - 46480

# Third party deductions for Community Charge

## Introduction

46481 LAs may request deductions for arrears of CC, where the person owing the debt is a claimant entitled to<sup>1</sup>

1. ESA(Cont) or
2. ESA(IR).

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

46482 Recoverable sums include any fines imposed because the person has failed to provide information in connection with registration for the charge.

## Application for deductions

46483 Recovery of the arrears can be made if the billing authority (in Scotland, levying authority) has obtained from a court

1. in England and Wales, a liability order<sup>1</sup> **and**
2. in Scotland, a summary warrant or a decree<sup>2</sup>.

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

46484 In Scotland the warrant or decree may include an amount for arrears of water charges (see DMG 46400). Treat these arrears as a single debt with CC arrears.

## Contents of application

46485 The DM must be able to identify the claimant from the details on the application for deductions, which should include<sup>1</sup> the

1. name and address of the debtor, or where the liability is against a couple, the names and addresses of both of them
2. name and place of the court concerned
3. date of the order, warrant or decree
4. amount of the specified arrears
5. total amount the authority wishes to have deducted.

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

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

## DMs action

- 46486 Before deductions can be made the DM must be satisfied that the claimant is a debtor. A person will normally be a debtor where there is
1. a liability order against them (in Scotland, a summary warrant or decree) **and**
  2. an outstanding sum for which that liability order was made.
- 46487 The application for deductions should include these details (see DMG 46485) and can normally be accepted as evidence that the person named is a debtor. This means that in most cases the DM does not need to see the actual liability order or a certificate from the LA showing the amount outstanding.
- 46488 Where a debt is disputed on **reasonable grounds** the DM should investigate the matter and may need to see the liability order and LA certificate. Note that a dispute is not on reasonable grounds if claimant's simply say that they are not a debtor.
- 46489 The DM should consider any documentary evidence that may be produced showing that liability is in doubt. Although the Department cannot get involved in any dispute, enquiries should be made to the LA. If the DM is not satisfied that the claimant is a debtor deductions should not be made. If deductions have already started the claim should be revised or superseded<sup>1</sup> and deductions stopped. Normal overpayment action should be taken if appropriate.

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

### Example 1

Ruth is in receipt of ESA(IR). The LA obtains a liability order against her for CC arrears of £200 and makes a written application for deductions to be made from Ruth's ESA(IR). Ruth produces an account from the same LA acknowledging that they owe her £50 rather than her owing them anything. The DM is not satisfied that Ruth is a debtor and determines that deductions for CC arrears should not be made.

### Example 2

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

46490 If the DM is satisfied that the person named is a debtor, the DM must then decide<sup>1</sup>

1. whether there is enough benefit for a deduction to be made<sup>2</sup> **and**
2. the priority of deduction<sup>3</sup>, where the claimant has other debts to be recovered by deduction from ESA.

*1 R(IS) 3/92; 2 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1) & (2); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1) & (2); 3 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(4); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(4)*

46491 - 46495

## Can a deduction be made

### ESA(IR)

46496 A deduction can be made from ESA(IR) if the claimant would be left with at least 10p<sup>1</sup>. Do not make a deduction if it would leave the claimant with less than 10p.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1)*

### ESA(Cont) - underlying entitlement to ESA(IR)

46497 People who get ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate are treated as if they are on ESA(IR)<sup>1</sup>. This means that a deduction can be made if the claimant would be left with at least 10p<sup>2</sup>. No deduction should be made if it would leave the claimant with less than 10p.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 1(2); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 1(2); 2 reg 3(1)*

### ESA(Cont)

46498 Where ESA(Cont) is payable a deduction can be made only if the amount of ESA(Cont) payable before the deduction is at least one third of the appropriate age-related amount<sup>1</sup>.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(2); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(2)*

### Amount deducted - single debtor

46499 The amount of the deduction is fixed<sup>1</sup> at

1. **for ESA(IR)** - 5% of the personal allowance for a single person aged 25 or over
2. **for ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate** - 5% of the personal allowance for a single person aged 25 or over
3. **for ESA(Cont)** - one third of the appropriate age-related amount rounded down to the nearest penny.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1)(b) & (2)(b); Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1)(b) & (2)(b)*

## Amount deducted - couples

- 46500 The debtor may be one of a couple who receive ESA(IR). The amount to be deducted depends on who is named in the liability order. But if the partner is the only debtor no deductions can be made.
- 46501 Where the liability order is against the claimant only, the amount to be deducted is the same as for a single debtor. That is<sup>1</sup>
1. **for ESA(IR)** - 5% of the personal allowance for a single person aged 25 or over
  2. **for ESA(Cont)** - one third of the appropriate age-related amount (rounded down to the nearest penny).

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1)(b);  
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(2)(b)*

- 46502 Where the liability order is against both members of a couple **and** ESA(IR) is payable for both of them, the amount deducted is 5% of the personal allowance for a couple where both are aged 18 or over<sup>1</sup>.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(1)(a);  
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(1)(a)*

46503 - 46510

## Maximum amount of deduction

- 46511 The recovery of CC arrears is not subject to the limit imposed on deductions for other debts owed to third parties<sup>1</sup> (see DMG 46153). The sole criterion is whether there is enough benefit to enable deductions to be made.

*1 SS (C&P) Regs, Sch 9, para 8 (1) & (2)*

- 46512 ESA(Cont) may be in payment with ESA(IR) not an issue or there may be underlying entitlement at less than the amount of ESA(Cont). The amount that can be deducted is then fixed at one third of the appropriate age-related amount.

## Order of priority

- 46513 There may not be enough benefit to enable deductions to be made for arrears of CC and other debts. The order of priority in DMG 46163 should then be followed<sup>1</sup>.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 3(4);  
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 3(4)*

## More than one application

46514 Only one application for deductions can be dealt with at any one time<sup>1</sup>. But more than one application may be received for the same debtor. Or further applications may be received when deductions are already being made for CC. Any such multiple applications, should be referred in date order, to the DM. Further deductions can be made only when deductions on any earlier application have ceased.

*1 Community Charges (Deductions from IS) (No. 2) Regs 90, reg 4(1)(b);  
Community Charges (Deductions from IS) (Scotland) Regs 89, reg 4(1)(b)*

46515 - 46520



# Third party deductions for fines

## Introduction

46521 A court may, after enquiring into an offender's means, find that an offender is claiming ESA. The court may then request deductions for payment of an offender's fines, costs, compensation order or confiscation order imposed under specified legislation<sup>1</sup>. Deductions may be made from<sup>2</sup> ESA(IR).

*1 Proceeds of Crime Act 2002; 2 Fines (Deductions from IS) Regs 92, reg 1(2)*

## Application for deductions

46522 An application can be made by<sup>1</sup> any

1. magistrates court or fines officer in England and Wales
2. court in Scotland.

*1 Fines (Deductions from IS) Regs 92, reg 2(1)*

46523 Fines officer<sup>1</sup> means the officer of the court responsible for enforcing payment of the sum due.

*1 Fines (Deductions from IS) Regs 92, reg 1(2)*

46524 An offence has been created<sup>1</sup> for failing to provide information essential to making a deduction from benefit application. This offence can only be established where the offender fails to provide prescribed information<sup>2</sup> and is applicable in England and Wales only.

*1 Courts Act 2003, s 96; 2 Fines (Deductions from IS) Regs 1992*

46525 The court may require that the offender provide<sup>1</sup>

1. their full name
2. their full address
3. their date of birth
4. their NI number **and**
5. the name of the benefits to which they are entitled.

**Note:** In this context benefits means ESA.

*1 Fines (Deductions from IS) Regs 92, reg 2A*

46526 A court can transfer a fine, costs, confiscation order or compensation order to another court. The receiving court is then responsible for recovery and may apply for third party deductions. However in most cases a court will retain responsibility for collection of the fine when the offender moves outside the area. An application can include more than one fine or compensation order, or combination of both.

46527 In Scotland, the DM can make deductions only where

1. the offender has defaulted in paying the fine, compensation order, or an instalment of either<sup>1</sup> **and**
2. at the time of application by the court the offender is aged 18 or over<sup>2</sup> **and**
3. the offender is entitled to ESA throughout any benefit week<sup>3</sup> **and**
4. no deductions are being made in respect of the offender under any other application<sup>4</sup>.

*1 Fines (Deductions from IS) Regs 92, reg 7(2)(c); 2 reg 7(2)(a); 3 reg 7(1)(a) & (2)(b); 4 reg 7(1)(b)*

46528 In England and Wales, the legislation has been modified<sup>1</sup> to

1. allow deductions to be made from benefits for the purpose of recovering a fine with the consent of the offender, whether or not he is in default
2. allow the fines officer as well as the court to apply to the Secretary of State for deductions to be made
3. allow the automatic application for deductions from benefit either immediately by the court (if the offender is an existing defaulter), or by the fines officer upon first default on payment terms agreed with the court
4. enable the fines officer to apply for deductions from benefits as a further step in enforcing a fine against a persistent defaulter, if it is appropriate to do so at that stage in the enforcement process (e.g. if the offender has gone onto benefits since the original repayment terms were set).

*1 Fines (Deductions from IS) Regs 92, reg 3(1)(g)*

46529 In England and Wales DMs need to be aware that third party deductions for fines can be considered without the offender's consent or existing default in cases where there is an element of compensation in the court order<sup>1</sup>.

*1 Courts Act 2003, Sch 5, para 7A*

## **Contents of application**

46530 The DM must be able to identify the claimant from the details on the application for deductions, which should include<sup>1</sup>

1. the name, address and if known the date of birth of the offender
2. the date when the fine was imposed or the compensation order made
3. the name and address of the court concerned
4. the amount of the fine or compensation order
5. the date on which the application is made
6. the date on which the court enquired into the offender's means

7. whether the offender has defaulted in paying the fine, compensation order or any instalment of either.

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

*1 Fines (Deductions from IS) Regs 92, reg 3*

## **DMs action**

46531 The DM should determine<sup>1</sup>

1. whether there is enough benefit to allow a deduction to be made **and**
2. the priority of the deduction **and**
3. the maximum amount of deductions.

*1 Fines (Deductions from IS) Regs 92, reg 4(1) & (2)*

46532 The court can withdraw an application at any time.

## **Can a deduction be made**

### **ESA(IR)**

46533 A deduction can be made from ESA(IR) if the claimant would be left with at least 10p<sup>1</sup>. No deduction should be made if it would leave the claimant with less than 10p.

*1 Fines (Deductions from IS) Regs 92, reg 4(1)(b)*

### **ESA(Cont) - underlying entitlement to ESA(IR)**

46534 People who get ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate are treated, for the purposes of fines deductions only, as if they are on ESA(IR)<sup>1</sup>. This means that a deduction can be made if the claimant would be left with at least 10p<sup>2</sup>. No deduction should be made if it would leave the claimant with less than 10p.

*1 Fines (Deductions from IS) Regs 92, reg 1(2); 2 reg 4(1)(b)*

### **ESA(Cont)**

46535 ESA(Cont) may be payable with no underlying entitlement to ESA(IR) or there may be underlying entitlement to ESA(IR) at less than the amount of ESA(Cont) payable. A deduction up to the maximum amount of 40% can be made only if the amount of ESA(Cont) payable before the deduction is 10 pence or more<sup>1</sup>.

*1 Fines (Deductions from IS) Regs 92, reg 4(2)(b)*

## **Amount of deduction**

46536 The rate of deduction for a fine or compensation order is a flat rate<sup>1</sup> of

1. **for ESA(IR)** - £5.00 or, where there is insufficient benefit to support a £5.00 deduction or two other third party deductions, a standard rate of 5% of the personal allowance for a single person aged 25 or over

2. **for ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate** - £5.00 or, where there is insufficient benefit to support a £5.00 deduction, a standard rate of 5% of the personal allowance for a single person aged 25 or over
3. **for ESA(Cont)** - up to a maximum amount of 40% of the appropriate age-related amount<sup>2</sup>.

**Note:** The flat rate of £5.00 is a statutory amount that will not be routinely updated.

*1 Fines (Deductions from IS) Regs 92, reg 4(1); regs 4(2) & 4(2A)*

## Maximum amount of deduction

46537 There is a maximum amount for payment of arrears to third parties where ESA(IR), ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate is in payment. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over<sup>1</sup>. The total amount deducted should not exceed this amount.

*1 Fines (Deductions from IS) Regs 92, reg 4(1)(c)*

46538 But there is a different rule where ESA(Cont) is in payment and ESA(IR) is not an issue. The amount that can be deducted in such a case is fixed at 40% of the appropriate age-related amount<sup>1</sup>.

*1 Fines (Deductions from IS) Regs 92, reg 4(2A)*

### Example 1

John receives ESA(IR) of £50.00 per week. He already has a third party deduction for gas arrears but there is enough benefit to accommodate an increased fines deduction.

Available benefit	-	£50.00
third party deduction gas arrears	-	£3.05
third party deduction fine	-	£5.00

### Example 2

Mary receives ESA(IR) of £45.00 per week. She has deductions for arrears of gas and water. In this case there is not enough benefit to take an increased fines deduction so the standard rate would apply.

Available benefit	-	£45.00
third party deduction gas arrears	-	£3.05
third party deduction water arrears	-	£3.05
third party deduction fines	-	£3.05

### Example 3

Cyril receives ESA(IR) of £44.00 per week. He has deductions for arrears and consumption of gas. He has not consented to deductions exceeding 25% of his applicable amount. In this case there is enough benefit to take an increased fines deduction so the increased rate would apply.

Available benefit	-	£44.00
third party deduction gas arrears	-	£3.05
third party deduction gas consumption	-	£5.00
third party deduction fine	-	£5.00

Even though the higher level of fines deduction takes the total level of deductions to over 25% of applicable amount, Cyril's consent is not required<sup>1</sup>.

*1 SS (C&P) Regs, Sch 9, para 8(2)*

### Order of priority

46539 Do not make a deduction from ESA(Cont) for payment of an offender's fines or compensation order if<sup>1</sup> deductions are being made for

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

*1 Fines (Deductions from IS) Regs 92, reg 4(3)*

46560 Those deductions have a higher priority (see DMG 46163). They should be taken in place of any deduction for fines or compensation that would otherwise be appropriate. Deductions for fines should stop if deductions for arrears of CC or CT start.

### Further applications

46561 Further applications may be received when deductions are already being made for fines or an existing application may be withdrawn by the court to add on further fines debts and a new application made for a revised amount. Further deductions can be made only when deductions on any earlier application have ceased<sup>1</sup>, or the court has withdrawn the application.

*1 Fines (Deductions from IS) Regs 92, reg 7(5)*

46562 - 46570



# Third party deductions for eligible loan deduction scheme

## Introduction

- 46571 The ELDS is a scheme whereby repayment of loans made to claimants by certain lenders can be made by deductions from benefit.
- 46572 The purpose of ELDS is to make low cost loans more accessible to those on low incomes who may not be able to use mainstream financial services. It aims to achieve this by reducing the debt recovery risk of lending to low income customers.
- 46573 In practice deductions will be the responsibility of Debt Management and will be processed at Debt Centre Washington.
- 46574 The benefits from which deductions can be made are CA, IB, RP, IS, JSA, SPC and ESA. Guidance on deductions from CA, IB and RP can be found in DMG Chapter 08, for IS and JSA in Chapter 33 and for SPC in DMG Chapter 79.

## Definitions

### Borrower

- 46575 “Borrower” means<sup>1</sup> a person who
1. has (either alone or jointly) entered into a loan agreement
    - 1.1 with an eligible lender **and**
    - 1.2 in respect of an eligible loan
  - and**
  2. is entitled to an eligible benefit.

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

### Eligible benefit

- 46576 “Eligible benefits” are<sup>1</sup> CA, IB, RP, IS, JSA, SPC and ESA.

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

### Eligible lender

- 46577 “Eligible lender” means<sup>1</sup>
1. a credit union within the meaning of specified legislation<sup>2</sup> **or**
  2. one of the following bodies provided it is licensed under specified legislation<sup>3</sup>
    - 2.1 an Industrial or Provident Society registered under specified legislation<sup>4</sup>
- or**

**2.2** a charitable institution within the meaning of specified legislation<sup>5</sup> **or**

**2.3** a body entered on the Scottish Charity Register under specified legislation<sup>6</sup> **or**

**3.** a community interest company within the meaning of specified legislation<sup>7</sup>

which may be determined by the Secretary of State as an appropriate body to which repayments of loans may be made on behalf of borrowers.

*1 SS (C&P) Regs, Sch 9, para 7C(1); 2 Credit Unions Act 1979, s 1; 3 Consumer Credit Act 1974;*

*4 Industrial and Provident Societies Act 1965, s 1; 5 Charities Act 1992, s 58(1);*

*6 Charities and Trustee Investment (Scotland) Act 2005, s 3;*

*7 Companies (Audit, Investigations and Community Enterprise) Act 2004, Part 2*

## **Eligible loan**

46578 An “eligible loan” is<sup>1</sup> a loan made to a borrower by a lender who is, at the time the loan was made, an eligible lender but this **does not** include loans

1. which are secured by a charge or pledge
2. which are for the purposes of business or self-employment
3. which are made by means of a credit card.

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

## **Loan agreement**

46579 “Loan agreement” means<sup>1</sup> an agreement between the eligible lender and the borrower in respect of an eligible loan.

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

46580

## **Deductions from benefit**

46581 A DM may make deductions from an eligible benefit where the following conditions<sup>1</sup> are satisfied

1. the borrower has failed to make payments as agreed with the eligible lender for a period of 13 weeks before the date of the application and payments have not resumed
2. the borrower has given written permission to the eligible lender to provide to the Secretary of State personal data within the meaning of specified legislation<sup>2</sup>
3. the eligible lender has agreed that no interest or other charge will be added to the amount owed at the date of the application
4. no sum is being deducted from eligible benefit under the ELDS<sup>3</sup>

5. no sum is being deducted from the borrower's eligible benefit at the date of application to recover an overpayment under specified legislation<sup>4</sup>
6. no sum is being deducted from the borrower's eligible benefit at the date of application to recover a social fund award<sup>5</sup>.

*1 SS (C&P) Regs, Sch 9, para 7C(4); 2 Data Protection Act 1998, s 1;  
3 SS (C&P) Regs, Sch 9, para 7C(4); 4 SS A Act 92, s 71(8); 5 s 78*

46582 The DM will notify both the borrower and the eligible lender in writing of a decision to make deductions from benefit<sup>1</sup>.

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

46583 The DM may only make deductions if the borrower is entitled<sup>1</sup> to an eligible benefit (see DMG 46576) throughout a benefit week.

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

### **Prevention of duplicate deductions**

46584 No deduction will be made from an eligible benefit (see DMG 46576) where the borrower is in receipt of

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

unless the amount of benefit at **1.**, **2.** or **3.** is insufficient to meet the deduction<sup>1</sup>.

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

### **Example**

Petra is entitled to CA of £59.75 per week and UC of £197.33 per month. The DM receives an application from an eligible lender for deductions under ELDS and calculates 5% of Petra's standard allowance of UC as £15.58. The DM decides that the deduction should be taken from Petra's UC as there is sufficient UC to meet the deduction.

### **Deductions - priority order**

46585 Unlike other third party deductions, deductions for eligible loans may be taken from CA, IB, RP and SPC (see DMG Chapter 8 and Chapter 79) in addition to IS, JSA (see Chapter 33) and ESA, as different policy objectives apply to the ELDS. However, legislation<sup>1</sup> specifies the order of the benefits from which deductions are taken.

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

46586 The DM should not take deductions from CA if the borrower is in receipt of another eligible benefit unless that benefit is

1. IB or RP and is insufficient for the deduction to be made **or**

2. IS, JSA, SPC or ESA and the amount is insufficient to meet the deduction plus 10p<sup>1</sup>.

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

46587 The DM should not take deductions from IB or RP if the claimant receives IS, JSA, SPC or ESA unless that benefit is insufficient to meet the deduction plus 10p<sup>1</sup>.

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

46588 - 46600

### **Amount of the deduction**

46601 The rate of deduction for ELDS is a fixed amount equal to 5% of the IS personal allowance for a single claimant aged over 25<sup>1</sup> rounded up to the nearest multiple of 5p.

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

### **Notification**

46602 The DM must notify the borrower and the eligible lender in writing of the decision to make ELDS deductions<sup>1</sup>.

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

### **Circumstances in which deductions will cease**

46603 The DM shall cease making ELDS deductions if<sup>1</sup>

1. there is no longer sufficient entitlement to an eligible benefit to enable deductions to be made
2. entitlement to all eligible benefits has ceased
3. a sum is deducted from the borrower's eligible benefit to recover overpaid benefit under specified legislation<sup>2</sup>
4. the eligible lender notifies the Secretary of State that he no longer wants to accept payment by deductions
5. the liability to make payment on the loan has ceased
6. the lender has ceased to be an eligible lender
7. the borrower no longer resides in GB.

*1 SS (C&P) Regs, Sch 9, para 7C(9); 2 SS A Act 92, s 71*

46604 - 46610

### **Payments of amounts deducted**

46611 Payments of sums deducted will be made to the eligible lender<sup>1</sup>.

*1 SS (C&P) Regs, Sch 9, para 7C(10)*

- 46612 The DM will notify the borrower in writing of the total sums deducted<sup>1</sup>
1. when a written request for this information is received from the borrower **or**
  2. on the termination of deductions.

*1 SS (C&P) Regs, Sch 9, para 7C(11)*

## **Maximum amount of deductions**

- 46613 There is a maximum amount<sup>1</sup> for payment of arrears to third parties where ESA(IR), ESA(Cont) with underlying entitlement to ESA(IR) of at least the same rate is in payment. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over. The total amount deducted should not exceed this amount (see DMG 46153).

*1 SS (C&P) Regs, Sch 9, para 8(1) & 7C(12)(a)*

## **Consent of claimant required**

- 46614 Unless the claimant consents<sup>1</sup>, no third party deduction can be made for an eligible loan where the total deductions exceed 25% of the family's applicable amount.

**Note:** Any housing costs included in the applicable amount should not be taken into consideration when deciding whether third party deductions exceed 25% of the family's applicable amount<sup>2</sup> ( see DMG 46155).

*1 SS (C&P) Regs, Sch 9, para 8(2); 2 para 8(4)(a)(iv); ESA (TP, HB & CTB) (EA) (No. 2) Regs, Sch 4, para 1*

## **Priority between debts**

- 46615 The priority order<sup>1</sup> listed at DMG 46163 should be followed.

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

46616 - 46620



# Third party deductions for integration loan scheme

## Introduction

46621 The Integration Loan Scheme is a Home Office designed initiative to help individuals and their dependants settle into the community following a decision to grant them refugee status or humanitarian protection in the UK. The initiative is intended to provide interest free loans<sup>1</sup> to buy goods and services which will assist integration (e.g. essential household items, training) to certain groups.

*1 The Integration Loans for Refugees and Others Regulations 2007, SI 2007 No. 1598*

46622 Integrated Loan Scheme replaces the refugee back payment scheme which ceased on 14.6.07. The new scheme commenced on 11.6.07.

46623 The Home Office will deal with loan applications and decide who is eligible and the amount to be awarded. Payment of the loan and subsequent recovery action will be undertaken by Debt Management.

46624 Deductions from specified benefits for the Integrated Loan Scheme will be subject to normal third party deduction rules on individual and maximum amounts (see DMG 46151 and DMG 46153), and will be included in the priority order (see DMG 46163).

## Definitions

### Integration loan

46625 “Integration loan which is recoverable by deductions” means<sup>1</sup> an integration loan made under specified legislation<sup>2</sup> which is recoverable from the recipient by deductions from specified benefits<sup>3</sup>.

*1 SS (C&P) Regs, Sch 9, para 1(1); 2 The Integration Loans for Refugees and Others Regs 2007, SI 2007 No 1598; 3 reg 9; SS (C&P) Regs, Sch 9*

### Specified benefit

46626 Specified benefit<sup>1</sup> has the meaning described in DMG 46140.

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

46627 - 46630

## Deductions from benefit

46631 Deductions can be made from ESA for integration loans.

## **Amount of the deduction**

- 46632 The rate of deduction for Integrated Loan Scheme is a fixed amount equal to 5% of the ESA personal allowance for a single claimant aged over 25<sup>1</sup> rounded up to the nearest multiple of 5p, including where the loan is a joint loan.

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

- 46633 Couples may take out a joint loan and so have joint liability for repayment of the debt<sup>1</sup>. If the couple separate, deductions can be taken from either partner. The Home Office will be responsible for deciding the liability of joint loan applicants who separate.

*1 The Integration Loans for Refugees and Others Regulations 2007, SI 2007 No. 1598*

- 46634 The claimant should be left with at least 10p specified benefit after third party deductions have been made<sup>1</sup>. No deduction should be made if it would leave the claimant with less than 10p.

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

## **Consent**

- 46635 Unless the claimant consents<sup>1</sup>, no third party deduction can be made for an integration loan where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 46155).

*1 SS (C&P) Regs, Sch 9, para 8(2)*

## **Priority between debts**

- 46636 The priority order<sup>1</sup> listed at DMG 46163 should be followed.

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

46637 - 46999

# Appendix 1

## Payments or awards (see DMG 46441 3)

Payments or awards which can affect whether an absent parent is liable for contributions to maintenance

- IB
- MA
- AA
- SDA
- CA
- DLA
- WTC
- SSP
- SMP
- IIDB
- CAA
- WDisP
- ESDA
- Civilian War Injury Pension
- Severe Disablement Occupational Allowance
- Payments from the Independent Living Fund (but see note)
- ESA(Cont)
- PIP
- AFIP

**Note:** the Independent Living Fund (2006) closed on 30.6.15 with some funding responsibilities transferring to LA's in England, the Welsh Independent Living Grant in Wales and the Independent Living Fund Scotland for Northern Ireland and Scotland. Please contact DMA Leeds for advice if a claimant receives funding from any of these replacement schemes.



## Appendix 2

### Payments or awards which may affect liability for FRM or CMD (see DMG 46434 5.1)

- Bereavement Allowance
- CA
- IB
- IIB
- IS
- JSA(IB or Cont)
- MA
- RP - all categories
- SDA
- Social Security benefits paid by a country other than the UK
- Training Allowance
- WDisP
- WMA
- WPA
- WP
- ESA(Cont)
- ESA(IR)

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