

HOUSING SYSTEMS: BRIEFING

No.3 / 2020:

Coronavirus and benefits

We have written this Briefing to help you provide advice to those claimants who are affected by the Coronavirus.

New guidance comes out on a daily basis and the information contained in the Briefing is as accurate as we could make it on the date it was written – being 23rd March 2020.

There are, as you would expect with anything new and unknown, some grey areas....so we have done our best to give you the information as we see it, but this does mean that this guidance is not a statement of law and cannot be relied upon. Things will change, there is a lot of pressure on the government to make further improvements for the self-employed.

Generally when we write a Briefing we start with the explanation of the rules and then consider what they mean for the claimant. In this Briefing we decided to turn that around, so it starts with a summary of the measures the government have announced so far, then answers some of the questions claimants will be asking over the coming weeks due to the situation they now find themselves in and lastly looks at the more techie stuff.

When looking at the FAQs we have decided to concentrate on the key points rather than deliver a full detailed answer every time. We have come up with 35 questions – we are sure there are lots more!

We have also included additional information, and useful tables towards the end.

Please note, when answering the FAQs, we have made the following assumptions about the claimant:

- They don't live in 'specified' or 'temporary' accommodation,
- They aren't protected from claiming Universal Credit by the SDP Gateway Condition.
- They are not a mixed age couple.
- They meet the basic qualifying conditions for UC (ie be working age, savings/capital under £16,000, must be in GB, not excluded (eg some students, dependant on age, level of course etc), not claiming Tax Free Childcare, and agree to a claimant commitment).

If you are a Housing Systems member and you are helping a client affected by the Coronavirus and need help working out their benefit situation then please do contact us at info@housingsystems.co.uk.

PLEASE NOTE: The information in this Briefing is subject to change and change it will. So please watch out for updates.

This Briefing is correct as at 11am on 23rd March 2020

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Summary of Welfare Benefit Related Measures

General

- New Job Retention Scheme that will provide a grant to employers to enable them to pay the wages of their workforce who remain on payroll but are temporarily not working during the coronavirus outbreak. See next page for more information
- All requirements to attend the JobCentre in person are suspended for at least 3 months, starting from Thursday 19th March 2020
- JobCentres remain open, and will continue to support people who need it.

Statutory Sick Pay

- Payable from day 1 of sickness (rather than day 4)
- As getting a fit note could be problematic, employers are urged to use their discretion about what evidence, if any, they ask for
- A system is now in operation whereby claimants who need one can get an 'isolation note' from the NHS 111 Online service.

New-Style Employment and Support Allowance

- Payable from day 1 of sickness (rather than day 8)
- Not required to produce a 'fit note' or 'isolation note'.
- Treated as incapable for work

Universal Credit

- Standard Allowance increase by £20 a week for 12 months- the main purpose behind this appears to be to give self-employed claimants the same basic level of income as SSP.
- Local Housing Allowance (LHA) changes from 1st April – pay for at least 30% of market rates (We await further details but suspect this will mean a 're-set' of LHA rates, which have, in the main, been frozen since 2015. And it may include the lifting of the 'upper limit')
- Minimum Income Floor (MIF) suspended for everyone affected by the economic impacts of coronavirus
- Not be required to produce a 'fit note' or 'isolation note' if affected by Coronavirus.
- Those who have contracted Coronavirus or are self-isolating are treated as having a Limited Capability for Work (LCW):
 - mandatory work search and work availability requirements removed to account for a period of sickness
 - entitled to work allowance if treated as having LCW on date UC is assessed
- Claimants will not be required to attend the JobCentre
- Can receive Advance Payment without having to physically attend a JobCentre

Tax Credits

Standard rate to increase by £20 a week

Housing Benefit

Local Housing Allowance (LHA) changes from 1st April – same as those being made to UC.

Job Retention Scheme

On 20th March 2020 the government announced a new 'Coronavirus Job Retention Scheme' that aims to support businesses to help pay people's wages.

Employers will be able to contact HMRC for a grant to cover most of the wages of their workforce who remain on payroll but are temporarily not working during the Coronavirus outbreak.

How it works

Employers will need to:

- Designate affected employees as 'furloughed workers,' and notify each employee of this change.
- Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (still in development)
- HMRC will reimburse 80% of furloughed workers' wage costs, up to a cap of £2,500 gross per month.

ie the employer will need to make the wage payment and then apply for a reimbursement. If the employer needs short term cash flow support, they may be eligible for a Coronavirus Business Interruption Loan.

No further information is available about who will be able to be classed as a 'furloughed worker', but the dictionary definition of 'furloughed worker' is one who has been granted a leave of absence; it is *'temporary leave of employees due to the special needs of a company or employer, which may be due to economic conditions at the specific employer or in the economy as a whole'*.

The information published so far about the Job Retention Scheme suggests it will only apply to those employees who are not working due to the Coronavirus, to help safeguard their job.

There therefore appears no system in place – apart from the benefit system – for those workers on reduced hours. This may change in the future, but this Briefing assumes this approach.

Will it mean no-one loses their job?

Unfortunately not. The Guardian reported (21st March) that without the Job Retention Scheme unemployment would have doubled to 8%, with more than 1.5 million people losing their job. Instead the unemployment rate is now expected to climb to 6%, with about 700,000 people losing their jobs.

Zero Hour Workers

If a zero hour contract employee is on the PAYE system then they should be covered by the scheme, with the amount their employer will receive based on their regular earnings.

Gig economy

The gig economy is where the worker commonly uses an intermediary, such as an app or a website. This acts as a go between, linking workers with customers. Common gig economy platforms include ride hailing company Uber, food delivery company Deliveroo and courier Yodel. The work is flexible, in that the worker can choose the hours they work and there is nothing forcing them to work certain times. At the moment, many people in the gig economy are classed as self-employed and will submit a Self Assessment tax return so will not be covered by the Job Retention Scheme.

In this Briefing we are assuming that because the employer pays the employee a wage and then requests a reimbursement from the government, that the employee will be treated as working their normal hours.

Frequently Asked Questions:

General

I've been told that if I'm self-isolating then I may be able to claim benefits. But what exactly does self-isolating mean?

People self-isolate for different reasons. In the world of benefits special rules apply to someone who is self-isolating so it is important to understand what exactly it means.

The problem we have is that there is no useful definition.

In the amending ESA and UC Regulations they define isolation in relation to a person, as *'the separation of that person from any other person in such a manner as to prevent infection or contamination with Coronavirus disease.'*

And in the amending SSP Regulations, to be treated as incapable for work the claimant has to be *'...isolating himself from other people in such a manner as to prevent infection or contamination with coronavirus disease, in accordance with guidance published by Public Health England, NHS National Services Scotland or Public Health Wales.'*

At the moment, the government is advising 'social distancing' for those with certain health conditions - but this not the same as 'self-isolation'.

So those who would be classed as 'self-isolating' will be those who:

- Are infected or contaminated with Coronavirus
- Are showing symptoms of the Coronavirus
- Are in the same household as someone infected with or showing symptoms of the Coronavirus

I'm self-isolating and I've been told to claim Universal Credit – is this my best option?

That depends on whether or not you are currently getting any of the benefits Universal Credit replaces in particular Tax Credits and/or Housing Benefit.

If you are, then:

- If you make a claim for Universal Credit any Tax Credits and/or Housing Benefit you are currently receiving will stop.
- You will then have to wait around 5 weeks before you receive any Universal Credit.
- If you make a claim for Universal Credit you can receive an Advance Payment, but this is a loan that needs to be repaid.
- For some people Universal Credit pays less than the Tax Credits and/or Housing Benefit they have been getting and so you could find that in the long run you end up worse off.
- More deductions for debts can be taken from a Universal Credit payment than from a Tax Credit or Housing Benefit payment – these reduce how much you receive every month.

My pay from work has dropped and I'm really struggling. I don't know how I'm going to pay this week's rent – I've been told that if I make a claim for Universal Credit I can get an interest free loan within days, and that would really help. Is this true?

Someone who makes a new claim for Universal Credit can receive an Advance Payment. How much they receive depends on their income and personal circumstances.

An Advance Payment is an interest free loan and you pay it back over 12 months – the repayments are taken out of your Universal Credit award before you receive the payment.

If you are not currently getting any of the benefits Universal Credit replaces in particular Tax Credits and/or Housing Benefit, then you may have nothing to lose.

However, if you are getting them, then as soon as you make a claim for Universal Credit these benefits will stop and you will not be able to get back on them. Some people are worse off on Universal Credit. So before you make the claim for Universal Credit you need to ensure that this is – in the long run – the best option for you, and it could be that delaying your date of claim could be beneficial to you. So please seek advice from a Benefits Adviser.

And contact your landlord to let them know your current situation.

As my hours and therefore my income will drop for a couple of weeks, meaning I'm going to struggle to pay my rent this month, I've been told I should claim Universal Credit – is this a good idea?

That depends on whether or not you are currently getting any of the benefits Universal Credit replaces in particular Tax Credits and/or Housing Benefit.

If you are not currently getting any of the means-tested benefits, then you may have nothing to lose by making a claim for Universal Credit. Whether you are entitled - and how much you will receive if you are - will depend of your income, savings and personal circumstances.

If you are currently getting Tax Credits and /or Housing Benefit, then you may be better off staying on these in the long run. Seek advice from a Benefits Adviser.

I'm self-isolating and work has said they will pay me Statutory Sick Pay (SSP), but this is all. I'm going to struggle to manage - is there anything else I can claim?

That depends on whether or not you are currently getting any of the benefits Universal Credit replaces in particular Tax Credits and/or Housing Benefit.

If you are not currently getting any of the means-tested benefits, then you may have nothing to lose by making a claim for Universal Credit. Whether you are entitled and how much you will receive if you are will depend on your income, savings and personal circumstances.

If you are currently getting Tax Credits and /or Housing Benefit, then you may be better off staying on these in the long run. If you do decide to claim Universal Credit, then it could be that delaying your date of claim could be beneficial to you. So please seek advice from a Benefits Adviser.

And contact your landlord to let them know your current situation.

On Universal Credit

I'm getting Universal Credit to top up my wages. But I've had to self-isolate - is there anything I should do?

Contact your Work Coach – let them know that you are self-isolating and that you should be treated as having a 'Limited Capability for Work', and, if your award does not already include a work allowance, you may now be entitled so request that this is included. Keep looking at your UC account / texts and watch out for any 'to-do's' – make sure you do complete any given to you. Keep your Work Coach informed of your situation. If you are likely to be off work for more than 7 days, get an 'isolation note' from NHS111 online and for your employer – the DWP should not ask you for this.

I'm off work at the moment due to self-isolating, but I still need to pay for my child care. Universal Credit usually pay 85% of the cost – will they still do so when I'm not actually going into work?

If you're receiving Statutory Sick Pay (SSP), the UC rules still class you as working, so you will continue to qualify for the Childcare Costs Element of UC. But you will still need to report the childcare costs and notify UC once they are paid.

If you don't qualify for SSP then it will depend on how quickly you go back to work. If you are back within a couple of weeks you should see no difference, but if you are off more than a month, you might find that your Childcare Costs Element stops. You could try asking your Work Coach if the Flexible Support Fund could help – explain that if you lose the childcare place you'd have to give up work.

I'm on UC, been working but I've been told that there's no work for me for the next few weeks and I'm not protected by the Job Retention Scheme. The children are at home, but no one is ill. What should I do?

You should let your Work Coach know that you do not have any hours at present and they will review and probably set up a new claimant commitment for you. This could include some work search, although what is required of you must be reasonable given the current situation. If your children are under 13, they may suspend your work requirements as you have children at home who need looking after. You must ensure you accept this new claimant commitment online within 7 days, otherwise your claim could be closed.

The next time your UC is assessed – at the end of your Monthly Assessment Period - it will be based on any wages that were received during that Monthly Assessment Period. So if your work income has dropped you should see an increase in your UC award. This may also mean that you become eligible for free school meals, if your earnings will be less than £616.67 in any Monthly Assessment Period. You can ask the school / LA for free school meals: while schools are shut, the government have announced a voucher system for children who aren't in school. If you qualify for free school meals for a child, they will keep that entitlement until they finish the level of education (ie. primary / secondary / further) which they are in at the time when Universal Credit is fully rolled out (now expected to be 31st December 2023).

If you cannot wait until you receive your next Universal Credit payment, you could request a Change in Circumstances Advance. Whether you receive one will be up to the DWP and it is a loan that would be repaid over 6 months out of your future UC payments.

I am worried that I will be laid off – can I claim Universal Credit?

As long as you satisfy the basic claiming criteria for Universal Credit you will be able to make a claim. You have to: be working age, have savings/capital under £16,000, be in GB, not be excluded from UC (some students are excluded depending on age, level of course etc), not be claiming Tax Free Childcare, and agree to a claimant commitment. Whether you will have an award paid/how much will depend on your individual circumstances. You could use an online calculator to give an estimate of how much you may be entitled to.

Hopefully, due to the recent government announcements regarding the Job Retention Scheme your employer will be able to keep you on.

If you are laid off, then the timing of your UC claim may be important (see below) and you should also make a new claim for Council Tax Support.

I've just been laid off and I'm due some holiday pay - when can I claim Universal Credit?

You can claim immediately, but depending how much holiday pay you are due, and when, you may be better off delaying your claim until you receive it. If you are due a significant amount of holiday pay in the next few days / couple of weeks, then it is more likely that it would be better to delay the claim until after you receive this payment. This is because this payment from your employer will reduce your UC award.

If you are entitled to a work allowance and the amount of holiday pay (and any wages you are still due) is less than this allowance, then you should claim immediately. This is because the payment from your employer will be totally disregarded and so not affect your UC award.

If you are not sure what you are best doing, contact a Benefits Adviser

I've just been laid off, and I've made a claim for Universal Credit. But my outgoings are going to be much higher than my income – what can I do?

Make sure you claim Council Tax Support to help you with your Council Tax Bill. If you pay rent and so have a Housing Costs Element included in your Universal Credit award you can also try for a Discretionary Housing Payment from your Local Authority.

Think about what bills / expenses you can cut down – there's lots of useful information online. Speak to a Money Adviser who can help you renegotiate debt repayments and draw up a realistic budget.

Contact your Local Authority and ask if they can provide any help through their Local Welfare Assistance fund – note not all Local Authorities have these.

You could also contact your local Food Bank to see what help they can provide.

I need to make a claim for Universal Credit but I'm self-isolating and don't have access to the internet at home. How can I make that claim?

You should ring the UC Helpline 0800 328 5644 and explain your situation. They will be able to take your claim over the phone and explain what happens next.

I'm on Universal Credit as a jobseeker. I'm meant to spend 35 hours a week looking for work, but my household has gone into self-isolation. What should I do?

You should contact your Work Coach by sending them a message via your UC journal and ring the UC Helpline 0800 328 5644 and explain your situation. You should have your claimant commitment altered to reflect the fact that you do not have to be available for work nor do any work search. Make sure you accept this online within 7 days, otherwise your claim could be closed.

Keep in contact with your Work Coach and watch out for any texts and 'to-do's'. As soon as you stop self-isolating your claimant commitment will be altered again to reflect your new situation – and again you will need to agree to it within 7 days.

I'm on Universal Credit and usually have a claimant commitment requiring me to do 20 hours per week job searching when the kids are at school. I'm having to self-isolate as one of my kids has a cough - will I still need to do the 20 hours?

Explain on your journal why you are self-isolating (or phone the UC helpline 0800 328 5644 if you cannot access your online account at home) and ask to be treated as having a Limited Capability for Work as you are following the guidelines for self-isolation.

Your Work Coach should agree to this as it is reasonable that you are having to self-isolate. You will then have your claimant commitment altered to show that for the next 2 weeks you do not have to be available for work or looking for work. You will need to accept this online within 7 days or your claim will be closed. Your Work Coach will review this when your need to self-isolate stops.

I'm currently on UC as a jobseeker, but need to provide care for my Mum who has come down with Coronavirus. I'm worried that my UC will be sanctioned as I'm having to stay with Mum temporarily. And she's no access to the internet.

Let your Work Coach know what is going on. If you are having to self-isolate due to government guidelines you should be treated as having a limited capability for work.

This means that your Work Coach should review your claimant commitment and tailor it to your current situation. As, in addition to having a limited capability for work, you also have temporary caring responsibilities, we would hope the DWP would suspend all work-related requirements.

The main thing is making sure the DWP know your situation as soon as possible – call the Helpline 0800 328 5644 if you can't access the internet to get on your journal.

I need to send my Work Coach a message but I'm self-isolating and don't have access to the internet at home. What should I do?

You should ring the UC Helpline 0800 328 5644 and explain your situation. They will be able to explain what happens next.

I need to make a claim for Universal Credit. I am self-isolating as my partner is showing symptoms of the Coronavirus. Will I have to attend the Jobcentre for a New Claim appointment? I've heard that if I miss this appointment our claim for UC will be closed. What should I do?

You should not be asked to attend an appointment at the Jobcentre at the current time, due to the Coronavirus. You can communicate with your Work Coach by sending them a message via your UC journal and ring the UC Helpline 0800 328 5644.

I am a jobseeker and I get Universal Credit for myself and my two children. The children get free school meals, but the school has closed – what should I do?

The government has said that families who get free school meals due to being on a low income will be offered vouchers for supermarkets or local shops, or food or meals by their schools.

So if you have not already been contacted by the children's school, you could ring the school to find out what the local arrangements are.

I am claiming Universal Credit for myself and my two children who are age 7 and 10. My claimant commitment says that I have to spend 35 hours per week looking for work, but that is going to be difficult now that I am having to supervise the children at home and make sure that they complete their school work. What should I do?

Contact your Work Coach and explain the situation. If you have an online UC claim, use your journal to send a message. If you have no internet access, ring the UC helpline. Your Work Coach might agree to review your claimant commitment because your situation has changed, although you will probably still be expected to spend some time looking for work. When your claimant commitment has been changed you will need to accept it within 7 days (either online or by calling the UC Helpline) or your UC claim could be closed.

On Tax Credits

I'm self-isolating so can't go into work – I've let my employer know. I get Working Tax Credit – will this continue whilst I'm off work?

Whilst you are self-isolating you can receive Statutory Sick Pay or 'New-Style' Employment and Support Allowance, and you are then treated as still working your normal hours whilst you are receiving these benefits for up to a maximum of 28 weeks. So your Working Tax Credit is unaffected.

Will they re-assess my Tax Credits to take account of my lower wages?

Firstly, if your hours drop below the minimum required to qualify for Working Tax Credit (WTC), this may end (see next question). If you continue to work the required number of hours to qualify for WTC, read on.

If your wages are only dropping for a couple of weeks, your Tax Credits are unlikely to be affected and you can continue to receive your Tax Credits as normal.

This is because HMRC will only reassess your entitlement to Tax Credits if your annual income reduces by £2,500 or more. So you need to work out how much your wages are reducing by, and for how long, to work out whether your annual income will reduce enough for your Tax Credits to be reassessed.

If your wages are going to be affected by the Coronavirus outbreak for a long time then your earnings are more likely to drop by more than £2,500 in total and so your Tax Credit award could be reassessed.

Tax Credits are assessed for each tax year. As we are now in March, you might not see a drop of more than £2500 in the tax year 6th April 2019 – 5th April 2020, but you might do in the next tax year. Let HMRC know about your situation.

You should also check to see whether claiming Universal Credit would be a better option for you – especially if you pay rent. Contact a Benefits Adviser.

My hours have now dropped below those required to claim Working Tax Credit – so will my Tax Credits stop?

If your hours are reducing for 4 weeks or less, then you can stay on your Tax Credits. However, if you know that the reduction in your hours is going to last longer than this, then, if your hours have dropped below those required for you to remain entitled to Working Tax Credit, you must notify HMRC and your Working Tax Credit award will stop – although you will be entitled to a 4 week run-on.

If you are also getting some Child Tax Credit this can continue (although if the drop in your hours is going to be long term it is worth checking whether or not you'd be better off on Universal Credit).

If you are not getting any Child Tax Credit you may need to claim Universal Credit instead.

My partner has Coronavirus so the whole family has to self-isolate. We're getting Tax Credits to top up her income, but no Housing Benefit as our earnings are too high. We're waiting to see if anyone else comes down with Coronavirus but, because our only income is now Statutory Sick Pay and Tax Credits, we are going to struggle to pay the rent. She doesn't think her employer will be entitled to pay her under the Job Retention Scheme as her job is not under threat. We don't want to claim UC and would rather stay on Tax Credits if we can. If we delay claiming UC to see what happens (as this could just be a short term thing) - but then decide to claim UC - will we be able to get the claim backdated?

Unfortunately, delaying claiming UC for these reasons wouldn't fall under the rules that would allow a claim for UC to be backdated.

In the short term, as your partner is receiving Statutory Sick Pay (SSP) she is still treated as being in work for Tax Credit purposes, and so your Tax Credits can continue. If she is likely to be off longer than a few weeks then HMRC may be willing to reassess your entitlement.

You may also wish to contact a Benefit Adviser to do a benefit check to compare any potential UC award with your current Tax Credit entitlement and then make an informed decision.

Also, let your landlord know about your current situation.

I currently work part time (16 hrs pw) and care for my severely disabled son who receives DLA high rate care. I do get some Housing Benefit and Tax Credits, but my employers have said there is no work at the moment, so I am staying at home on unpaid leave, but I'm not self-isolating – do I have to claim Universal Credit?

No, you don't have to claim Universal Credit, although this could be an option.

If your employer is unable to give you any work at the moment but is keeping you on their payroll then they will be entitled to receive a grant that will mean they can pay you at least 80% of your normal wages or £2,500 a month (whichever is the lower). You are likely to be treated as working your contracted hours and therefore able to stay on Tax Credits. You can request HMRC to reassess your Tax Credits but whether they are able to do so or not depends on whether your earnings in any tax year are dropping more than £2,500 or not.

So, you could choose to claim UC. This would mean your Tax Credits and HB awards would stop. You would have to wait around 5 weeks until you got your first UC payment – although you could request an Advance Payment.

If you are spending 35 hours or more a week caring for your son then your UC award would include a Carer Element, and this could continue when you start back at work regardless of your hours or pay.

There's a lot to consider here – including the additions for your disabled son, and potential deductions (more debt deductions can be taken from your UC than from Tax Credits and/or HB). So you are best contacting a Benefits Adviser and getting a calculation done to see which situation would be better for you now and in the long term.

I'm a self-employed physiotherapist. I live with my partner and 3 children in a rented property. The majority of my customers have cancelled their bookings due to the Coronavirus outbreak and I can't see that I'll have much work in the coming weeks.

My partner does not work and we don't have any savings. We do get some Working Tax Credit and Child Tax Credit.

Even though you are no longer working the required number of hours for WTC, your WTC can continue for 4 weeks – so if you think your work will pick up again within 4 weeks, you could remain on Tax Credits.

However, it might take longer for your work to pick up. So, you might need to consider making a claim for Universal Credit - particularly as you have rent to pay.

If you do claim UC, then your Tax Credits will end straight away (ie no 4-week run-on).

You will be able to apply for an Advance Payment to tide you over until your first UC payment- and you can apply online. But this will be recovered from your on-going payments.

The government announced on 20th March that the Minimum Income Floor would be suspended for anyone affected by the economic impacts of Coronavirus. Whilst we need more detail about this, we would strongly suspect that this would apply to your situation. If this is the case your Universal Credit award will be based on your actual income less allowable expenses.

I'm a single parent with two children. I'm a self-employed delivery driver. I currently get Working Tax Credit, Child Tax and a small amount of Housing Benefit.

My income has increased. What should I do?

You should notify both HMRC and the HB Office. It is likely that your Tax Credit award will reduce and your HB award could stop altogether.

Should your income drop again in the future, then let HMRC know and they may be able to reassess your award. But you will not be able to make a new claim for Housing Benefit, so at that point you may be better claiming Universal Credit – but get advice first.

Not currently on UC, Tax Credits or HB

My partner earns £2278 net per month but we are still going to struggle as I've been told I've no hours at work for the next few weeks and we have two children to support, bills outstanding and £500 per month rent to pay. I know the government has announced a Coronavirus Job Retention Scheme but I'm not sure if my employer will be able to get any help from this for me as I'm on a zero hour contract. And we cannot afford to wait to find out. We have heard that Universal Credit is for people on low incomes, so we don't think we would qualify. Is there anything else we can claim?

First of all, check if you could be entitled to some Universal Credit – it's not just for people on low incomes. Based on the information you've given you could be entitled to some.

If you're not entitled to UC, and you don't receive help through the Job Retention Scheme then you may be entitled to 'New-Style' Jobseekers Allowance - this all depends on whether or not you have paid the correct level of National Insurance contributions in certain tax years.

Contact your landlord and let them know your current situation.

My hours have reduced at work – I don't think I will get help from the Job Retention Scheme as I am doing some work, but can I make a claim for Housing Benefit as I am unable to pay my rent?

If you have been working and not getting any benefits you will not be able to make a new claim for Housing Benefit. Your only option will be to make a claim for Universal Credit.

If you are going to make a claim for Universal Credit, then consider whether you may be better off long term if you delay this by a few days (see below).

My hours are dropping from Monday. I don't get any benefits at the moment but will need help paying my rent - what can I claim?

As long as you satisfy the basic claiming criteria for Universal Credit you will be able to make a claim. Whether you will have an award paid/how much will depend on your individual circumstances.

The timing of your UC claim can be important, especially if you are paid monthly (see below) or if you are due a payment of wages in the next few days. If you are not already receiving any help with your Council Tax Bill, you should also make a new claim for Council Tax Support.

My hours are reducing at work and I've been advised to claim Universal Credit, but I have been told that, because I am paid monthly, the date I claim can make a big difference – can you explain this?

Universal Credit is a monthly benefit. It is assessed and paid in chunks of a month called Assessment Periods. Your date of claim determines when your Assessment Periods start and end. So, for instance, if you claim UC on 25th March, your first Assessment Period would be 25th March to 24th April, and all following Assessment Periods would run from 25th of one month to 24th of the next.

When the DWP work out how much UC you are entitled to, they take into account the wages you've received during that Assessment Period.

If you are paid monthly, then depending on your pay date and Assessment Periods you can sometimes find that two wages are paid within one Assessment Period.

Let's say you get your wages paid on 26th of the month. Then in July, because 26th falls at the weekend, your employer will pay you early – on Friday 24th July. This means that when your UC award is assessed on 24th July it will include two monthly wages – the one paid on 26th June as well as the one paid on 24th July. This will mean that your UC award for that Assessment Period drops dramatically – which may make it difficult for you financially as your wage amount hasn't actually changed. Your next UC payment would then be higher than normal as no wages will be taken into account in your next UC Assessment Period ie for 25th July – 24th August, but overall this can leave you worse off (although those with small UC awards can sometimes be better off).

So if the date you are looking to claim Universal Credit is on or just before your normal pay date from work, you may be better delaying your claim by a few days. Seek advice from a Benefits Adviser.

I'm off work at the moment self-isolating and I'm not entitled to any SSP. I've been advised to claim Employment and Support Allowance, but isn't this for people who have had to give up work through ill health?

'New-Style' Employment and Support Allowance is not just for those finishing work through ill-health – if you meet the qualifying conditions for it then even if you still have an employment contract you can make a claim for it.

Depending on your situation you may be able to make a claim for Universal Credit and / or Council Tax Support too – contact a Benefits Adviser to find out more.

I've been working full-time for the last couple of years as a self-employed beautician. A lot of my regular customers have cancelled their bookings and my work has suddenly dried up.

I'm single and not currently claiming any benefits – what help is available?

You can make a claim for Universal Credit, assuming you meet the basic eligibility requirements (eg. savings not more than £16,000, not a person from abroad who is excluded etc).

If you are not due any large payments from customers, you're probably best claiming UC online as soon as possible. You'll not need to attend the JobCentre, but you'll need to communicate with your Work Coach either via your UC journal or over the phone.

The government announced on 20th March that the Minimum Income Floor would be suspended for anyone affected by the economic impacts of Coronavirus. Whilst we need more detail about this, we would strongly suspect that this would apply to your situation. If this is the case your Universal Credit award will be based on your actual income less allowable expenses.

If you need an Advance Payment to tide you over until your first UC payment, she can apply via your UC account.

I'm 60 and work as a self-employed plumber/odd job man and have done so for several years. I'm not currently claiming any benefits. My 24 year-old nephew lives with me. My nephew is unemployed and is on UC.

I think I may have Coronavirus symptoms, so I will have no income whilst I'm self-isolating for the next 14 days. What should I do?

You should make a claim for Universal Credit as soon as possible. You can do this online, or if that is not possible, by ringing the UC helpline.

You might also qualify for New Style ESA – although any New Style ESA you receive will be taken into account when your UC is calculated.

For the period you need to self-isolate, you will be treated as having a Limited Capability for Work so your Universal Credit award will not be affected by the Minimum Income Floor and may include a work allowance.

Once you start work again, in 14 days' time, the Minimum Income Floor will not kick in until the following UC Monthly Assessment Period, or later if your Work Coach agrees.

Keep reporting your income and expenses to the DWP. If your level of earnings is lower than normal due to the Coronavirus then you may find that you continue to receive UC payments. The government announced on 20th March that the Minimum Income Floor would be suspended for anyone affected by the economic impacts of Coronavirus. Whilst we need more detail about this, we would strongly suspect that this would apply to your situation. If this is the case your Universal Credit award will be based on your actual income less allowable expenses.

I'm a self-employed taxi driver. I'm single, live alone and don't currently claim any benefits. I have diabetes – so I have stopped work as I feel at risk from the Coronavirus. My friends are currently doing my shopping for me. I do have savings of £2,000, but I've been told that I might be able to claim Universal Credit?

Yes, you can make a new claim for Universal Credit.

You will need to agree to a claimant commitment and because you are not required to self-isolate it could be that you are not treated as having a Limited Capability for Work.

At the moment, the government is advising 'social distancing' for those with certain health conditions – which is what you are doing. But this is not the same as 'self-isolation'.

Therefore, it is currently unclear whether you would be covered by the suspension of the Minimum Income Floor announced on 20th March, although the government has indicated that the MIF will be suspended for any self-employed person who is economically affected due to the Coronavirus.

However, if the MIF is applied, explain to your Work Coach that you are not currently in 'gainful self-employment' as your takings are going to be lower / nil for the foreseeable future. If they agree to this, the MIF will be lifted, but your claimant commitment will be changed and you might be expected to look for work. But this requirement must be reasonable given your situation. If you do not agree to your claimant commitment within 7 days, your claim for UC will fail.

Other legacy benefits

I get Income-Related Employment and Support Allowance and have been earning £100 a week permitted earnings. My employer has told me not to come in for 3 months and that they won't be paying me during this time. I'm not sure how I'm going to manage financially – what can I do?

If you are paid via PAYE then your employer should be able to pay you a minimum of 80% of your average earnings under the Job Retention Scheme.

If you are still going to struggle and pay rent and have a contribution to make – for example because of a Bedroom Tax reduction - you could try for a Discretionary Housing Payment from your Local Authority.

Think about what bills / expenses you can cut down – there's lots of useful information online. Speak to a Money Adviser who can help you renegotiate debt repayments and draw up a realistic budget.

Contact your Local Authority and ask if they can provide any help through their Local Welfare Assistance fund – note not all Local Authorities have these.

You could also contact your local Food Bank to see what help they can provide.

You could also think about claiming PIP, although claims can take several weeks or months to be processed.

If you are advised to claim UC, please get advice first to check that this is your best option.

I've been claiming Income-Based Jobseekers but need to self-isolate although it's not me who's ill. I can do some work search from home but only have access to the internet on my smart phone and don't have enough credit. What should I do?

Let your Work Coach know. They can temporarily suspend your work availability and work search requirements. Having to self-isolate to protect the spread of Coronavirus is being classed as being sick. Normally after 7 days of 'sickness' you would be required to provide a 'fit' note from your GP but at the moment the need to do this has been suspended. But keep your Work Coach informed of your situation. If the country gets deeper into a 'lockdown' your ability to look for work and the jobs on offer will probably reduce: the DWP will need to take account of this.

Additional Information

Very brief description of benefits mentioned in this briefing

Statutory Sick Pay

Statutory Sick Pay is paid to an employee by their employer for up to 28 weeks, if they earn at least £118.00 per week (£120.00 per week from 6 April 2020). It's paid at a flat rate of £94.25 per week (£95.85 from 6 April 2020). However, they may also be entitled to additional sick pay from their employer depending on the terms of their employment contract.

New-Style Employment and Support Allowance

New-Style ESA is paid where someone meets the key qualifying conditions – including having paid the correct level of NI contributions (if claim made in 2020, DWP will generally look at NI contributions in tax years 2017/18 and 2018/19) - to those employees who are not entitled to SSP, whose SSP has finished, or who are unable to work due to a health condition.

Universal Credit

Universal Credit is a means-tested benefit paid to working age claimants who require financial help. It is for those in work, as well as those out of work. It can include help with rent and childcare.

Tax Credits

Working Tax Credit is for working claimants, it is provided to boost the income of working people who are on a low income. Entitlement is, amongst other things, dependent upon hours worked.

Child Tax Credit is money paid to people responsible for children.

You cannot make a new claim for Tax Credits and would need to claim Universal Credit instead unless protected by the SDP Gateway Condition.

Housing Benefit

Housing Benefit is a means-tested benefit to help people pay their rent.

You cannot make a new claim for Housing Benefit and would need to claim Universal Credit instead unless you live in 'specified accommodation' or in 'temporary accommodation' or are Pension Credit age and single or Pension Credit age and your partner is also Pension Credit age (some exceptions to this) or you are protected by the SDP Gateway Condition.

Working Tax Credit – Required Hours

Lone Parents

Lone parents aged 16 or over with at least one dependent child, working 16 hours or more a week.

Couples with children:

Couples aged 16 or over with at least one dependent child, and

- One of a couple is working 24 hours or more a week, or
- Both are working a total of 24 hours or more a week as long as one of them is working 16 hours or more a week, or
- One of the couple is working 16 hours or more a week, and the other is 'incapacitated', in hospital or in prison, or
- At least one of the couple are working 16 hours or more a week, and either of them are entitled to Carer's Allowance.

Disabled Worker:

Couples aged 16 or over, where one (or both) is classed as a 'disabled worker' and that person works 16 hours or more a week, or

Single people aged 16 or over who are classed as a 'disabled worker', who work 16 hours or more a week.

To check whether a person counts as a 'disabled worker' use this [factsheet](#) from HMRC.

Age 60 plus:

Couples, where one is aged 60 or over working 16 hours or more a week, or

Single person aged 60 or over, working 16 hours or more a week.

Others:

Single people aged 25 or over, who are working 30 hours or more a week, or

Couples where at least one is aged 25 or over, and working 30 hours or more a week.

Further Help – summary, not an exhaustive list

Benefit/entitlement	Qualifying criteria	Notes	Info
Free Prescriptions and health care costs	<p>Receiving IS, IB-JSA, IR-ESA.</p> <p>CTC and household income less than £15,276, WTC with disability element and household income less than £15,726.</p> <p>UC with earned income less than £435 or £935 (if have child, LCW or LCWRA) in last MAP or as average of previous MAP's</p>	<p>Note – prescription forms do not always have a box for UC, advice is to tick IB-JSA.</p> <p>Note – Northern Ireland, Wales and Scotland all prescriptions are free, further health costs use similar qualifying criteria to England</p>	<p>Claimants can get free NHS prescriptions, dental treatment, wigs, fabric supports, eye tests, vouchers towards the cost of glasses or contact lenses and help with cost of travel for NHS treatment or referral by a doctor or dentist.</p>
Free School Meals	<p>England and Wales - Receiving IS, IB-JSA, IR-ESA or GPC.</p> <p>CTC only (no WTC unless it is paid in the four week run-on) and household income for Tax Credit purposes of £16,190pa or less.</p> <p>UC If in previous Monthly Assessment Period earned less than £616.67, can also consider previous 3 MAP's for an average</p>	<p>Scotland – Receiving IS, IB-JSA, IR-ESA GPC.</p> <p>CTC only (not WTC unless it is paid in the four week run-on) and household income for Tax Credit purposes of £16,105pa or less; OR CTC and WTC paid at the maximum rate with household income for Tax Credit purposes under £6,420pa</p> <p>Northern Ireland – same as England and Wales scheme but if on UC limit is £14,000 earnings per annum</p>	<p>Free school meals or equivalent voucher while school is closed</p> <p>Note - (except Scotland) If your child is eligible for free school meals, they'll remain eligible until they finish the level of education (ie. primary / secondary / further) which they are in at the time when Universal Credit is fully rolled out (now expected to be 31st December 2023).</p>
Healthy Start vouchers	<p>Eligible from 10 weeks pregnant or/and as parent of child under 4 on qualifying benefit.</p> <p>Receiving IS, IB-JSA, IR-ESA or GPC.</p>	<p>Note – in Scotland similar scheme is Best Start grant and best start foods, can apply if getting ..</p> <ul style="list-style-type: none"> • Universal Credit • Child Tax Credit • Working Tax Credit 	<p>Healthy start offers free milk, fresh fruit and vegetables, infant formula and vitamins to qualifying families.</p>

	<p>UC with earned income of £408 or less for family in both of the two Monthly Assessment Periods (MAP) prior to the current MAP.</p> <p>CTC only (no WTC unless received during the four week-run period only) and household income for tax credits purposes of £16,190pa or less.</p>	<ul style="list-style-type: none"> • Housing Benefit • Income Support • Pension Credit • Income-based Jobseekers Allowance (JSA) • Income-related Employment and Support Allowance (ESA) 	
Funeral Payment	<p>England and Wales Receiving UC, IS, IB-JSA, IR-ESA, HB, PC, CTC or WTC with a disability or severe disability element.</p> <p>Also rules about relationship to the deceased. Can be reclaimed from the estate.</p>	Scotland and NI have separate but similar schemes.	<ul style="list-style-type: none"> • Burial fees and exclusive rights to burial in a particular plot • Cremation fees • Funeral expenses, such as funeral director's fees, flowers or the coffin • Travel to arrange or go to the funeral • Certain other costs
Discretionary Housing Payment	Receiving Housing Benefit or UC with a Housing Costs Element and require financial assistance in order to meet housing costs	Claim from Local Authority	Can claim help with rent shortfall if suffering financial hardship
Council Tax Support / Rebate	Means-tested benefit so depends on income and personal circumstances	Claim from the Local Authority	Help is a reduction in council tax due, not a cash payment
Council Tax Exceptional Hardship Fund	Paying this years' council tax would cause exceptional hardship	Devolved differences to entitlement. No exceptional hardship scheme in Scotland. Not applicable in northern Ireland (rates not council tax)	Help is a reduction in council tax due, not a cash payment
Local welfare assistance	Assistance with one off help for those in crisis or emergency situation, or household goods to ease exceptional hardship	<p>Note – many local authorities no longer run a scheme</p> <p>Note –different devolved schemes with similar rules – NI = Discretionary Support</p>	Usually non cash payments, vouchers or individual necessary items.

		Scotland = Scottish Welfare Fund Wales = Discretionary Assistance Fund	
UC Flexible Support Fund	On UC and require assistance to get or maintain employment		Can get help with work related expenses, could consider asking for help with un-reimbursed childcare in order to keep a place
Budgeting Loan	For those on legacy passport benefit (IS, IB-JSA, IR-ESA, or PC) for 6 months or more		To pay for one off expenses e.g. household goods, clothing etc
Budgeting Advance	For those on UC (IS, IB-JSA, IR-ESA) for 6 months or more		To pay for one off expenses e.g. household goods, clothing etc
Short Term Benefit Advance	Not for UC Claimants For those claiming IS, IB-JSA, IR-ESA whose claim has not been decided yet, or whose entitlement is due to increase due to change, or if benefit payment is delayed – with a financial need.	Note – ‘Financial need’ is defined as the claimant, or a member of the claimant’s family, being at risk (of damage to their health or safety) due to not receiving their benefit.	Can pay up to 50% of expected payment. Generally deducted out of first payment due.
UC Change in Circumstances Advance	When a UC claimant has a change in their circumstances but cannot wait until they receive the increased payment.	Must have serious risk of damage to the health or safety to the claimant or their family if one is not paid	Up to 50% of expected award. Repaid over 6 months
UC Advance Payment	Making new claim for UC and either: Previously in receipt of a legacy passport benefit, or In financial need		Up to 100% of expected award as long as can repay in 12 months
2 week HB run on	HB ended due to claiming UC		HB pays max HB for 2 further weeks

Employed – stopped work? What are the options?

The information below is a quick guide – we recommend that claimants seek specialist advice about their specific circumstances before claiming UC.

Consider Council Tax Support in all the situations below.

Current benefits	Sick with Coronavirus / self-isolating	No hours or laid off due to Coronavirus
<p>Not claiming any benefits</p>	<p>SSP*- if qualifies and still under contract, for up to 28 weeks, or New Style ESA* – (if satisfy the NI contribution conditions) if not entitled to SSP, or no longer employed, or after SSP exhausted.</p> <p>Universal Credit* (on its own or to top up SSP/NS-ESA) May be worth delaying claim if due some wages from period in work - seek advice.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>New Style JSA (If satisfy the NI contribution conditions).</p> <p>Universal Credit (on its own or to top up NS-JSA) Will be expected to do some online job seeking. May be worth delaying claim if due some wages from period in work - seek advice.</p>
<p>Claiming Working Tax Credit only</p>	<p>SSP*- if qualifies and still under contract, for up to 28 weeks, or New Style ESA* – (if satisfy the NI contribution conditions) if not entitled to SSP, or no longer employed, or after SSP exhausted.</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, WTC is unaffected.</p> <p>If the claimant is struggling to pay rent, they might think about Universal Credit* – but once on UC, WTC will end. So they should speak to a benefits adviser, to get a better off calculation.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>New Style JSA (If satisfy the NI contribution conditions)</p> <p>Although WTC can continue for 4 weeks when hours of work drop, if work is unlikely to pick up within 4 weeks, the claimant is likely to need to claim</p> <p>Universal Credit. Will be expected to do some online job seeking. May be worth delaying claim if due some wages from period in work - seek advice.</p>

<p>Claiming Working Tax Credit and Child Tax Credit only</p>	<p>SSP*- if qualifies and still under contract, for up to 28 weeks, or New Style ESA* – (if satisfy the NI contribution conditions) if not entitled to SSP, or no longer employed, or after SSP exhausted.</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, WTC is unaffected. CTC can continue unaffected</p> <p>If the claimant is struggling, they might think about Universal Credit* – but once on UC, WTC & CTC will end. So they should speak to a benefits adviser to get a better off calculation.</p> <p>If they don't claim UC and WTC ends after 28 weeks, CTC and any NS-ESA can continue whilst still self-isolating. When they are able to go back to work they can have WTC added to the existing TC award again.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>New Style JSA (If satisfy the NI contribution conditions)</p> <p>Although CTC will continue and WTC can continue for 4 weeks when hours of work drop or work stops, if work is unlikely to pick up /start new job within 4 weeks, the claimant is likely to need to claim Universal Credit Will be expected to do some online job seeking. May be worth delaying claim if due some wages from period in work - seek advice.</p>
<p>Claiming Working Tax Credit and Housing Benefit only</p>	<p>SSP*- if qualifies and still under contract, for up to 28 weeks, or New Style ESA* – (if satisfy the NI contribution conditions) if not entitled to SSP, or no longer employed, or after SSP exhausted.</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, WTC is unaffected. HB can continue – should increase due to drop in income. If the claimant has a partner, or they are a carer, they could get a 'better off' calculation to check if Universal Credit*# would be a better option.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>New Style JSA (If satisfy the NI contribution conditions)</p> <p>HB can continue – should increase due to drop in income. Although WTC can continue for 4 weeks when hours of work drop/stop, if work is unlikely to pick up/start new job within 4 weeks WTC will end and would not restart when back at work. The claimant may need to claim Universal Credit ^ Will be expected to do some online jobseeking.</p>

	<p># If the claimant's HB award includes the Severe Disability Premium – they cannot claim UC, but can claim Income Based JSA instead and remain on HB.</p>	<p>May be worth delaying claim if due some wages from period in work - seek advice.</p> <p>^ If the claimant's HB award includes the Severe Disability Premium – they cannot claim UC, but can claim Income Based JSA instead and remain on HB.</p>
<p>Claiming Working Tax Credit, Child Tax Credit and Housing Benefit</p>	<p>SSP- if qualifies and still under contract, for up to 28 weeks, or New Style ESA – (if satisfy the NI contribution conditions) if not entitled to SSP, or no longer employed, or after SSP exhausted.</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, TCs are unaffected. HB can continue – should increase due to drop in income.</p> <p>So probably no need to claim Universal Credit.</p>	<p>New Style JSA (If satisfy the NI contribution conditions)</p> <p>HB can continue – should increase due to drop in income. There are options here, so care needs to be taken and consider 'the long run'.</p> <p>Although WTC can continue for 4 weeks when hours of work drop, if work is unlikely to pick up within 4 weeks WTC will end, but CTC can continue, so the claimant can go back onto WTC when back in work. So need to compare if WTC + CTC + HB (calculated on no earnings) is worth more than the potential UC award ie for the first 4 weeks, and also then compare CTC + HB (and new style JSA) with UC from that point forward.</p> <p>The claimant may need to claim Universal Credit[^] If WTC run on pays more than UC wait until WTC ends and may be worth delaying claim until last wages received. Will be expected to do some online jobseeking.</p> <p>^ If the claimant's HB award includes the Severe Disability Premium – they cannot claim UC, but can claim Income Based JSA instead and remain on HB.</p>

Self-employed – stopped work? What are the options?

The information below is a quick guide – we recommend that claimants seek specialist advice about their specific circumstances before claiming UC.
Consider Council Tax Support in all the situations below.

Current benefits	Sick with Coronavirus / self-isolating	Work dried up due to Coronavirus
<p>Not claiming any benefits</p>	<p>New Style ESA* – (if satisfy the NI contribution conditions).</p> <p>Universal Credit* (on its own or to top up NS-ESA) Once back to work, the minimum income floor will not be applied in UC until the MAP after the MAP in which claimant returned to work – or even later if DWP use their discretion</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>Universal Credit Minimum Income Floor should not apply - may be expected to do some online jobseeking.</p>
<p>Claiming Working Tax Credit only</p>	<p>New Style ESA* – (if satisfy the NI contribution conditions).</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, WTC is unaffected. If the claimant is struggling to pay rent, they might think about Universal Credit* – but once on UC, WTC will end. So they should speak to a benefits adviser, to get a better off calculation – thinking about the longer term.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>Although WTC can continue for 4 weeks when hours of work drop, if work is unlikely to pick up within 4 weeks, the claimant is likely to need to claim Universal Credit If no large payments from customers due – they should claim UC asap. Minimum Income Floor should not apply - may be expected to do some online jobseeking.</p>
<p>Claiming Working Tax Credit and Child Tax Credit only</p>	<p>New Style ESA* – (if satisfy the NI contribution conditions).</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, WTC is unaffected.</p>	<p>Although WTC can continue for 4 weeks when hours of work drop, if work is unlikely to pick up within 4 weeks, the claimant is likely to need to claim Universal Credit</p>

	<p>If the claimant is struggling to pay rent, they might think about Universal Credit* – but once on UC, WTC will end. So they should speak to a benefits adviser to get a better off calculation – thinking about the longer term.</p> <p>If they don't claim UC and WTC ends after 28 weeks, CTC and ESA can continue whilst still self-isolating. When they are able to go back to work they can have WTC added to the existing TC award again. (UC could be a better option for some claimants though).</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>If no large payments from customers due – they should claim UC asap.</p> <p>Minimum Income Floor should not apply - may be expected to do some online jobseeking.</p>
<p>Claiming Working Tax Credit and Housing Benefit only</p>	<p>New Style ESA* – (if satisfy the NI contribution conditions).</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, WTC is unaffected.</p> <p>HB can continue – should increase due to drop in income.</p> <p>If the claimant has a partner, they could get a 'better off' calculation to check if UC* would be a better option in the longer term.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>Although WTC can continue for 4 weeks when hours of work drop, if work is unlikely to pick up within 4 weeks, the claimant is likely to need to claim Universal Credit ^</p> <p>If no large payments from customers due – compare WTC + HB with potential UC award – and if they are going to be better off on UC, it might be worth claiming UC asap.</p> <p>Minimum Income Floor should not apply - may be expected to do some online jobseeking.</p> <p>^ If the claimant's HB award includes the Severe Disability Premium – they cannot claim UC, but can claim Income Based JSA instead and remain on HB.</p>
<p>Claiming Working Tax Credit, Child Tax Credit and Housing Benefit</p>	<p>New Style ESA* – (if satisfy the NI contribution conditions).</p> <p>WTC can continue during a 28 week period of sickness. So, if back to work within 28 weeks, TCs are unaffected.</p>	<p>WTC can continue for 4 weeks when hours of work drop, so need to compare if WTC + CTC + HB (calculated on no earnings) is worth more than the</p>

	<p>HB can continue – should increase due to drop in income.</p> <p>* Claimant treated as incapacitated / having LCW for the period of sickness / self-isolation.</p>	<p>potential UC award. If more – wait until WTC ends before claiming UC.</p> <p>If work is unlikely to pick up in the next week or two, the claimant is likely to need to claim Universal Credit ^</p> <p>If no large payments from customers due – compare WTC + HB with potential UC award – and if they are going to be better off on UC, it might be worth claiming UC asap.</p> <p>Minimum Income Floor should not apply - may be expected to do some online jobseeking.</p> <p>^ If the claimant’s HB award includes the Severe Disability Premium – they cannot claim UC, but can claim Income Based JSA instead and remain on HB.</p>

How much can someone earn and still be entitled to UC?

Universal Credit is a means tested benefit – so it's all down to the claimant's personal circumstances and income.

Note: when it's a couple claim – 'claimant' refers to both members of the couple.

NOTE: Figures based on 2019/20 rates – to be updated using 2020/21 rates in coming weeks.

The Calculation

As UC is a means tested benefit, the first stage of the calculation is to work out the 'Maximum UC' the claimant could be entitled to: this represents the minimum level of income the government feels they need given their personal circumstances.

The 'Maximum UC' amount includes: amounts for household members (themselves and any dependent children); Elements for specific situations (e.g. carer, disabled child, limited capability for work/work related activity, child care costs); and a Housing Costs Element if the claimant is liable to pay rent. Check the Housing Systems website for more info on the various Elements.

All of the Elements to which the claimant is entitled are added together to work out what their 'Maximum UC' will be. This is then reduced by any earnings and/or unearned income the claimant has, until the income is high enough to mean there is no entitlement left.

This means that the higher a claimant's Maximum UC amount, the more they can earn and still have an entitlement.

This assessment is made every month, based on the claimant's circumstances at the end of the monthly assessment period (MAP).

Do earnings reduce the award £1 for £1?

No. The DWP will take account of the net wages received during the claimant's MAP. These will reduce the claimant's 'Maximum UC' by 63p for each £1 above the claimant's applicable 'work allowance' (earnings disregard).

A claimant is eligible for a 'work allowance' if they are responsible for children who live with them, or if they have been found to have, or are treated as having, a limited capability for work or work related activity. A claimant who is self-isolating on the last day of their monthly assessment period should be treated as having a limited capability for work.

There are two levels of 'work allowance': the lower level is for those claimants who qualify and whose 'Maximum UC' includes a Housing Costs Element (£287); the higher level is for claimants whose 'Maximum UC' doesn't include a Housing Costs Element (£503): this takes into account the fact that they may have a mortgage to pay.

See the Housing Systems website for more on the work allowance.

So how much can someone earn?

That all depends on their 'Maximum UC' and whether or not they qualify for a 'work allowance'.

A couple aged over 25, with 2 children born before April 2017, and £500 eligible housing costs, would stop being entitled to UC when they earned £2680.00 net a month or around £42,000 gross pa (assuming just one of them is working).

Whereas a single 24 year old with no rent to pay would stop being entitled to UC once he earned £400 net a month!

Illustrative Examples:

The following table assumes that the claimant has no unearned income and that their Maximum UC includes a Housing Costs Element.

The maximum salary that someone could receive before UC ends would be higher with a higher housing costs element.

Household	Max net monthly earnings before entitlement to UC is nil	Estimated max gross annual salary before entitlement to UC is nil*
Single, under 25 year old, £300 eligible housing costs, no extra elements	£875.83 net	£10,680 gross
Single, over 25 year old, £300 eligible housing costs, no extra elements	£980.67 net	£12,200 gross
Single, over 25, Limited Capability for Work (pre April 17) and £300 housing costs	£1267.67 net	£17,200 gross
Couple, over 25, no children, no extra elements, £500 eligible housing costs	£1585.53 net	£22,800 gross
Single parent, over 25, with one child born before April 2017, no other elements and £500 eligible housing costs.	£2025.00 net	£31,000 gross
Couple aged over 25, with 2 children born before April 2017, no other elements and £500 eligible housing costs.	£2680.00 net	£42,000 gross
Couple aged over 25, with 3 children born before April 2017, one lower disabled child premium, one carer addition, and £600 eligible housing costs.	£3661.00 net	£61,000 gross
Couple, over 25, 4 children born before April 2017, one higher disabled child premium, one carer addition, one LCWRA element, £500 eligible housing costs	£4825.83 net	£84,000 gross
* Assumes one earner per family with basic tax code ie no deductions		

The Techie Stuff!

Universal Credit – Limited Capability for Work

The Employment and Support Allowance and Universal Credit (Coronavirus Disease) Regulations 2020

Treating a person as having limited capability for work

3.—(1) This regulation applies to a person who makes a claim for universal credit or employment and support allowance or who has an existing award of universal credit or employment and support allowance.

(2) Where this regulation applies the person is to be treated as having limited capability for work if the person is—

(a) infected or contaminated with Coronavirus disease;

(b) in isolation; or

(c) caring for a child or qualifying young person who is a member of the person's household and who falls within sub-paragraph (a) or (b), where the Secretary of State is satisfied that the person should be treated as having limited capability for work.

(3) Regulations 26 and 35(6) to (9) of the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Decisions and Appeals) Regulations 2013 apply to a determination that the person is to be treated as having limited capability for work in accordance with this regulation as if such a determination had been made under regulation 16 of the Employment and Support Allowance Regulations 2013 or Part 5 of the Universal Credit Regulations 2013.

(4) Regulation 6(2)(r) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999 applies to a determination that the person is to be treated as having limited capability for work in accordance with this regulation as if such a determination had been made under regulation 20 of the Employment and Support Allowance Regulations 2008.

UC Work Allowance – Regulation 22 of the Universal Credit Regulations

NOTE: Figures based on 2019/20 rates – to be updated using 2020/21 rates in coming weeks.

Higher work allowance		
Single claimant–		
	responsible for one or more children or qualifying young persons and/or has limited capability for work	£503
Joint claimants–		
	responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work	£503
		£503
Lower work allowance		
Single claimant–		
	responsible for one or more children or qualifying young persons and/or has limited capability for work	£287
Joint claimants–		
	responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work	£287

Getting the work allowance when being treated as having a Limited Capability for Work before the claimant has served the ‘relevant period’

Reg 35(9)(b) of the UC etc Decisions and Appeals Regs:

- (9) In the case of universal credit, a superseding decision made in accordance with regulation 26(1) that embodies a determination that the claimant has limited capability for work or limited capability for work and work-related activity takes effect–
- (a) in a case to which regulation 28(1) (period for which the LCW or LCWRA element is not to be included) of the Universal Credit Regulations applies, from the beginning of the assessment period specified in that paragraph; or
 - (b) in any other case, from the beginning of the assessment period in which the decision (if made on the Secretary of State’s own initiative) or the application for a supersession was made.

We believe that the Work Allowance would apply to the claimant’s earnings from the Monthly Assessment period in which they are treated as having a Limited Capability for Work.

If the DWP refuse, the argument would be that....

Reg 22 of the UC Regs 2013 says the Work Allowance applies where the claimant/joint claimant has a Limited Capability for Work.

ie. to get the Work Allowance, there is no requirement for the claimant to have a LCW/LCWRA Element included in their UC assessment - just that they have a Limited Capability for Work.

The DWP might argue that Reg 35(9)(a) of the UC etc D&A Regs means that the Work Allowance cannot be applied until the start of the Monthly Assessment Period after the 'relevant period' has ended.

But we would argue that Reg 35(9)(a) does not apply when looking at when the Work Allowance should apply from, because Reg 28(1) of the UC Regs 2013 (to which Reg 35(9)(a) refers) is about the period for which the LCWRA Element is not to be included - it is nothing to do with the Work Allowance.

Therefore, by default, Reg 35(9)(b) applies - ie the Work Allowance should be included from the Monthly Assessment Period in which the claimant was treated as having a Limited Capability for Work started.

New-Style Employment and Support Allowance Amending Regulations

The Employment and Support Allowance and Universal Credit (Coronavirus Disease) Regulations 2020

Waiting days

2.—(1) Paragraph 2 of Schedule 2 to the 2007 Act does not apply to a person to whom paragraph (2) applies.

(2) This paragraph applies to a person who is—

(a) infected or contaminated with Coronavirus disease;

(b) in isolation; or

(c) caring for a child or qualifying young person who is a member of the person's household and who falls within sub-paragraph (a) or (b), where the Secretary of State is satisfied that paragraph 2 of Schedule 2 to the 2007 Act should not apply to the person.

Treating a person as having limited capability for work

3.—(1) This regulation applies to a person who makes a claim for universal credit or employment and support allowance or who has an existing award of universal credit or employment and support allowance.

(2) Where this regulation applies the person is to be treated as having limited capability for work ~~(a)~~ if the person is—

(a) infected or contaminated with Coronavirus disease;

(b) in isolation; or

(c) caring for a child or qualifying young person who is a member of the person's household and who falls within sub-paragraph (a) or (b), where the Secretary of State is satisfied that the person should be treated as having limited capability for work.

(3) Regulations 26 and 35(6) to (9) of the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Decisions and Appeals) Regulations 2013 apply to a determination that the person is to be treated as having limited capability for work in accordance with this regulation as if such a determination had been made under regulation 16 of the Employment and Support Allowance Regulations 2013 or Part 5 of the Universal Credit Regulations 2013.

(4) Regulation 6(2)(r) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999 applies to a determination that the person is to be treated as having limited capability for work in accordance with this regulation as if such a determination had been made under regulation 20 of the Employment and Support Allowance Regulations 2008.

Statutory Sick Pay Amending Regulations

The Statutory Sick Pay (General) (Coronavirus Amendment) Regulations 2020

Amendment of the Statutory Sick Pay (General) Regulations 1982 2. —

(1) The Statutory Sick Pay (General) Regulations 1982(c) are amended as follows.

(2) In regulation 2 (persons deemed incapable of work)—

(a) in paragraph (1), in the introductory words, omit “either”;

(b) at the end of paragraph (1)(a), omit “or”;

(c) after paragraph (1)(b), insert—

“; or

(c) he is—

(i) isolating himself from other people in such a manner as to prevent infection or contamination with coronavirus disease, in accordance with guidance published by Public Health England, NHS National Services Scotland(d) or Public Health Wales(e) and effective on 12th March 2020;

and

(ii) by reason of that isolation is unable to work.”

(3) After paragraph (3) insert—

“(4) For the purposes of paragraph (1)(c)—

“Public Health England” means the executive agency of that name of the Department of Health and Social Care; and

“coronavirus disease” means COVID-19.”