

Section 12: Extended payments of HB/CTB

Note: For more information, see HB/CTB Circular A12/2008 on Extended Payments.

Extended payments

- 1600 HB and CTB extended payments were introduced on 1 April 1996 as part of a package of incentives to encourage the long-term unemployed to return to work.
- 1601 Extended payments are made to certain people who have been receiving Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)) and who cease to be eligible for it because they or their partner start employment or self-employment, or increase their hours or wages.
- 1602 The extended payment scheme was widened in April 2004 (by S.I. 2004/319) to include persons in receipt of Incapacity Benefit (IB) and/or Severe Disablement Allowance (SDA), and who cease claiming benefit because they or their partner move into employment, or self-employed work, or increase their hours or earnings.
- 1603 Following the Welfare Reform Act 2007 regulations have been laid and are effective from 6 October 2008 (S.I.2008/959). These reform the operation of the extended payment scheme. Employment & Support Allowance (ESA) is included as a qualifying benefit by S.I.2008/1082.
- 1604 From October 2008, a move into work which results in entitlement to an EP will be treated as a change of circumstances on the existing HB/CTB claim. The LA must consider whether there is entitlement to an EP when a qualifying benefit ceases for work-related reasons. The LA must also consider whether there is entitlement to in-work HB/CTB. Customers no longer have to make a claim for in-work HB/CTB at the end of the EP period and they can move into in-work HB/CTB provided there is entitlement to it at the end of the EP period. JCP no longer has to certify to the LA that any of the qualifying conditions for an EP have been satisfied. This arrangement already exists in the IB/SDA EP Scheme. When a customer moves from one LA to another during the extended payment period, the original LA will be responsible for paying the extended payment to the customer. *HB/CTB Circular A12/2008* provides full details of the revised EP Schemes.
- 1605 If there is entitlement to an EP, and there is also entitlement to in-work HB/CTB during the EP period, the EP can be increased to the in-work rate of HB/CTB if it is higher than the EP rate.
- 1606 If the EP is increased as a result of the rate of in-work HB/CTB being higher than the original EP rate, this is still classed as an EP.

1607 For example EP rate for weeks 1 and 2 is £50.00. Weeks 3 and 4 of EP – the rate of in-work HB/CTB is calculated as £70.00 which is higher than the rate payable for the first two weeks. This is regarded as an EP. Therefore the EP payments made for the whole of the EP period are: Weeks 1 & 2 - £50.00 per week and for weeks 3 and 4 at £70.00 per week.

1608-1609

Subsidy for extended payments

1610 Extended payments are treated as a separate HB/CTB category on which full subsidy will be paid. This means that, for example, if the rent allowance paid immediately before the extended payment period included amounts attracting lower rate subsidy, a similar subsidy reduction will not be made for rent allowance paid during the extended payment period.

1611 Similarly, when from January 1996 HB includes a discretionary amount for exceptional hardship, the extended payment should be at the same rate of HB payable when IS/JSA(IB)/ESA(IR)/IB/SDA/ESA(C) was in payment. No part of the extended payment will be attributable to the discretionary fund and the payment will therefore attract full subsidy.

1612 Any discretionary payments made for exceptional circumstances will be treated in the same way, ie payment to continue at the same rate with full subsidy payable.

1613-1619

Subsidy for overpayments of extended payments

1620 An overpayment of extended payments can occur when, for example

- the authority incorrectly decides that an award is appropriate
- HB/CTB is not reassessed to reflect a change of circumstances, occurring before the extended payment period, until after the extended payment has been awarded. This could occur when a non-dependant moves into the household prior to the cessation of IS/JSA(IB)/ESA(IR)/IB/SDA/ESA(C)

1621 If an overpayment arises, the rate of benefit subsidy payable will be in accordance with normal rules, depending on the reason for the overpayment, ie nil.

1622 An overpayment could also arise where the claimant moves home, during the extended payment period, to another authority's area. The original LA is responsible for calculation and payment of the EP provided entitlement exists in the new LA.

1623-1629

Queries

1630 If you have any queries concerning the content of this section, please see the HB/CTB contact list at <http://www.dwp.gov.uk/housingbenefit/contact/contact>

1631-1699