

DWP Update

May 2016

Universal Credit (UC)

- Universal Credit is now live in all areas
- Fife went live from 11/04/16 - for single customers with or without housing costs (not mortgage)
- Many offices now taking claims from all customers groups – Musselburgh was first office in Scotland. No date for Fife.
- Still testing system and enhancements as we move forward.
- UC Makes it easier to move into work – no 16 hour rule, real time information, no risk in taking temporary job.

Work Coach Delivery Model

- Customers have a dedicated Work Coach who will support customer irrespective of which benefit they are claiming.
- Personalised approach
- More use of digital services, text messages and phone calls
- Under UC – no signing day.

Benefit Cap

Benefit Cap was introduced across Great Britain from 2013 to limit how much any one household receives in state benefits.

Couples with or without children and lone parents at £26,000 a year; £500 weekly

- single adults at £18,200 a year; £350 weekly

From Autumn 2016 the benefit cap threshold will change;

- The rate for claimants living outside of London is changing to;
 - couples with or without children, or lone parents with a child, **£20,000 a year; £385 weekly; £1,667 monthly**
 - single adults at **£13,400; £258 weekly; £1,117 monthly**

Which Benefits Are Included In The Cap Calculation

- Bereavement Allowance/Widowed Parent's Allowance
- Carers Allowance **From later this year households in receipt of this benefit will be exempt**
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (except where it is paid with the support component)
- Guardian's Allowance **From later this year households in receipt of this benefit will be exempt**
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widow's Benefit
- Universal Credit – except LCWRA element of UC

Exemptions

- War widows and widowers
- Attendance allowance
- Armed Forces Independence Payment
- Armed Forces Compensation Scheme (AFCS) (Guaranteed Income Payments) before 6 April 2005
- Carers Allowance (**from Autumn 2016**)
- Disability Living Allowance
- Employment and Support Allowance where the support component has been awarded
- Guardians Allowance (**from Autumn 2016**)
- Housing Benefit paid to households in “supported exempt accommodation” are disregarded from the benefit cap
- Industrial Injuries Benefits (IIB)
- LCWRA element of UC
- Personal Independence Payment (PIP)

Grace Period

For current benefits the grace period is a period of 39 continuous weeks when the benefit cap will not be applied to those who have been continuously in work for the previous 50 out of 52 weeks.

The household may be eligible for an out of work grace period if the claimant and/or partner have:

- Been in paid employment or self-employment
- Are continuing in employment but have had a reduction in hours or earnings
- WTC has ceased
- They have recently separated from someone in paid employment or self employment
- Once the claimant takes up paid work, permanent or temporary the grace period ends, any balance remaining is lost

For UC claimants a grace period will apply for 9 months where the claimant and or their partner have earned £430 or more in each month for the previous 12 months.

Support for Customers

- Work Exemption – lone parents 16 hours, families 24 hours and single customers 30 hours per week. Universal credit customers earning £430 per month.
- DHP – Local authority can consider short term support to help with rent costs.
- Work coaches- personal support to get back to work
- Partners – support to work, budgeting support