

DMG Chapter 33: Payment questions

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Introduction 33001-33008

Introduction

33001 There are some payment questions that apply only to claims for JSA and IS. This Chapter deals with those questions.

33002 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)

33003 How the payment questions dealt with in this Chapter affect a claim for JSA or IS depends on

1. which benefit has been claimed **and**

2. if JSA, whether

2.1 JSA(Cont) **or**

2.2 JSA(IB)

is awarded.

33004 Any differences will be pointed out in this guidance.

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33009 JSA and IS are weekly benefits that are normally paid for complete weeks (benefit weeks). See DMG 33100 - 33238 for guidance on when payment may be made for part-weeks.

Meaning of benefit week

33010 A benefit week is always a period of seven days. The law says which seven days this should be. This will depend on which benefit is claimed.

JSA

33011 For JSA a benefit week means¹ a period of seven days ending with the day determined by the last two digits of the claimant's NINO as is shown in the following table unless the Secretary of State arranges otherwise.

| NI No. | Day |
|---------------|------------|
|---------------|------------|

| | |
|---------|--------|
| 00 – 19 | Monday |
|---------|--------|

| | |
|---------|---------|
| 20 – 39 | Tuesday |
|---------|---------|

| | |
|---------|-----------|
| 40 – 59 | Wednesday |
|---------|-----------|

| | |
|---------|----------|
| 60 – 79 | Thursday |
|---------|----------|

| | |
|---------|---------|
| 80 – 99 | Friday. |
|---------|---------|

33012 - 33017

IS

33018 Benefit week for IS means¹

1. the week for which any relevant SS benefit

1.1 is payable, if there is entitlement to such a benefit **or**

1.2 would be payable but for

1.2.a the failure to satisfy contribution conditions **or**

1.2.b exhaustion of entitlement **or**

2. in any other case, a period of seven days beginning or ending on a day decided by the Secretary of State.

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

33019 Relevant SS benefit means¹

1. IB **or**

2. SDA **or**

3. RP **or**

4. WB **or**

5. WPA.

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

Period for which benefit is calculated

33020 The period for which benefit is calculated depends on whether it is paid in arrears or advance.

33021 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.

33022 When benefit is paid in advance the seven days starting on the BWC day is used.

JSA

33023 JSA is normally paid in arrears¹. The amount payable is worked out for the period up to and including the BWE day.

1 SS (C&P) Regs, reg 26A(1)

IS

33024 IS can be paid in arrears or in advance¹. When it is paid in arrears the amount of benefit is worked out for the period up to and including the BWE day. The BWE day is

- 1.** the SS BWE day, where IS is paid as well as, or instead of, a relevant SS benefit **or**
- 2.** if **1.** does not apply, and there is any other weekly paid income, that income pay day. For example, where SSP is in payment, the BWE day would be the employer's payday **or**
- 3.** if **1.** and **2.** do not apply, and the date of claim is a Monday, Monday should be used **or**
- 4.** if **1.**, **2.** or **3.** do not apply, the seventh day of the claim should be used. For example, if the claim is made on a Wednesday, the BWE day would be the following Tuesday.

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

33025 When IS is paid in advance the seven days starting on the BWC day is used. The BWC day is

- 1.** the RP, WB or WPA BWC day, where IS is paid as well as, or instead of, either of those benefits **or**
- 2.** if **1.** does not apply, the date of claim.

Date entitlement begins

33026 The date entitlement begins depends on

- 1.** which benefit has been claimed **and**
- 2.** if IS, whether it is paid in arrears or advance.

JSA

33027 A person is not normally entitled to JSA for the first seven days (waiting days) at the beginning of

a JSP¹. Please note that special rules regarding waiting days apply in the case of joint-claim couples (see DMG 20903). This means that entitlement to JSA does not start until the day after those seven waiting days.

1 JS Act 95, Sch 1, para 4; JSA Regs, reg 46(2)

IS

33028 Where IS is payable in arrears entitlement begins on the date of claim¹.

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

33029 Where IS is payable in advance, entitlement normally begins on¹

1. the date of claim, if that day is a BWC day **or**

2. the first BWC day after the date of claim.

1 SS (C&P) Regs, Sch 7, para 6(2)

33030 There is an exception to these rules, when IS is awarded for a definite period which is not a benefit week or a multiple of such a benefit week. Entitlement then begins on the date of claim regardless of whether it is paid in arrears or advance¹.

1 SS (C&P) Regs, para 6(2A)

33031 - 33035

Claimant not entitled immediately

33036 A claimant may not be entitled to benefit immediately because of their failure to satisfy all the conditions of entitlement. In such a case, entitlement cannot begin until those conditions are satisfied.

33037 In JSA the claimant is not normally entitled for the first three days of a JSP (DMG 20901). So once the conditions are satisfied, entitlement will start on the day after those three waiting days¹.

1 JS Act 95, Sch 1, para 4

33038 In IS entitlement normally begins on the first day that the conditions of entitlement are satisfied¹. But that is not the case where IS is paid in advance, when entitlement begins on

1. the first day that the conditions of entitlement are satisfied, if that day is a BWC day **or**

2. the first BWC day after the day that they are satisfied.

1 SS (C&P) Regs, Sch 7, para 6(3)

Example 1

Henri stops remunerative work and claims JSA on Monday 3.11.14. He has holiday pay which means he is treated as engaged in remunerative work up to and including Thursday 6.11.14.

The conditions of entitlement are satisfied as from Friday 7.11.14. His waiting days are Friday 8.11.14 to Thursday 13.11.14. Entitlement to JSA starts on Friday 14.11.14.

Example 2

Gina is a lone parent who stops remunerative work and then claims IS on Monday 14.10.96. IS is payable in arrears. She has holiday pay which excludes her from IS up to and including Thursday 17.10.96. Entitlement to IS begins on Friday 18.10.96.

Example 3

Dorothy is a lone parent receiving WB weekly on a Tuesday. She stops remunerative work and then claims IS on Monday 14.10.96. IS is payable in advance and her BWC day is Tuesday. She has holiday pay which excludes her from IS up to and including Thursday 17.10.96.

The conditions of entitlement are satisfied as from Friday 18.10.96. That is not a BWC day. Entitlement to IS starts on the first BWC day following, namely Tuesday 22.10.96.

33039 - 33049

Change of circumstances 33050 - 33059

33050 A change in the claimant's circumstances can give grounds to supersede the award¹ in both JSA and IS. The normal rules on supersession are in DMG Chapter 04.

1 SS Act 98, s 10

33051 - 33059

When entitlement ends 33060-33099

33060 The date a supersession takes effect is usually the first day of a benefit week¹ and depends on

1. which benefit has been claimed **and**
2. if IS, whether it is paid in arrears or advance.

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

33061 DMG Chapter 04 gives guidance on the rules that apply and the exceptions to those rules. The date entitlement ends is such an exception.

33062 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 remunerative work. See DMG Chapter 04 for full guidance on the date supersession takes effect when entitlement ends.

33063 - 33099

Part-week payments JSA and IS 33100-33300

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Introduction and definitions 33100-33102

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Introduction

33100 This section gives guidance on how to calculate part-week payments in JSA and IS claims.

Definitions

Meaning of notional entitlement

33101 In this guidance notional entitlement means

1. in JSA(Cont), the claimant's personal rate
2. in JSA(IB) and IS, the amount by which the applicable amount exceeds income.

What is the relevant week - JSA and IS

33102 Part-week payment calculations are based on the claimant's notional entitlement during the relevant week¹ (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 a claim, the relevant week is defined in DMG 33107
2. at the end of a claim, the relevant week is defined in DMG 33130
3. on a change of benefit week (IS only), the relevant week is defined in DMG 33166
4. on a change of benefit week (JSA only), the relevant week is defined in DMG 33203 **and**
5. in sanction cases (JSA only), the relevant week is defined in DMG 33233.

¹ JSA Regs, reg 150; IS (Gen) Regs, reg 73

Who can get a part-week payment? 33103

Who can get a part-week payment

General

33103 Most JSA and IS claimants including JSA joint-claim couples will be able to get part-week payments. But share fishermen will receive payments of JSA(Cont) for whole weeks only. If they claim JSA(IB) or IS normal part-week payment rules apply. Guidance on share fishermen is in DMG Chapter 27.

Reductions in certain cases 33104 -33105

Reductions in certain cases

Applications for hardship payments - JSA(IB) only

33104 When a person is getting hardship payments, any part-week payment will be

1. the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by seven **less**
2. the appropriate reduction in the weekly applicable amount (see DMG Chapter 35) multiplied by the number of days in the part-week and divided by seven¹.

1 JSA Regs, reg 154

Example

Paul is entitled to hardship payments. The appropriate reduction is 40%. His notional entitlement for the relevant week is £100. He needs a part-week payment for two days. The calculation is

1. notional entitlement multiplied by 2, divided by 7 £28.57

less

2. 40% of £100 multiplied by 2, divided by 7 £11.42

The part-week payment is £17.15

Appeal made because the claimant found not incapable of work

33105 The applicable amount may be reduced by 20% if a claimant is appealing against being found not incapable of work (see DMG 20182). In this situation any part-week payments will be calculated as in DMG 33104 applying the appropriate 20% reduction¹.

1 IS (Gen) Regs, reg 76(a)

Part-week payments at the beginning of a claim 33106-33128

[Period covered - JSA and IS 33106](#)

[The relevant week - JSA and IS 33107](#)

[Personal rate in the relevant week - JSA\(Cont\) 33108](#)

[Applicable amount in the relevant week - JSA\(IB\) and IS 33109-33111](#)

[Income in the relevant week - JSA and IS 33112-33118](#)

[The part-week payment 33119-33128](#)

Period covered - JSA and IS

33106 A part-week payment will be made at the beginning of a claim 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 - JSA and IS

33107 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 period¹.

¹ JSA Regs, reg 152(1)(a); IS (Gen) Regs, reg 74(1)(a)

Example 1

Noel's entitlement to JSA begins on Monday 25 November. His benefit week runs from Friday to Thursday. A part-week payment is needed for the period Monday 25 to Thursday 28. The relevant week

is Friday 22 to Thursday 28.

Example 2

IS is awarded to Harry for the definite period Monday 4 November to Saturday 9 November. A part-week payment is needed for that period. The relevant week is Sunday 3 to Saturday 9.

Personal rate in the relevant week - JSA(Cont)

33108 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB) and IS

33109 Calculate the claimant's applicable amount in the relevant week in the normal way (see DMG Chapter 23).

33110 Where the applicable amount includes a fraction of a penny treat that fraction as a penny¹.

1 JSA Regs, Sch 1, para 21; IS (Gen) Regs, Sch 2, para 16

33111

Income in the relevant week - JSA and IS

33112 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 week¹ **and**
- 2.** disregard in full any earnings which have already been taken into account to decide a remunerative work exclusion period² **and**
- 3.** when only part of the weekly income is taken into account in the relevant week, disregard the balance³.

In the case of a joint-claim couple calculate the aggregate income of each member of the couple in the normal way unless one member of the joint-claim couple is aged under 18 and the other is over 18⁴.

1 JSA Regs, reg 153(a); IS (Gen) Regs, reg 75(a); 2 JSA Regs, reg 153(e); IS (Gen) Regs, reg 75(d);
3 JSA Regs, reg 153(f); IS (Gen) Regs, reg 75(h); 4 JSA Regs, reg 88ZA

33113 In addition, to decide the amount of

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

1.1 WB

1.2 CA

1.3 TA

1.4 US

payable in the relevant week but not for any day in the part-week¹

2. JSA(IB) and IS 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-week².

Note: If JSA, IS, MA, IB, ESA, 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 33121).

1 JSA Regs, reg 153(c); 2 reg 150 & 153(b); IS (Gen) Regs, reg 73 & 75(b)

Example

George is entitled to JSA(IB). 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 9 January to Wednesday 15 January. He is entitled to JSA(IB) from Tuesday 7. A part-week payment is due

for Tuesday 7 to Wednesday 8. The relevant week is Thursday 2 to Wednesday 8. 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.

33114 - 33118

The part-week payment

33119 There are different rules to calculate the amount of a part-week payment depending on which benefit is involved.

JSA(Cont)

33120 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

payable for any day in the part-week¹.

1 JSA Regs, reg 150(2)

Example

Ruth is entitled to JSA(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

$$\begin{array}{r r r r r r r r r r} \underline{\underline{\pounds 50.35}} & \times & 2 & = & \pounds 100.70 & \text{less} & \pounds 28 & \times & 2 & = & \pounds 56.70 \\ & & & & & & & & & & \underline{\underline{\pounds 44.00}} \end{array}$$

$$£14.386 - £8.00 = £6.386$$

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

JSA(IB) and IS

33121 The part-week payment is

1. in all cases, apart from TD cases, 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. in JSA(IB) any JSA, IS, MA, IB, ESA or SDA payable to any member of the family for any day in the part-week¹ **or**

3. in IS any JSA, IS, MA, IB, ESA or SDA payable to the claimant or any member of the family for any day in the part-week² **and**

4. in TD cases in JSA(IB)³, the part-week payment is

4.1 nil if the amount of JSA(IB) or joint-claim JSA for the part-week is equal to or less than the prescribed sum (see DMG Chapter 32) for the same number of days in the part-week **or**

4.2 the difference between the

4.2.a amount of JSA(IB) or joint-claim JSA for the part-week **and**

4.2.b the prescribed sum

if the amount for the part-week is more than the prescribed sum

Note: To work out the amount of the prescribed sum in **4.1**

1. divide the prescribed sum by seven **and**

2. multiply that figure by the number of days in the part-week.

5. in TD cases in IS⁴, the part-week payment is

5.1 nil if the amount of IS for the part-week is equal to or less than the relevant sum for the same number of days in the part-week **or**

5.2 the difference between

5.2.a the amount of IS for the part-week **and**

5.2.b the amount of the relevant sum for the same number of days as there are in the part-week

if the amount of IS is more than the amount at **5.2.b**.

Note: To work out the amount of the relevant sum

1. divide the relevant sum by seven **and**

2. multiply that figure by the number of days in the part-week.

1 JSA Regs, reg 150(1); 2 IS (Gen) Regs, reg 73; 3 JSA Regs, reg 155; 4 IS (Gen) Regs, reg 77

33122 The amount deducted under DMG 33121 **2.** and DMG 33121 **3.** depends on whether the payment of JSA, IS, MA, IB, ESA 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.

33123 Where DMG 33122 **1.** applies the amount deducted is the actual amount payable. Where DMG 33122 **2.** applies the amount deducted is¹ in the case of a payment of JSA, IS, IB, MA, ESA 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 JSA Regs, reg 92 & 153; IS (Gen) Regs, reg 27 & 75

Example 1

Laura is entitled to JSA(IB). Her notional entitlement in the relevant week is £40.00. She needs a part-week payment for four days. She has been in receipt of SDA. Her last payment of SDA, payable to her in the part-week, is payable solely for the days in the part-week, and does not cover any other period. The amount paid to her is £15.50. Her part-week payment is calculated

$$\underline{\pounds 40 \times 4} = \pounds 22.857 \quad \text{less} \quad \pounds 15.50 = \pounds 7.357$$

7

the part-week payment is £7.36 (rounded up to the nearest penny).

Example 2

Robert is entitled to IS. 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

$$\begin{array}{r} \frac{\pounds 80 \times 3}{7} = \pounds 34.286 \\ \text{Less } \frac{\pounds 60 \times 2}{7} = \pounds 17.143 \\ \hline \pounds 34.286 - \pounds 17.143 = \pounds 17.143 \end{array}$$

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

33124 Where the part-week payment includes a fraction of a penny treat that fraction as a penny¹.

1 JSA Regs, Sch 5, para 18; IS (Gen) Regs, Sch 7, para 20

33125 - 33128

Part-week payments at the end of a claim 33129-33154

[Period covered - JSA and IS 33129](#)

[The relevant week - JSA and IS 33130](#)

[Personal rate in the relevant week - JSA\(Cont\) 33131](#)

[Applicable amount in the relevant week - JSA\(IB\) and IS 33132-33139](#)

[Income in the relevant week - JSA and IS 33140-33141](#)

[The part-week payment 33142-33154](#)

Period covered - JSA and IS

33129 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 - JSA and IS

33130 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 period¹.

¹ JSA Regs, reg 152(1)(b); IS (Gen) Regs, reg 74(1)(b)

Example 1

Katja's entitlement to JSA ends on Saturday 12 April. Her benefit week runs from Thursday to Wednesday. A part-week payment is needed for the period Thursday 10 to Saturday 12. The relevant week is Thursday 10 to Wednesday 16.

Example 2

IS is awarded to Graham for the definite period Monday 9 June to Wednesday 25 June. His benefit week runs from Monday to Sunday. A part-week payment is needed for the period Monday 23 to Wednesday 25. The relevant week is Monday 23 to Sunday 29.

Personal rate in the relevant week - JSA(Cont)

33131 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB) and IS

33132 Calculate the claimant's applicable amount in the relevant week as in DMG 33109 - 33110.

33133 - 33139

Income in the relevant week - JSA and IS

33140 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 week¹ **and**

2. disregard in full

2.1 any new income first payable in the relevant week but not in the part-week² **and**

2.2 any change to an existing income which occurs in the relevant week but not in the part-week³.

1 JSA Regs, reg 153(a); IS (Gen) Regs, reg 75(a); 2 JSA Regs, reg 153(d); IS (Gen) Regs, reg 75(c);

3 JSA Regs, reg 153(d); IS (Gen) Regs, reg 75(c)

Example

David's last day of entitlement to JSA(IB) is Thursday 6 February. His benefit week runs from Tuesday to Monday. He therefore needs a part-week payment for Tuesday 4 to Thursday 6. The relevant week is Tuesday 4 to Monday 10. He will receive his first payment of RP on Monday 10. As this new income is payable in the relevant week but not in the part-week it is disregarded in full.

33141 In addition, to decide the amount of

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

1.1 WB

1.2 CA

1.3 TA

1.4 US

payable in the relevant week, but not for any day in the part-week¹.

2. JSA(IB) and IS 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-week².

Note: If JSA, IS, MA, IB, ESA, 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 33121).

1 JSA Regs, reg 153(c); 2 reg 150 & 153(b); IS (Gen) Regs, reg 73 & 75(b)

The part-week payment

33142 Calculate the part-week payments for both JSA and IS as in DMG 33120 - 33124.

33143 - 33154

Part-week payments on change of benefit week - Income Support

33155-33200

[Reasons for change](#) 33155

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[Applicable amount in the relevant week](#) 33170-33174

[Income in the relevant week](#) 33175-33182

[The part-week payment](#) 33183-33200

Reasons for change

33155 A change of IS benefit week is needed where during a claim

1. a relevant SS benefit¹ (see DMG 33019) is claimed and the benefit week for that benefit is different to the IS benefit week² **or**
2. the benefit week for the claimant's SS benefit changes **or**
3. the DM directs that the benefit week should change³.

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

Period covered

33156 A single part-week payment should cover the period which begins on the day after the last complete old benefit week and ends on the day before the first complete new benefit week if

1. the relevant SS benefit is claimed from the first day of the benefit week for that benefit **or**
2. the relevant SS benefit is claimed from the first day of the claimant's old benefit week **or**
3. the benefit week for an existing relevant SS benefit is changed **or**
4. the DM changes the benefit week.

Example

Warren is paid IS in arrears and his benefit week runs from Tuesday to Monday. He is aged 65 on Tuesday 3rd November and claims RP from Monday 9th November. The RP benefit week runs from Monday to Sunday. Calculation of a part-week payment is needed for the period Tuesday 3rd to Sunday 8th.

33157 If the relevant SS benefit is claimed from a day which is **not** the first day of the benefit week for that benefit, or from the first day of the old benefit week, **two** part-week payments are payable

1. the **first** part-week payment begins on the day after the last complete old benefit week and ends on the day before the day from which the SS benefit has been claimed

2. the **second** part-week payment begins on the day from which the SS benefit has been claimed and ends on the day before the first complete new benefit week.

33158 The term "last complete old benefit week" includes the period of seven days ending on the day before the first day of the first benefit week after the date of claim.

33159 - 33165

The relevant week

33166 For part-week payments

1. under 33156 **1.**, **3.** and **4.** and 33157 **1.** the relevant week is the period of seven days **beginning** on the **first** day of the part-week period

2. under 33156 **2.** and 33157 **2.** the relevant week is the period of seven days **ending** on the **last** day of the part-week period.

Example 1

Stephen'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 15th November. A part-week payment is due for the period Tuesday 11th to Friday 14th. The relevant week is Tuesday 11th to Monday 17th.

Example 2

Julia's benefit week runs from Wednesday to Tuesday. She claims a relevant SS benefit from Friday 20th June. The benefit week for the SS benefit runs from Friday to Thursday. A part-week payment is due for the period Wednesday 18th to Thursday 19th. The relevant week is Wednesday 18th to Tuesday 24th.

33167 Where two part-week payments are needed, some days may be common to both relevant weeks. The period covered by both relevant weeks is known as the overlapping period.

Example 1

Jack's benefit week runs from Wednesday to Tuesday. He claims a relevant SS benefit from Saturday 4th January. The benefit week for the SS benefit runs from Friday to Thursday. Two part-week payments are due

- 1.** the first part-week payment covers the period Wednesday 1st to Friday 3rd. The relevant week for the first part-week payment ("the first relevant week") is Wednesday 1st to Tuesday 7th.
- 2.** the second part-week payment covers the period Saturday 4th to Thursday 9th. The relevant week for the second part-week payment ("the second relevant week") is Friday 3rd to Thursday 9th
- 3.** the overlapping period is Friday 3rd to Tuesday 7th.

33168 - 33169

Applicable amount in the relevant week

33170 Calculate the claimant's applicable amount for the relevant week (or weeks) in the normal way.

33171 Any change in the applicable amount because of the claim for a relevant SS benefit (for example loss or award of a premium) is effective¹

- 1.** in a case where only one part-week payment is needed, from the first day of the first complete new **benefit week or**
- 2.** in a case where two part-week payments are needed, from the first day of the second **relevant week.**

1 SS (C&P) Regs, Sch 7, para 7(3)(g)

33172 Any change in the applicable amount because of any other change of circumstances (for example birth, death, marriage or age change) which takes place between the end of the last complete benefit week and the beginning of the first complete new benefit week will be effective

- 1.** in a case where only one part-week payment is needed from the first day of the relevant week **or**
- 2.** in a case where two part-week payments are needed
 - 2.1** from the first day of the first relevant week where the change takes place before the day from which the SS benefit is claimed **or**

2.2 from the first day of the second relevant week where the change takes place on, or after the day from which the SS benefit is claimed.

33173 - 33174

Income in the relevant week

33175 Calculate the claimant's income in the relevant week (or weeks) 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 week¹ **and**
- 2.** disregard in full any JSA, IS, MA, IB, ESA, SDA or UC payable to the claimant or member of the family in the relevant week but not for any days in the part-week².

Note: If JSA, IS, MA, IB, ESA, 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 33183 et seq).

1 IS (Gen) Regs, reg 75(a); 2 reg 75(b)

Example

Aidan receives IS for himself and his partner. IS is paid in arrears and his benefit week runs from Tuesday to Monday. The amount payable is £72.10pw (applicable amount £145.40 less wife's IB £73.30). Aidan reaches age 65 on Tuesday 3rd June and claims RP from Monday 9th June. His RP benefit week runs from Monday to Sunday. His first RP payment of £103.40 is due to be paid on Monday 9th June.

The DM considers a single part-week payment for the period Tuesday 3rd to Sunday 8th (six days). The relevant week is Tuesday 3rd to Monday 9th. RP of £103.40, due to be paid on Monday 9th, is treated as paid on Tuesday 3rd (the first day of the relevant week). Aidan's income £176.70 (£73.30 IB + £103.40 RP) exceeds his applicable amount of £145.40. The part-week payment is nil.

33176 In cases where two part-week payments are payable

- 1.** any income other than those listed in DMG 33175 **2.**, which remains in payment at the same rate should be taken into account in both the first and second relevant weeks¹ **and**
- 2.** if an existing income other than those listed in DMG 33175 increases and the first payment at the increased amount is due to be paid in the overlapping period the amount of the increase should be disregarded in full in both the first and second relevant weeks² **and**
- 3.** if a series of payments of income other than those listed in DMG 33175 stops or is interrupted and the final payment or the last payment before the interruption is due to be paid in the overlapping period that

payment should

3.1 if the payment is for a week or less, be taken into account in the first relevant week only, but if that is impracticable in the second relevant week³ **or**

3.2 if the payment is for more than a week, but not more than two weeks, be disregarded at this stage⁴ (DMG 33183 **1.2**) **or**

3.3 if the payment is for more than two weeks, be taken into account in both the first and second relevant weeks.

Initial or one-off payments of income other than those listed in DMG 33175 should be taken into account as in **3.1**, **3.2** or **3.3** according to the period covered by the payment.

33177-33182

The part-week payment

33183 The part-week payment is

1. the claimant's notional entitlement for the relevant week (see DMG 33101) multiplied by the number of days in the part-week and divided by seven¹ (carry forward any fraction of a penny) **less**

1.1 any JSA, IS, MA, IB, ESA or SDA payable to the claimant and any family member for any days in the part-week² **and**

1.2 in cases where the part-week payment is one of two payments payable under DMG 33157, one half of any amount disregarded under DMG 33176 **3.2**, less the normal weekly disregard³ **or**

2. see DMG 33121 **5.** for TD cases.

1 IS (Gen) Regs, reg 73(1); 2 reg 73(3); 3 reg 76(b)

Example

Giles gets IS for himself and his wife Sally who works part-time. Sally earns £24.52 a week, paid every Tuesday and her pay is taken into account in Giles' IS award. Until Wednesday 31 January, Giles' benefit week runs from Wednesday to Tuesday. The DM then directs that the benefit week should change and run from Tuesday to Monday.

Giles needs a part-week payment for the period Wednesday 31 January to Monday 5th February (six days). The relevant week is Wednesday 31st to Tuesday 6th. Sally's pay of £24.52, due to be paid on

Tuesday 6th, is treated as paid on Wednesday 31st (the first day of the relevant week) and is taken into account in the calculation of the part-week payment.

In the following week (Tuesday 6th to Monday 12th) the normal IS rules apply (Volume 5, Chapter 25). Under those rules, Sally's pay, due on Tuesday 6th, is treated as paid on Tuesday 6th (the first day of the benefit week in which it is due to be paid). Sally's pay is also taken into account in the calculation of the amount payable for the first complete new benefit week.

33184 The amount deducted under DMG 33183 **1.1** depends on whether the payment of JSA, IS, MA, IB, ESA or SDA is payable

1. solely within the part-week **or**

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

33185 Where DMG 33184 **1.** applies the amount deducted is the amount actually payable. Where DMG 33184 **2.** applies the amount deducted is¹ in the case of a payment of JSA, IS, IB, MA, ESA 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 IS (Gen) Regs, reg 27 & 73

33186 Where the part-week payment includes a fraction of a penny treat that fraction as a penny¹.

1 IS (Gen) Regs, Sch 7, para 20

33187 - 33200

Part-week payments on change of benefit week - Jobseeker's Allowance 33201-33228

[Reasons for change](#) 33201

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[Personal rate in the relevant week - JSA\(Cont\)](#) 33204

[Applicable amount in the relevant week - JSA\(IB\)](#) 33205-33211

[Income in the relevant week](#) 33212-33222

[The part-week payment](#) 33223-33228

Reasons for change

33201 A change of JSA benefit week is needed when the DM directs that the benefit week should change during a claim.

Period covered

33202 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 week¹.

1 JSA Regs, reg 152(2) & (3)

The relevant week

33203 For part-week payments on a change of benefit week in JSA, the relevant week is the period of seven days beginning on the day after the last complete benefit week¹.

1 JSA Regs, reg 152(2) & (3)

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 21st December. A part-week payment is due for the period Tuesday 17th to Friday 20th. The relevant week is Tuesday 17th to Monday 23rd.

Personal rate in the relevant week - JSA(Cont)

33204 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB)

33205 Calculate the claimant's applicable amount in the relevant week in the normal way.

33206 Any change in the applicable amount because of any change of circumstances (for example birth, death, 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.

Example

John is entitled to JSA(IB). His 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 12th April. A part-week payment is due for Tuesday 8th to Friday 11th. The relevant week is Tuesday 8th to Monday 14th. On Thursday 10th his wife gives birth to a baby boy. This change results in an increase in the applicable amount. For the purpose of the part-week payment the change takes effect from Tuesday 8th, the first day of the relevant week.

33207 - 33211

Income in the relevant week

33212 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 week¹ **and**
- 2.** when only part of the weekly income is taken into account in the relevant week, disregard the balance².

1 JSA Regs, reg 153(a); 2 reg 153(f)

33213 In addition, to decide the amount of

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

1.1 WB

1.2 CA

1.3 TA

1.4 US

payable in the relevant week, but not for any day in the part-week¹

2. JSA(IB) 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, member of a joint-claim couple or member of the family in the relevant week but not for any day in the part-week².

Note: If a payment of JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week take it into account when calculating the part-week payment (see DMG 33223 - 33228).

1 JSA Regs, reg 153(c); 2 reg 153(b)

33214 - 33222

The part-week payment

33223 There are different rules to calculate the amount of a part-week payment depending on which benefit is involved.

JSA(Cont)

33224 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

payable for any day in the part-week¹.

1 JSA Regs, reg 150(2)

JSA(IB)

33225 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 or either member of a joint-claim couple for any day in the part-week¹.

Note: See DMG 33121 **4.** for TD cases.

1 JSA Regs, reg 150(1)

33226 The amount deducted under DMG 33225 depends on whether the payment of JSA, IS, MA, IB, ESA or SDA 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.

33227 Where DMG 33226 **1.** applies the amount deducted is the amount actually payable. Where DMG 33226 **2.** applies the amount deducted is¹ in the case of a payment of JSA, IS, IB, MA, ESA 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.

Note: See **Example 1.** at DMG 33123.

1 JSA Regs, reg 92 & 150

33228 Where the part-week payment includes a fraction of a penny treat that fraction as a penny¹.

1 JSA Regs, Sch 5, para 18

Part-week payments in sanction cases - Jobseeker's Allowance 33229-33300

[When will a part-week payment be needed in a sanction case?](#) 33229-33231

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When will a part-week payment be needed in a sanction case?

33229 Sanctions are imposed for

1. a fixed period of weeks (see DMG Chapter 34) **or**
2. a discretionary length of time (see DMG Chapter 34).

Note: From 6.4.10 this will include sanctions for failure to attend (see DMG Chapter 20).

33230 Where a sanction is imposed for a fixed period, part-week payments are not needed. The sanction begins on the first day of a benefit week and ends on the last day of a benefit week.

33231 When a sanction is imposed for a discretionary period, a part-week payment may be needed at the end of the sanction, if the sanction ends on a day that is not the end of the claimant's benefit week. A part-week payment will not be needed at the beginning of the sanction as the change will take effect from the beginning of the next benefit week.

Period covered

33232 The part-week payment begins on the first day following the sanction and ends on the day before the start of the next complete benefit week.

Example

Philip is in receipt of JSA. He refuses to accept employment offered to him. The DM imposes a sanction of six weeks and two days. His benefit week runs from Friday to Thursday. The sanction starts on Friday 11 October and ends on Saturday 23 November. A part-week payment is needed from Sunday 24 to Thursday 28.

The relevant week

33233 For sanction cases the relevant week is the period of seven days ending on the day before the start of the next complete benefit week¹.

1 JSA Regs, reg 152(1)(c)

Example

Christine has a sanction imposed on her for three weeks and three days. The sanction starts on Wednesday 4 December (the first day of her next benefit week) and ends on Friday 27. A part-week payment is needed for Saturday 28 to Tuesday 31. The relevant week is Wednesday 25 to Tuesday 31.

Personal rate in the relevant week - JSA(Cont)

33234 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - JSA(IB)

33235 Calculate the applicable amount in the relevant week as in DMG 33109 - 33110.

Income in the relevant week

33236 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 week¹ **and**
2. when only part of that income is taken into account in the relevant week, disregard the balance².

1 JSA Regs, reg 153(a); 2 reg 153(f)

33237 In addition, to determine the amount of

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

1.1 WB

1.2 CA

1.3 TA

1.4 US

payable in the relevant week, but not for any day in the part-week¹

2. JSA(IB) 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 or either member of a joint-claim couple in the relevant week but not for any day in the part-week².

Note: If a payment of JSA, IS, MA, IB, ESA, SDA or UC is payable for any day in the part-week take it into account when calculating the part-week payment (see DMG 33223 et seq).

1 JSA Regs, reg 153(c); 2 reg 153(b)

The part-week payment

33238 Guidance on how to calculate a part-week payment in JSA claims is in DMG 33223 - 33228.

33239 - 33300

Third party deductions 33301-33999

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Payment to discharge claimant's liabilities

33301 The DM has discretion to make deductions from benefit, under the third party deduction scheme, which are paid directly to third parties¹.

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

33302 Deductions and payments to third parties can be made under the third party deduction scheme if the claimant or partner is liable to pay¹

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. integration loans²

8. eligible loans³.

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

Note: See DMG 08501 – 08600 for deductions for child support maintenance (CSM).

33303 IS and JSA can also be paid direct for arrears of CC payable by a claimant or partner (see DMG 33675), or for a claimant only for CT, fines or compensation orders (see DMG 33650 and DMG 33710).

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

33304 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).

33305

Liability for debt

33306 Deductions and payments to third parties can only be made if the claimant or partner is liable to pay the debt¹. 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)

33307 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.

33308 Give the claimant the opportunity to provide evidence to support any claim that the debt is not liable to be paid.

33309 Deductions should only be made where there is evidence that the claimant or partner is liable to pay the debt.

Meaning of specified benefit

33310 Specified benefit means¹

1. IS or, where in respect of any period it is paid together with any IB or SDA

1.1 in a combined payment

1.2 in part to the claimant and in part to another person in accordance with specified legislation **or**

1.3 by means of two or more instruments of payment,

IS and IB or SDA if the IS alone is insufficient for the purposes of deductions.

2. JSA(IB)

3. JSA(Cont) where

3.1 both JSA(IB) and JSA(Cont) are in payment and the JSA(IB) is insufficient for the purposes of making such deductions **or**

3.2 if there was no entitlement to JSA(Cont) there would be entitlement to JSA(IB) at the same rate.

Note 1: Deductions may be made from **both** elements of a combined payment.

Note 2: Deductions for fines² CT³ and CC⁴ are not made from specified benefit, but from IS and JSA.

1 SS (C&P) Regs, Sch 9, para 1(1) & 1(2); Criminal Justice Act 91, s 24;

2 Fines (Deductions from IS) Regs 92, reg 2(1); 3 Council Tax (Deductions from IS) Regs 93, regs 2 & 3;

4 Community Charges (Deductions from IS) (Scotland) Regs 89, reg 2(1);

Community Charges (Deductions from IS) (No. 2) Regs 90, reg 2(1)

IS and JSA(IB)

33311 The full range of third party deductions is available in both IS and JSA(IB).

JSA(Cont) - underlying entitlement to JSA(IB)

33312 The full range of third party deductions is available where, if there was no entitlement to JSA(Cont), there would be entitlement to JSA(IB) at the same rate.

JSA(Cont)

33313 Where JSA(IB) is not an issue, only three categories of third party deductions are available. These are

1. CC/CT arrears
2. fines.

Training allowances

33314 Third party deductions can be taken from training allowances.

Example

Steve receives training allowance of £59.05 and JSA(IB) of 10p. He is in arrears with his rent and a deduction of £3.00 is implemented for rent arrears. His benefit is then made up of training allowance of £56.05 and JSA(IB) of £3.10. The deduction is taken from the JSA(IB) so the amount actually paid to the claimant is £56.05 training allowance and 10p JSA(IB).

33315 - 33317

Amount of benefit to be left for claimant

Specified benefit

33318 The claimant should be left with at least 10p **specified benefit** after third party deductions have been made¹. No deduction should be made if it would leave the claimant with less than 10p. But see DMG 33388 and DMG 33423 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) Regs 92, reg 4(1)(b)

JSA(Cont)

33319 Where JSA(IB) is not an issue, the claimant need not be left with any JSA(Cont) after a deduction has been made. A deduction can be made if the amount of JSA(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 nothing¹.

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)

IS, JSA(IB) and JSA(Cont) where underlying entitlement to JSA(IB)

33320 There is a maximum amount¹ 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 23). The total amount deducted for arrears should not exceed this amount. Arrears deductions include

1. arrears of

1.1 housing costs

1.2 rent

1.3 fuel

1.4 water **and**

2. CT (but not CC) **and**

3. fines **and**

4. eligible loans **and**

5. integration loans.

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

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

JSA(Cont)

33321 Where JSA(Cont) is in payment and JSA(IB) is not an issue (see DMG 33313), the maximum total amount deducted for

1. CC/CT arrears **or**

2. fines.

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

Consent required

33322 Unless the claimant consents¹, third party deductions cannot be made for

1. housing costs arrears
2. rent arrears and service charges for fuel and water
3. fuel costs (including arrears)
4. water charges (including arrears)
5. eligible loans²
6. integration loans

where the total deduction for that item, or any combination of those items, exceeds 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration.

1 SS (C&P) Regs, Sch 9, para 8(2); 2 para 7C(12)(b)

33323 From 2.10.06 the amount of CTC and CHB entitlement should be added¹ to the applicable amount when deciding if deductions exceed 25% of the total.

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

33324 - 33325

Consent not required

33326 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. current housing costs **or**
4. care home or independent hospital charges (see DMG 33327) **or**
5. hostel charges not included in HB

makes the total amount deducted exceed 25% of the applicable amount for the family¹.

Definition of independent hospital

33327 Where independent hospital appears in guidance this means in

1. England, a hospital that is not a health service hospital as defined in relevant legislation¹or
2. Wales, a hospital which is not a health service hospital as defined in legislation²or
3. Scotland, an independent healthcare service as defined in legislation³.

1 National Health Service Act 2006, sec 275; 2 Care Standards Act 2000, sec 2;

3 Regulation of Care (Scotland) Act 2001, sec 2(5)(a) & (b)

Priority between debts

33328 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 priority¹.

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

33329 For IS, JSA(IB) and JSA(Cont) with underlying entitlement to JSA(IB), the order of priority is

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. integration loans¹
10. eligible loans.

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

33330 Where JSA(Cont) is in payment and JSA(IB) is not an issue the order of priority is

1. CC/CT arrears

2. fines.

Part-week payments

33331 Third party deductions from part week payments of specified benefit can be made for

1. hostel payments¹ (see DMG 33429) **and**

2. miscellaneous housing costs² (see DMG 33400).

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

33332 Third party deductions to discharge any other liability cannot be made from part-week payments.

33333 - 33344

Third party deductions for housing costs 33345-33399

[Interests of the family](#) 33379-33380

[Definition of housing costs](#) 33381-33383

[Service charges](#) 33384-33386

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[Housing costs payments in arrears](#) 33389-33399

33345 Housing costs for which the claimant has a liability may be deducted from the specified benefit and paid direct where¹

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)

33346 Third party deductions for housing costs can include¹

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

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

33347 Third party deductions should be considered for housing costs, if the debt is at least half the amount due yearly¹

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

1 Sch 9, para 3(4)

33348-33378

Interests of the family

33379 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.

33380 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

33381 For third party deductions purposes housing costs are¹

1. rent or ground rent connected to long tenancies
2. service charges
3. rent charges, but only when paid with service charges
4. payments under co-ownership schemes
5. 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)

33382-33383

Service charges

33384 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.

33385 A service charge for communal water charges is a housing cost for these purposes¹. 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 33450).

1 SS (C&P) Regs, Sch 9, para 1 & 3; JSA Regs, Sch 2, para 1; IS (Gen) Regs, Sch 3, para 1

33386 A service charge for fuel paid with rent is also not a housing cost for the purposes of deductions (see DMG 33381 **3.**)¹. Deductions for water and fuel charges paid with rent are covered by separate provisions (see DMG 33450 et seq)².

1 SS (C&P) Regs, Sch 9, para 1 & 3; JSA Regs, Sch 2, para 16; IS (Gen) Regs, Sch 3, para 17;
2 SS (C&P) Regs, Sch 9, para 5

Amount of benefit to be left for claimant

33387 The DM determines

1. whether there is enough benefit in payment to make a deduction **and**
2. the specified amount to be deducted.

33388 The amount deducted for housing costs may leave the claimant with less than the minimum amount (see DMG 33318). The amount of the deduction should then be adjusted so that 10p of the award is payable to the claimant¹.

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

Housing costs payments in arrears

33389 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 25¹. But deductions should only be made where the DM is satisfied that there are in fact arrears² 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

33390 - 33399

Third party deductions for miscellaneous accommodation costs 33400-33428

[Meaning of miscellaneous accommodation costs](#) 33400

[Rules for third party deductions](#) 33401-33410

[Amount deducted - complete weeks](#) 33411-33412

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[Amount deducted - part-weeks](#) 33419-33421

[Amount of benefit to be left for claimant](#) 33422-33428

Meaning of miscellaneous accommodation costs

33400 Third party deductions for miscellaneous accommodation costs can be made¹ where the claimant has an award of IS or JSA and is living in²

1. a care home **or**
2. an independent hospital (see DMG 33327) **or**
3. an Abbeyfield Home **or**
4. the Ilford Park Polish Home³.

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

Rules for third party deductions

33401 Where the claimant is living in accommodation mentioned at DMG 33400, part of the specified benefit (see DMG 33310) may then be deducted and paid to a third party. This can happen where¹

1. the claimant has failed to budget for the charges **and**

2. it is in the interests of the family that third party deductions be made.

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

33402 There may be circumstances in individual cases when third party deductions would be in the claimant's interest.

33403 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.

33404 Apart from the cases mentioned in DMG 33406, 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.

33405 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

33406 The claimant may be living in accommodation

1. in the Polish home (Ilford Park) **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.

33407 Part of the specified benefit (see DMG 33310) may then be deducted and paid direct. In this type of accommodation failure to budget and the family's interests need not be considered.

33408 The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 33318)¹.

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

33409 - 33410

Amount deducted - complete weeks

33411 The amount to be deducted from the specified benefit and paid direct in respect of miscellaneous accommodation costs¹ is the award of IS or JSA less either

1. where the claimant is not living in an independent hospital (see DMG 33400 **2.**) an amount which, when added to any other income of the claimant, equals the personal expenses rate (see DMG 33413) **or**
2. in any other case, an amount in respect of personal expenses.

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

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

33412 The claimant should be left with a minimum of 10p after the deduction has been made¹.

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

Personal expenses

33413 The amount in respect of personal expenses¹, referred to in DMG 33411 above is, for a

1. single person £26.05
2. couple where both members are in such accommodation, £26.05 each
3. polygamous marriage where more than one member is in such accommodation, £26.05 for each member who is in such accommodation.

Note: £26.05 is the rate deducted for the tax year 2018/2019. For all subsequent tax years the rates are shown in [Appendix 1](#).

1 SS (C&P) Regs, Sch 9, para 4(2A), SS Benefits Up-rating Regulations 2011

Example 1

Dorothy lives in a care home, has an applicable amount of £109.30 (i.e. a personal allowance of £74.35 and a disability premium of £34.95) and has no income.

She must be left with the amount of personal expenses (£26.05). The amount to be paid direct is £83.25 (£109.30 - £26.05).

Example 2

William lives in a care home, has an applicable amount of £109.30 and net income of £6.00 The amount to be paid direct is

| | |
|--|---------|
| applicable amount | £109.30 |
| less William's income | £6.00 |
| IS award | £103.30 |
| less payment to William (personal expenses minus income) | £20.05 |
| amount to be paid direct | £83.25 |

William is left with £26.05 (£6.00 + £20.05), the amount of the 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 IS of £103.30 (applicable amount £109.30 less income of £6.00). £77.25 is deducted and paid direct to the third party (IS of £103.30 - £26.05 personal expenses). Simon retains £26.05 of his IS for personal expenses.

33414 - 33418

Amount deducted - part-weeks

33419 Third party deductions for part-weeks (see DMG 33100 - 33238) can be made for miscellaneous accommodation costs¹. 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 33411 **1.** or **2.** and
- 2.** whether the claimant has any income.

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

33420 In order to calculate the amount to pay direct to the third party for a part-week, the DM should calculate the amount of IS/JSA due for the part-week and deduct¹

- 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 IS is £109.30 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 (see DMG 33100 et seq) as follows:

IS £109.30 less £11.50 = £97.80 divided by 7 and multiplied by 6 = £83.83 due for the part week.

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

£83.83 (the IS due for the part-week) - £12.47 (the difference between 6/7ths of £11.50 and 6/7ths of £26.05) = £71.36. This is the amount paid to the third party.

Personal expenses of £12.47 are paid to the claimant.

Example 2

Morris lives in a care home which is provided, owned and managed by the LA. His IS is £109.30 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 IS due for the part-week:

IS £109.30 less £15.00 = £94.30, divided by 7 and multiplied by 4 (the number of days in the part-week) = £53.89 IS due for the part-week.

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

£53.89 (the amount of IS due for the part-week) - £14.89 (4/7ths of £26.05) = £39.00.

£39.00 is the amount paid to the third party. Morris retains personal expenses of £14.89.

33421 No deduction will be made for a part-week period if the DM certifies that it would be impracticable to do so. See DMG 33100 for full guidance on part-week payments.

Amount of benefit to be left for claimant

33422 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.

33423 Under the normal rules (see DMG 33318) 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 claimant¹.

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

33424 - 33428

Third party deductions for hostel service charges 33429-33449

[Meaning of hostel](#) 33429-33432

[Rules for third party deductions](#) 33433-33449

Meaning of hostel

33429 A hostel is¹ a building other than a care home, independent hospital (see DMG 33327) 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 Ministers² **or**

1.2 managed or owned by a housing association registered with the Scottish Ministers² **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).

1 SS (C&P) Regs, Sch 9, para 1(1); 2 Housing (Scotland) Act 2001, s 57

33430 Voluntary organization means¹ 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)

33431 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.

33432 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

33433 Part of the claimant's specified benefit (see DMG 33310) may be deducted and paid direct for hostel charges. This can include a deduction for

1. current hostel service charges¹ **and**

2. arrears of hostel charges².

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

Current charges

33434 Current hostel service charges can be deducted and paid direct if¹ 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 legislation² **and**

3. the charge for the hostel or approved premises includes a payment for services³ as listed in DMG 33429 **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)

33435 Approved premises in DMG 33434 means¹ accommodation provided for persons granted bail or who have been convicted of offences.

1 Offender Management Act, s 13

33436 The amount to be paid direct is

1. decided by¹

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, for²

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 para 4A(4)

33437 Deductions can be made for part-weeks at the beginning and end of a claim in both JSA and IS¹. But no deduction will be made if the DM certifies that it is impracticable to do so. See DMG 33100 for full guidance on part-week payments.

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

Arrears of hostel charges

33438 Arrears of hostel charges can be paid direct¹ for both

1. arrears of the housing benefit element of the charge **and**
2. arrears of those charges mentioned in DMG 33436 **2.**

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

33439 Deductions should only be made where the DM is satisfied that there are in fact arrears¹ 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

33440 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 £100¹.

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

33441 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 33318).

33442 - 33449

Third party deductions for rent and service charges for fuel 33450-33484

[Definitions](#) 33450-33451

[Rules for third party deductions](#) 33452-33458

[Interests of the family](#) 33459-33468

[Amount deducted for arrears](#) 33469

[Amount deducted for current charges](#) 33470-33473

[Joint tenants](#) 33474-33477

[Superseding the third party deduction decision](#) 33478-33484

Definitions

33450 For third party deduction purposes rent¹ 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

Rules for third party deductions

33452 Part of the specified benefit (see DMG 33310) 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.

33453 This can happen if¹

1. the claimant or partner

1.1 is entitled to HB for rent **or**

1.2 is resident in accommodation² provided for persons granted bail or who have been convicted of offences

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 33459) to arrange third party deductions.

1 SS (C&P) Regs, Sch 9, para 5(1) & (3); 2 Offender Management Act 2007, s 13

33454 Deductions should only be made where the DM is satisfied that the claimant or partner do have rent arrears¹. 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

33455 Arrears of rent in this context does not include¹

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.

Example 1

Sue is a new IS 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 **£245** less **£123.83** i.e. non dependants deduction for rent and rates seven weeks x £16.00 = **£112.00** and 20% CT seven weeks x £1.69 = **£11.83**).

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 **Example 1**)

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 = **£480.00** and 20% CT 30 weeks x £1.69 = **£50.70**).

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.

Interests of the family

33459 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.

33460 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.

33461 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 33454 applies).

33462 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.

33463 - 33468

Amount deducted for arrears

33469 The amount deducted for arrears and paid direct is fixed¹ at 5% of the personal allowance for a single person aged 25 or over rounded up to the next 5p.

Amount deducted for current charges

33470 The following charges can be paid direct where they are paid with the rent¹

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

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

33471 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.

33472 But the claimant should be left with a minimum of 10p after the deduction has been made (see DMG 33318). Do not make a deduction if less than 10p would be left after the deduction of the whole amount of these charges¹.

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

33473 Unless the claimant consents¹, third party deductions cannot be made for both arrears and current charges where the total exceeds 25% of the family's applicable amount. From 2.10.06 the amount of CTC and CHB entitlement should be added² to the applicable amount when deciding if deductions exceed 25% of the total.

Any housing costs included in the applicable amount should not be taken into consideration.

1 SS (C&P) Regs, Sch 9, para 5(5); 2 Sch 9, para 8(4)

Joint tenants

33474 If the claimant is a joint tenant calculate the deduction by following DMG 33470 and DMG 33475 et seq.

33475 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.

33476 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.

33477 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

33478 When a relevant change of circumstances occurs¹ 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 33479) **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)

33479 The DM may decide that deductions for continuing charges only should continue where¹

- 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)

33480 - 33484

Third party deductions for fuel costs 33485-33544

[Green Deal](#) 33485-33488

[Definition of fuel item](#) 33489

[Rules for third party deductions](#) 33490-33492

[Interests of the family](#) 33493-33497

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[Arrears of fuel - original debt](#) 33505-33508

[Fuel - current consumption](#) 33509-33513

[Original debt recovered](#) 33514-33522

[Joint tenants](#) 33523-22524

[Priority between fuel debts](#) 33525-33531

[Consent of claimant required](#) 33532

[Superseding the third party deduction decision](#) 33533-33544

Green Deal

33485 The Department of Energy and Climate Change has made provision for Green Deal plans under specified legislation¹. 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

33486 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.

33487 From 2.4.13, legislation¹ 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

33488

Definition of fuel item

33489 Fuel item¹ 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

33490 Part of the specified benefit (see DMG 33310) 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 if¹

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.

Note: Whether it appears to be in the interest of the claimant or their family to apply a deduction or not, the claimant must be given the opportunity to make representations regarding whether it is in their interest before deductions are imposed. Any reasons provided must be given consideration prior to a decision being taken.

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

33491 Debt in this context includes disconnection and reconnection costs and any legal costs arising from that debt.

33492 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 33318)
- 3.** the claim will last only a short time, for example where the claimant is due an income which will exceed IS
- 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

33493 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.

33494 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.

33495 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.

33496 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.

33497 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.

Example

Before a deduction is applied the claimant provides information that they will be shortly starting paid employment, or due an amount from an inheritance. The DM is satisfied that a third party deduction is no longer in their interest as they have shown evidence of a willingness and ability to clear the debt.

33498 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

33499 The amount of the weekly deduction should be

1. **before the debt is cleared** - an amount to pay off the arrears (see DMG 33507)
2. plus an amount to cover current consumption¹ which is subject to an application made by the fuel supplier and with the claimant's consent ²(see DMG 33509 & 33510)
3. **after the debt is cleared** - an amount to cover current consumption (see DMG 33514) where appropriate³.

Exception to general rules

33500 A prepayment meter may have been installed or other arrangements made with the fuel board to pay for current consumption¹. The amount deducted should then be limited to the amount for arrears. See DMG 33497 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

33501 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 33318). Do not make a deduction if less than 10p would be left.

33502 - 33504

Arrears of fuel - original debt

33505 There is only one original debt during any period of deductions for an item of fuel¹. 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 superseded² (or revised if the new deduction is determined within one month of the previous decision³) 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)

33506 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 33512).

33507 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 5p¹.

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

33508 Third party deductions for a second fuel item may have to be introduced. The deduction is then 5% for each fuel item (see DMG 33525) 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 over¹.

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

Fuel - current consumption

33509 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 plan¹. 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\(2\)\(b\)](#)

33510 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.
3. the DM can increase the deduction amount for continued consumption if
 - 3.1 the fuel supplier has made an application for the increased deduction **and**
 - 3.2 the claimant has consented to that application¹

1 [SS \(C&P\) Regs, Sch 9, para 6\(3A\)](#)

33511 The recalculation should be based on the actual cost of past consumption¹. 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\(4\)](#)

33512 Where DMG 33510 applies, the DM may adjust¹

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 33322.

1 [SS \(C&P\) Regs, Sch 9, para 6\(4\)\(a\)](#)

33513 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

33514 When the original debt has been cleared the DM may decide to make deductions for continuing consumption¹. Such deductions are not compulsory.

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

33515 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 33493). 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.

33516 - 33522

Joint tenants

33523 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 33306) the deduction should be

1. the weekly consumption figure (see DMG 33509) 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 33507).

33524 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

33525 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.

33526 The DM should decide which debt takes priority, taking into account¹

1. all the circumstances **and**

2. any requests of the claimant.

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

33527 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.

33528 Where debts other than fuel are involved see DMG 33328.

33529 - 33531

Consent of claimant required

33532 Unless the claimant consents¹, 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 33322). From 2.10.06 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

33533 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.

33534 The DM should supersede the outcome decision which includes the third party deduction decision for fuel costs, when a relevant change of circumstances occurs¹. 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 33320

2. the original debt has been cleared and deductions stop, or carry on for current consumption only (see DMG 33514)

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 33322)
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.

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

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

33535 - 33544

Third party deductions for water charges - England and Wales 33545-33585

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Meaning of water charges

33545 For England and Wales, water charges means any water or sewerage charges under prescribed legislation¹. Where these are charged separately or by different water authorities see DMG 33580.

Note: The definitions of water charges are different for the purposes of third party deductions from benefit (see DMG33586 for guidance on water charges for Scotland).

¹ SS (C&P) Regs, Sch 9, para1(1), Water Industry Act 1991, Part 5, Chapter 1

Methods of charging

33546 Water charges can be made

1. with rent (see DMG 33450 et seq)
2. by a meter (see DMG 33569)
3. unmetered (see DMG 33564).

Rules for third party deductions

33547 Part of the specified benefit (see DMG 33310) may be deducted for water charges and paid direct if¹

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.

Note: Whether it appears to be in the interest of the claimant or their family to apply a deduction or not, the claimant must be given the opportunity to make representations regarding whether it is in their interest before deductions are imposed. Any reasons provided must be given consideration prior to a decision being taken.

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

33548 Debt in this context includes disconnection and reconnection costs and any legal or other costs arising from that debt.

Interests of the family

33549 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.

33550 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.

Example

Before a deduction is applied the claimant provides information that they will be shortly starting paid employment, or due an amount from an inheritance. The DM is satisfied that a third party deduction is no longer in their interest as they have shown evidence of a willingness and ability to clear the debt.

33551 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.

Amount to be deducted and paid direct

33552 The amount to be deducted and paid direct

1. before the original debt is cleared is¹

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 is²

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)

33553 The DM should always use the fixed amount in DMG 33552 **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

33554 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 33318). Do not make a deduction if less than 10p would be left.

33555 - 33562

The original debt

33563 Before deductions for water charges can begin the claimant or partner must be in debt¹. 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

33564 There is only one original debt during any period of deductions¹. 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)

33565 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 September 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 August 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

33566 The amount deducted for continuing consumption is the weekly cost necessary to meet the continuing need for water consumption¹. 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 IS. 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

33567 Following the annual increase in unmetered water charges, the deduction for current consumption should be superseded from the date of the increase¹. 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. |

33568 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

33569 There is only one original debt during any period of deductions¹. 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)

33570 If arrears build up during a period of deductions an adjustment to the continuing consumption is made (see DMG 33574). The original debt must not be adjusted to reflect added credits and debits which have built up during a period of deductions.

Consumption

33571 When deductions begin the water company provides an estimate of the average weekly cost of continuing consumption¹. 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)

33572 Periodically the water company will

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

33573 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.

33574 The DM should¹

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)

33575 The original debt must not be adjusted to take account of additional credit or debit.

Example

Matthew is in receipt of JSA(IB). 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 33577).

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

33576 When the original debt has been cleared the DM may decide to make deductions for continuing consumption¹. Such deductions are discretionary and apply to both unmetered and metered water.

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

33577 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 33549). 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

33578 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 33306) the deduction should be

1. the actual or estimated weekly cost for consumption (see DMG 33571) 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 33552).

33579 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

33580 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 water¹.

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

33581 Deductions for sewerage debt can begin only when the whole of the original water debt has been cleared¹. Deductions for current water and sewerage charges can be made at the same time².

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

Consent of claimant required

33582 Unless the claimant consents¹, 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 33322).

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

33583 From 2.10.06 the amount of CTC and CHB entitlement should be added¹ 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

33584 The DM should supersede the third party deduction decision when a relevant change of circumstances occurs¹. 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 much² **or**

4. in the case of unmetered charges, the annual charge increases (usually in April).

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)

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

33585 The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in DMG 33320. 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 33586-33649

[Meaning of water charges](#) 33586-33588

[Rules for third party deductions](#) 33589-33591

[Water debt only](#) 33592-33594

Meaning of water charges

33586 For Scotland, water charges means any water or sewerage charges established by Scottish Water under a charges scheme made under prescribed legislation¹. 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

33587 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.

33588 Where there is a mixture of water and CT arrears, or only arrears of CT, 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 33591).

Rules for third party deductions

33589 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 Wales¹ (see DMG 33450 et seq).

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

33590 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. JSA(Cont) **or**

2. JSA(IB) or

3. IS.

33591 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 33650 et seq for further guidance).

Water debt only

33592 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.

33593 Where the application for deduction is for arrears of water only, there is no longer the legal requirement for the LA to obtain a Summary Warrant or Decree before applying for a 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.

33594 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 33552 et seq).

33595 - 33649

Third party deductions for Council Tax 33650-33674

[Introduction](#) 33650-33651

[Application for deductions](#) 33652-33654

[DMs action](#) 33655-33660

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[Amount of deduction](#) 33665-33668

[More than one application](#) 33669-33674

Introduction

33650 Deductions for arrears of CT may be made from

1. JSA(Cont)
2. JSA(IB) **and**
3. IS¹.

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

33651

Application for deductions

33652 A billing authority (in Scotland, levying authority) may ask the DM to make deductions for arrears of CT¹ 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

33653 In Scotland the warrant or decree may include an amount for arrears of water charges (see DMG 33587). Treat any such arrears as a single debt with the CT arrears.

Contents of application

33654 The DM must be able to identify the claimant from the details on the application for deductions, which should include¹ 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

33655 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.

33656 The application for deductions should include these details (see DMG 33654) 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.

33657 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.

33658 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 superseded¹ and deductions stopped. Normal overpayment action should be taken if appropriate.

Example 1

Angharad is in receipt of IS. 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 IS. 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 JSA(IB) 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 claim is revised and deductions stop. The effective date is the date the deduction commenced.

33659 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 made¹ **and**
- 2.** the priority of deduction², 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

33660

Can a deduction be made

JSA(IB) and IS

33661 A deduction can be made from JSA(IB) or IS if the claimant would be left with at least 10p¹. 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)

JSA(Cont) - underlying entitlement to JSA(IB)

33662 Before 6.4.98 a deduction could only be made from JSA(Cont) if the amount payable before the deduction was at least one third of the appropriate age-related amount. This was so even where, if there was no entitlement to JSA(Cont) there would be entitlement to JSA(IB) of at least the same rate. But from 6.4.98 the rules changed.

33663 From 6.4.98, people who get JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate are treated as if they are on JSA(IB)¹. This means that a deduction can be made if the claimant would be left with at least 10p². 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)

JSA(Cont)

33664 There may be no underlying entitlement to JSA(IB) or underlying entitlement at less than the amount of JSA(Cont) payable. In such cases a deduction up to the maximum amount of 40% can be made if the amount of JSA(Cont) payable before the deduction is 10 pence or more¹.

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

Amount of deduction

33665 The amount of the deduction is fixed at

- 1. for IS and JSA(IB)** - 5% of the personal allowance for a single person aged 25 or over¹
- 2. for JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate** - 5% of the personal allowance for a single person aged 25 or over²
- 3. for JSA(Cont)** – a deduction up to a maximum of 40% of the appropriate age related amount³.

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

Other deductions

33666 Do not make deductions for recovery of CT arrears if deductions are being made for arrears of CC¹, 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

33667 There is a maximum amount for payment of arrears to third parties where JSA(IB), JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate, or IS 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 amount¹.

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

33668 But there is a different rule where JSA(Cont) is in payment and JSA(IB) is not an issue or there is underlying entitlement at less than the amount of JSA(Cont) payable. The amount that can be deducted then is fixed at 40% of the appropriate age-related amount¹.

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

More than one application

33669 Only one application for deductions can be dealt with at any one time¹. 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.

Note: deductions on an earlier application may cease enabling deductions to be taken on a subsequent application where an authority withdraws its consent for those earlier application deductions.

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

33670 - 33674

Third party deductions for Community Charge 33675-33709

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[More than one application](#) 33699-33709

Introduction

33675 LAs may request deductions for arrears of CC, where the person owing the debt is a claimant entitled to¹

1. JSA(Cont)

2. JSA(IB) or

3. IS.

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

33676 Recoverable sums include any fines imposed because the person has failed to provide information in connection with registration for the charge.

Application for deductions

33677 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 order¹ **and**
2. in Scotland, a summary warrant or a decree².

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)

33678 In Scotland the warrant or decree may include an amount for arrears of water charges (see DMG 33587). Treat these arrears as a single debt with CC arrears.

Contents of application

33679 The DM must be able to identify the claimant from the details on the application for deductions, which should include¹ 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)

DM's action

33680 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.

33681 The application for deductions should include these details (see DMG 33679) 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.

33682 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.

33683 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 superseded¹ 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 IS. 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 IS. 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 JSA(IB) 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.

33684 If the DM is satisfied that the person named is a debtor, the DM must then decide¹

- 1.** whether there is enough benefit for a deduction to be made² **and**
- 2.** the priority of deduction³, where the claimant has other debts to be recovered by deduction from IS or JSA.

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.

33685

Can a deduction be made

JSA(IB) and IS

33686 A deduction can be made from JSA(IB) or IS if the claimant would be left with at least 10p¹. 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)

JSA(Cont) - underlying entitlement to JSA(IB)

33687 Before 6.4.98 a deduction could only be made from JSA(Cont) if the amount payable before the deduction was at least one third of the appropriate age-related amount. This was so even where, if there was no entitlement to JSA(Cont), there would be entitlement to JSA(IB) of at least the same rate. But from 6.4.98 the rules changed.

33688 From 6.4.98, people who get JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate are treated as if they are on JSA(IB)¹. This means that a deduction can be made if the claimant would be left with at least 10p². 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)

JSA(Cont)

33689 Where JSA(Cont) is payable a deduction can be made only if the amount of JSA(Cont) payable before the deduction is at least one third of the appropriate age-related amount¹.

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

33690 The amount of the deduction is fixed¹ at

1. for IS and JSA(IB) - 5% of the personal allowance for a single person aged 25 or over

2. for JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate - 5% of the personal allowance for a single person aged 25 or over

3. for JSA(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

33691 The debtor may be one of a couple who receive IS or JSA(IB). 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.

33692 Where the liability order is against the claimant only, the amount to be deducted is the same as for a single debtor. That is¹

1. for JSA(IB) and IS - 5% of the personal allowance for a single person aged 25 or over

2. for JSA(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)

33693 Where the liability order is against both members of a couple **and** JSA(IB) or IS is payable for both of them, the amount deducted is 5% of the personal allowance for a couple where both are aged 18 or over¹.

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)

33694 - 33695

Maximum amount of deduction

33696 The recovery of CC arrears is not subject to the limit imposed on deductions for other debts owed to third parties¹ (see DMG 33320). 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)

33697 JSA(Cont) may be in payment with JSA(IB) not an issue or there may be underlying entitlement at less than the amount of JSA(Cont). The amount that can be deducted is then fixed at one third of the appropriate age-related amount.

Order of priority

33698 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 33328 should then be followed¹.

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

33699 Only one application for deductions can be dealt with at any one time¹. 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)

33700 - 33709

Third party deductions for fines 33710-33799

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Introduction

33710 A court may, after enquiring into an offender's means, find that an offender is claiming JSA or IS. The court may then request deductions for payment of an offender's fines, costs, compensation order or confiscation order imposed under specified legislation¹. Deductions may be made from²

1. JSA(Cont) **or**

2. JSA(IB) **or**

3. IS.

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

Application for deductions

33711 An application can be made by¹ 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)

33712 Fines officer¹ means the officer of the court responsible for enforcing payment of the sum due.

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

33713 A new offence has been created¹ 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 information² and is applicable in England and Wales only.

1 Courts Act 2003, s 96; 2 Fines (Deductions from IS) Regs 92

33714 From 18.12.04 legislation is amended¹ so that the court may require that the offender provide

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 IS or JSA.

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

33715 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 some cases a court can 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.

33716 In Scotland, the DM can make deductions only where

1. the offender has defaulted in paying the fine, compensation order, or an instalment of either¹ **and**
2. at the time of application by the court the offender is aged 18 or over² **and**
3. the offender is entitled to JSA or IS throughout any benefit week³ **and**
4. no deductions are being made in respect of the offender under any other application⁴.

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)

33717 From 27.3.06 in England and Wales, the legislation has been modified¹ 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)

33718 From 3.7.06 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 order¹.

1 Courts Act 2003, Sch 5, para 7A

Contents of application

33719 The DM must be able to identify the claimant from the details on the application for deductions, which should include¹

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

33720 The DM should determine¹

- 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)

33721 The court can withdraw an application at any time.

Can a deduction be made

JSA(IB) and IS

33722 A deduction can be made from JSA(IB) or IS if the claimant would be left with at least 10p¹. 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)

JSA(Cont) - underlying entitlement to JSA(IB)

33723 Before 6.4.98 a deduction could be made from JSA(Cont) only if the amount payable before the deduction was at least one third of the appropriate age-related amount. This was so even where, if there was no entitlement to JSA(Cont) there would be entitlement to JSA(IB) of at least the same rate. But from 6.4.98 the rules changed.

33724 From 6.4.98, people who get JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate are treated, for the purposes of fines deductions only, as if they are on JSA(IB)¹. This means that a deduction can be made if the claimant would be left with at least 10p². 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)

JSA(Cont)

33725 JSA(Cont) may be payable with no underlying entitlement to JSA(IB) or there may be underlying entitlement to JSA(IB) at less than the amount of JSA(Cont) payable. A deduction up to the maximum amount of 40% can be made only if the amount of JSA(Cont) payable before the deduction is 10 pence or more¹.

third party deduction gas arrears - £2.90

third party deduction fine - £5.00

Example 2

Mary receives JSA(IB) 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 - £2.90

third party deduction water arrears - £2.90

third party deduction fines - £2.90

Example 3

Cyril receives JSA(IB) 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 - £2.90

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 required¹.

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

Order of priority

33729 Do not make a deduction from JSA(Cont) for payment of an offender's fines or compensation order if¹ deductions are being made for

1. CC arrears **or**

2. CT arrears.

1 Fines (Deductions from IS) Regs 92, reg 4(3)

33730 Those deductions have a higher priority (see DMG 33330). 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

33731 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 ceased¹, or the court has withdrawn the application.

1 Fines (Deductions from IS) Regs 92, reg 7(5)

33732 - 33799

Third party deductions for eligible loan deduction scheme 33800-33899

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Introduction

33800 The ELDS was introduced from 27.12.06. It is a scheme whereby repayment of loans made to claimants by certain lenders can be made by deductions from benefit.

33801 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.

33802 In practice deductions will be the responsibility of Debt Management and will be processed at Debt Centre Washington.

33803 The benefits from which deductions can be made are CA, IB, RP, IS, JSA, ESA and SPC. Guidance on deductions from CA, IB and RP can be found in DMG Chapter 8, for ESA in DMG Chapter 46 and for

SPC in DMG Chapter 79.

33804 - 33809

Definitions

Borrower

33810 “Borrower” means¹ 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

33811 “Eligible benefits” are¹ CA, IB, RP, IS, JSA, ESA and SPC.

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

Eligible lender

33812 “Eligible lender” means¹

1. a credit union within the meaning of specified legislation² **or**

2. one of the following bodies provided it is licensed under specified legislation³

2.1 an Industrial or Provident Society registered under specified legislation⁴ **or**

2.2 a charitable institution within the meaning of specified legislation⁵ **or**

2.3 a body entered on the Scottish Charity Register under specified legislation⁶ **or**

3. a community interest company within the meaning of specified legislation⁷

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

33813 An “eligible loan” is¹ 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

33814 “Loan agreement” means¹ 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)

33815 - 33817

Deductions from benefit

33818 A DM may make deductions from an eligible benefit where the following conditions¹ 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 legislation²
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 ELDS³

5. no sum is being deducted from the borrower's eligible benefit at the date of application to recover an overpayment under specified legislation⁴

6. no sum is being deducted from the borrower's eligible benefit at the date of application to recover a social fund award⁵.

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

33819 The Secretary of State will notify both the borrower and the eligible lender in writing of a decision to make deductions from benefit¹.

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

33820 The Secretary of State may only make deductions if the borrower is entitled¹ to an eligible benefit (see DMG 33811) throughout a benefit week.

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

Prevention of duplicate deductions

33821 No deduction will be made from an eligible benefit (see DMG 33811) where the borrower is in receipt of

1. UC

2. new style ESA **or**

3. new style JSA

unless the amount of benefit at **1.**, **2.** or **3.** is insufficient to meet the deduction¹.

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 in payment to meet the deduction.

33822 - 33824

Deductions - priority order

33825 Unlike other third party deductions, deductions for eligible loans may be taken from CA, IB, RP, ESA and SPC (see DMG Chapter 8, Chapter 46 and Chapter 79) in addition to IS and JSA, as different policy objectives apply to the ELDS. However, legislation¹ specifies the order of the benefits from which deductions are taken.

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

33826 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 or SPC and the amount is insufficient to meet the deduction plus 10p¹.

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

33827 The DM should not take deductions from IB or RP if the claimant receives IS, JSA or SPC unless that benefit is insufficient to meet the deduction plus 10p¹.

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

33828 - 33829

Amount of the deduction

33830 The rate of deduction for ELDS is a fixed amount equal to 5% of the IS personal allowance for a single claimant aged over 25¹ rounded up to the nearest multiple of 5p.

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

Example 1

Denis is entitled to IB at £78.50 per week and IS of £3.15 per week. The DM receives an application from an eligible lender for deductions under the ELDS. The DM decides that deductions should not be taken from IB because as the rate of deduction is £3.00 there is sufficient IS in payment to enable the deduction to be made.

Example 2

Judith is entitled to IB of £78.50 per week and IS of £1.20 per week. The DM decides that deductions can be taken from Judith's IB as there is insufficient IS to make the deduction of £3.00 per week.

Notification

33831 The DM must notify the borrower and the eligible lender in writing of the decision to make ELDS deductions¹.

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

Circumstances in which deductions will cease

33832 The Secretary of State shall cease making ELDS deductions if¹

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 legislation²
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

33833 - 33836

Payments of amounts deducted

33837 Payments of sums deducted will be made to the eligible lender¹.

1 SS (C&P) Regs, Sch 9, para 7C(10)

33838 The Secretary of State will notify the borrower in writing of the total sums deducted¹

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

33839 There is a maximum amount¹ for payment of arrears to third parties where JSA(IB), JSA(Cont) with underlying entitlement to JSA(IB) of at least the same rate, or IS 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 33320).

1 SS (C&P) Regs, Sch 9, para 8(1) & 7C(12)(a)

Consent of claimant required

33840 Unless the claimant consents¹, no third party deduction can be made for an eligible 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 33322).

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

Priority between debts

33841 The priority order¹ listed at DMG 33329 should be followed.

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

33842 - 33899

Third party deductions for integration loan scheme 33900-33999

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Introduction

33900 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 loans¹ 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

33901 The Integration Loan Scheme replaces the refugee back payment scheme which ceased on 14.6.07. The new scheme commenced on 11.6.07.

33902 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.

33903 Deductions from specified benefits for the Integration Loan Scheme will be subject to normal third party deduction rules on individual and maximum amounts (see DMG 33320 and DMG 33322), and will be included in the priority order (see DMG 33329).

33904 - 33909

Definitions

Integration loan

33910 “Integration loan which is recoverable by deductions” means¹ an integration loan made under specified legislation² which is recoverable from the recipient by deductions from specified benefits³.

1 SS (C&P) Regs, Sch 9, para 1(1); 2 The Integration Loans for Refugees and Others Regs 2007;
3 reg 9; SS (C&P) Regs, Sch 9

Specified benefit

33911 Specified benefit¹ has the meaning described in DMG 33310.

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

33912 - 33915

Deductions from benefit

33916 From 31.7.07 deductions can be made from specified benefits for integration loans.

Amount of the deduction

33917 The rate of deduction for the Integration Loan Scheme is a fixed amount equal to 5% of the IS personal allowance for a single claimant aged over 25¹ 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

33918 Couples may take out a joint loan and so have joint liability for repayment of the debt¹. 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

33919 The claimant should be left with at least 10p specified benefit after third party deductions have been made¹. 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)

33920 - 33923

Consent

33924 Unless the claimant consents¹, 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 33322).

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

33925 - 33927

Priority between debts

33928 The priority order¹ listed at DMG 33329 should be followed.

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

33929 - 33999

Appendix 1

Appendix 1

Amount in respect of personal expenses to be deducted for miscellaneous accommodation costs.

| | |
|--------------|--------------------|
| From 6.4.19 | £26.20 |
| From 6.4.20 | £27.00 |
| From 6.4.21 | £27.00 (no change) |
| From 11.4.22 | £27.00 (no change) |
| From 10.4.23 | £29.75 |
| From 8.4.24 | £31.75 |
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