



UC07GEN Capital

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Module summary

Important Information

Topic	Topic title	Duration
Topic 01	Declaration of Capital	30 minutes
Topic 02	Treatment of capital	60 minutes
Topic 02	Deprivation of capital	30 minutes
Total duration		120 minutes

Job Role	Learning Required	Duration
Case manager	All	120 minutes
Assisted service coach	Topic 1 only	30 minutes



Slides - Some of the slides in this module are animated. The brief will tell you where this is.



Advice for decision making (ADM) has more information about stocks and shares, if learners ask.

See ADM, Chapter H1: Capital, paragraphs H1660 to H1665. What is the value of capital

The following products are available to support you when preparing to deliver this learning:

- Universal Learning > Coronavirus (Covid-19) > New ways of working; Important Actions; select Capital: V16 (Note: This is the latest version at publication of the product. Version may have changed on delivery)

Coronavirus information for Universal Credit

Virtual delivery support packs

Covid19 guidance are still in use up to the point of publishing and will remain indefinitely for Capital.

Module aim and objectives



Show slide 01 - UC07GEN - Capital



Show slide 02 - Aim and objectives

Topic 01 - Declaration of capital



Show slide 03 - Topic 01 - Declaration of Capital

When a claimant makes a claim to Universal Credit they are asked to tell about of any savings or capital they have.



To promote a discussion, ask learner the following question.

Why do you think Universal Credit needs to know about capital the claimant may have?

You can invite learners to respond verbally, on a whiteboard or in the Teams chat.

Agree a consensus that capital may affect entitlement to Universal Credit or the amount payable.

The claimant has to provide all necessary information and evidence of the capital they have. All capital is considered when establishing entitlement to Universal Credit.

The information will be used to establish eligibility for Universal Credit and ensure claimants receive the correct amount of Universal Credit if they are eligible.

If a claimant declares capital between £6,000 and £16,000, it **will** affect their standard award of Universal Credit. If the claimant declares capital over £16,000, it usually means they are not entitled to Universal Credit.



Currently Covid easement removes the need to verify capital unless, the amount reported is over £16,000. This will generate a 'Verify capital' to-do for the work coach.

If the Covid easement is removed, and the claimant reports capital between £6,000.01 and £16,000, a 'Verify capital' to-do will be created.



Trust and Protect - It is important to remember that the trust and protect process is based on trusting the information provided by the claimant, and any details given to support it.

When the claimant declares capital between £6,000 and £16,000 we are trusting the information provided.

All capital is considered when establishing entitlement to Universal Credit. However, some capital can be disregarded or treated as unearned income and will not affect the claimant's entitlement.

Examples of capital



Show slide 04 – Examples of capital

This slide is animated - Select Enter 3 times.

Expand on some of the examples if necessary e.g.

- **PayPal** – some people sell items and hold money in their PayPal account
- **Windfall shares** – Example; shares issued to people with building society accounts when the building society was floated on the stock market
- **Save As You Earn (SAYE)** – A savings related shares scheme that some employers can offer
- **Land that is not part of the home** – This could include land used for animals, for example, a paddock that is outside the boundaries of the claimant's home

Job roles and the process



Show slide 05 - Job roles

This slide is animated

Case managers, work coach and decision maker all have a role in the verification and treatment of capital.



Show slide 06 - Key message – outstanding **Verify capital** to-dos



Outstanding **Verify capital** to-dos block payment and need to be cleared or claimants will not be paid.



Show slide 07 - Universal Learning - Capital v16



Allow 05 minutes for this activity

Refer learners to Universal Learning Coronavirus information for Universal Credit and ask them to read Appendix1: Message for claimants declaring capital.

Coronavirus information for Universal Credit

Discuss any issues or queries learners may have before continuing.

When a claimant declares capital of more than £16,000, case managers or work coaches must complete the **Verify capital** to-do. The service will then take the correct amount of capital into account.



Show slide 08 - Case manager

The claimant may ring or complete their journal, telling us about a change in circumstances affecting the amount of capital they have. In these circumstances, claimants should be signposted to re-declare the change in the service. The case manager must take action to verify the capital, using the Verify capital to-do and the Ad-hoc to-do.



Show video – Verify capital to-do

Duration: 1.42 minutes

The video shows the action to take to verify capital when a claimant declares capital, as a result of a change of circumstances.

Verify Capital to-do

Following receipt of the information requested, if the case is straightforward (non-complex), case manager or the work coach will record a decision that the claimant is **not** eligible for Universal Credit.



Show slide 09 - Complex cases

In more complex cases, for example:

- claimant declare a second property
- claimant tells us of assets where the value is not clear or cannot be established

The case manager or the work coach must refer the claim to a decision maker.



Consider closing the claim, if the claimant does not provide the information requested within the time limit.

Topic 02 - Treatment of capital



Show slide 10 - Treatment of capital



Allow 5 minutes for this activity.

Refer the learners to Universal Learning. Ask them to open and read the information on the following:

- treatment of capital
- capital limits

Treatment of capital



Show slide 11 - Tariff income calculation

This slide is animated.

Universal Credit calculates the correct amount of capital to take into account.

Earnings that the claimant or partner received in the **current** assessment period (AP) are not counted as capital. However, it will be treated as capital if it is **not** spent by the end of the following AP.

Unearned income

Regular payments of income (other than earnings), including certain other benefits, which provide support for normal living costs are classed as unearned income. This will usually be taken fully into account.



Show slide 12 - Capital treated as unearned income –
Example

This slide is animated.

Allow learners time to read the slide and confirm understanding before moving on.



Show slide 13 - Checking the amount of capital

This slide is animated.

Select Enter to display a claimant bank statement.

Allow learners time to read the information and answer any queries.

Select Enter to show the question.

Allow learners time to consider the answer

Selecting Entre to reveal the answer.

Check if learners have any queries before moving on.

If learners want more information, you can refer them to; Operational Instructions.

Chapter H1: Capital

Paragraph H1050 gives an example of a claimant receiving earnings in the AP.

Capital disregards

All capital is taken into account unless it can be treated as income or disregarded.



Show slide 14 - Universal Learning - Capital disregards



Allow 10 minutes for this activity.

Direct the learners to Universal Learning and ask them to read the guidance on capital disregards.

Capital disregards

Take any questions learners may have on what they have read before moving on.



Show slide

Capital disregard – Example 1

Allow time for learners to read the information then ask the following question.



Can we disregard the claimant's second property , if so, for how long and why?



Yes, we can disregard indefinitely.

This is because the house is the home of the claimant's parent.



Show slide 12 - Capital disregard - Example 2

Allow time for learners to read the information then ask the following question.



Can the claimant's assets be disregarded, if so, for how long and why?



Yes, Universal Credit can disregard it for 6 months.

This is because, the claimant will not be continuing self-employment but, because of incapacity she is unable to dispose of her business assets.

There is reasonable expectation of being re-engaged in disposing of the asset on her recovery.

Legal and beneficial ownership of capital

There are two types of ownership, legal owner and beneficial owner.



Show slide 17 - Legal and beneficial ownership of capital

This slide is animated.

Allow learners time to consider what these terms mean in this context before selecting **Enter** to show the answers.



Show slide 18 - Legal and beneficial ownership - Example.



Show slide 19 - Legal and beneficial ownership - Scenario 1

This slide is animated.

Allow time for learners to read the scenario then **Select Enter** to display the question.

Allow time for learners to answer (verbally or in Teams message) before selecting Enter to reveal the expected answer.



Show slide 20 - Legal and beneficial ownership Scenario 2 – 1 of 2

Note: This is an example of a complex case. Complex decisions are made by a decision maker.

This slide is animated slide.

Allow time for learners to read the scenario then select **Enter** to display the question.

Allow time for learners to answer (verbally or in Teams message) before selecting **Enter** to reveal the expected answer.



Show slide 21 - Legal and beneficial ownership
Scenario 2 (2 of 2)

Allow the learners to read the outcome.

It may be appropriate to lead a short discussion, to help learners understand how the decision maker reached their decision.

Completing the Ad-hoc to-do

Whilst Covid19 easements are in place, you will complete the ad-hoc to-do by referring to the Covid19 slide in guidance headed 'In detail: Verify Capital'.



Show slide 22 - Activity - Completing the Ad-hoc to-do



Inform the learners that they don't need to remember the steps in the flowchart. They should refer to it when they are required to complete an ad-hoc to-do.

Training service practice



Show slide 23 - Training service practice



Learners to complete the **Verify capital** to-do using the claimant's information sheet which includes details obtained regarding capital.

Allow 10 minutes

At the end of the practice ensure the learners understand why the additional information was required.

From the information provided, this is a straightforward/non-complex case. Therefore, the case manager would the make the decision to close the claim without the need to refer to the decision maker.

Ask learners **not** to close the claim as it is required later in the learning journey



The **Ad-hoc** to-do part of the process is not covered on this training service exercise as there are many instances where they are used. It was earlier in the APA learning.

The details required for the content are contained on Slide 3 (Appendix 1) of the Covid-19 guidance. Refer learner to guidance to get the information.

Refer to; Universal Learning > Coronavirus > New ways of working > Important Actions > select; Capital: v14 – select slide 3 (Appendix 1).

Coronavirus information for Universal Credit

The service automatically generated a Verify capital to-do because Yingg declared capital over £16,000 when she submitted the claim.

You will need to get further information from the claimant by creating the **Ad-hoc** to-do about the capital to complete the **Verify capital** to-do.

Follow this guidance on making outbound calls. The information is provided on the claimant information sheet for Yingg that you saved when you completed the using the service learning.

You can choose to do this as a walkthrough or allow learner to complete themselves.

Learners to action as follows:

Login to the service and access Yingg's account

Complete the **Verify capital to-do input details**

What was the total amount of capital declared by the claimant? – Select - Over £16000

Does the claimant wish to receive their messages in Welsh? – Select - Yes or No

Evidence requested - Select box

You can return to the dashboard or home page now by selecting Yingg's name.

Note: There is no need to select **Done**. The answers input so far will be retained. You will re-open the to-do when the response is received.

Evidence received - Select box

Has the claimant declared any cash amount? – Select - No

Has the claimant declared money held in any accounts? – Select - Yes

Money held in UK accounts (from information given by claimant)

Enter the account details as provided on the claim

unless there is other information included.

Any disregard? – Select - No

Record details of another account? – Select - No

Has the claimant declared any monies held in international accounts? – Select - No

**How much verified capital does the claimant have?
– Input £19500.00**

When should the capital be taken into account from? – Select - Start of claim

**Should this be referred to a decision maker? –
Select - No**

Then you would normally select **Done**. **Do not** select done now.

**Agent notes; Add note - Process changed Reg. 3
Coronavirus 2020.**

Add **Agent Notes** with the evidence required for future verification i.e. **Bank statement current account**

You would then complete, save and upload **UCD545 –
Capital too high – not entitled** to the claimant's journal
- notify claimant, update notes and close the claim.

Ensure Learners Do Not Close the Claim.

Form **UCD545 – Capital too high - not entitled** is held in the resources notifications section on Universal Learning;

Organisation > Work and Health Services Group > Universal Credit HUB > Universal Learning

Resources-Notifications



If a claimant declares capital after the new claim stage, this is a change of circumstances.

Covid easement removes the need to verify capital unless the amount reported is bigger than £16,000. If the easement is removed, a 'Verify capital' to-do will be created if the amount reported is between £6000.01 and £16,000.



You are making the decision based on the information provided by the claimant.

Referral to the decision maker

A referral to a decision maker is required if capital over £16000 is declared and you **cannot** establish how much of it should be disregarded.



Show slide 24 - Referral to the decision maker

Other circumstances when you should refer to a decision maker are when the claimant:

- declares they have a second property
- tells us of assets where the value is not clear
- has not provided information to confirm the amount
- has purposely reduced their capital to gain access to benefits, so the claimant may have notional income

Topic 03 – Deprivation of capital



Show slide 25 - Topic 03 - Deprivation of capital



Show slide 26 - Universal Learning - Deprivation of capital



Allow 5 minutes for the activity

Refer the learners to the Universal Learning.

Ask them to select and read - 'Deprivation of capital' and 'Notional capital'.

Deprivation of Capital

There will be some questions on this.

Check if learner is ok with information they have read before moving on.



Show slide 27 - Deprivation of capital - Notional capital - Example

Allow learners enough time to read the information.



Show slide 28 - Deprivation of Capital – Question and Answer 1 of 2



A decision maker determines that the claimant has deprived themselves of £11,000 capital. How will Universal Credit treat the capital?

Choose the correct answer from the following 2 options.

1. It is reduced each month by the amount of Universal Credit that would have been made to the claimant if the capital was not included in the assessment.
2. It is treated as providing an assumed yield income of £4.35 for every £250 (and part of £250) in excess of the £6,000 capital lower limit.



Show slide 29 - Deprivation of capital - Question and Answer 2 of 2



Option 2 is the correct answer.

2. It is treated as providing an assumed yield income of £4.35 for every £250 (and part of £250) in excess of the £6,000.

Check that learners are ok before moving on.

Notional Capital

If a person has deprived themselves of capital or unearned income in order to gain entitlement, or to increase entitlement to Universal Credit, they are treated as having that income for the purpose of calculating a Universal Credit award. This is called notional capital (income). These claims should always be referred to the decision maker.

In some cases, when the claimant gives an explanation of how they spent the money, the information may lead us to suspect misrepresentation/fraud. If in doubt, you can refer the case to the Service Innovation Lead (SIL) or your line manager for advice.



What are some of the indicators, signs or evidence that may lead us to suspect fraud?



Expected answers:

- the claimant's bank account shows income from another account, but they deny having another account
- a call from someone, alleging the claimant has undeclared capital
- regular payments or large withdrawals from the claimant's account

There will be additional checks in place to reduce the risk of fraud and we will seek to verify full evidence in the future.



If at any stage you suspect the claimant has deprived themselves of capital fraudulently or evidence of purposeful misdirection is clear and overwhelming, you must make a referral to the Counter Fraud and Compliance Directorate (CFCD).

Organisation > Service Excellence Group > Counter Fraud, Compliance and Debt > Our Teams > Enabling Services > CFCD UC Test and Support Team > COVID-19 Combined Verification > Fraud Referral Form

COVID-19 Combined Verification / Fraud Referral Form



Show 'Deprivation of capital part 1' video

Duration 3 minutes

Both parts of the video are available from the Universal Credit videos page on the Learner Support Site using the following link:

[Videos for UC learning](#)

The video is an interview between the work coach and a claimant.

She declared savings of £10,836 on her initial claim and has been asked to bring in verification of all the capital.

At the end of part 1 of the video ask the learners the following question.



Based on all of this information, what decision do you think the decision maker would make regarding deprivation of capital?



The claimant has deprived herself of £6,000 for the purpose of securing entitlement to Universal Credit.



Show 'Deprivation of capital part 2' video

Duration 1 minute

This is a continuation of the interview in part one. The purpose is to show the importance of asking probing questions.

At the end of the video ask learners the following question.



Based on all of this information do you think the decision maker would make a different decision regarding deprivation of capital?



Yes. The claimant has **not** deprived herself of the capital for the purpose of securing entitlement to Universal Credit.

She did not intend to claim Universal Credit because she had a job to start after their holiday.



The video is intended to demonstrate how additional information can lead to a different outcome, and that it better to have as much detail as possible about the circumstances.

Training service practice – additional information



The following training service exercise is intended to show the process of referring to the decision maker. It is based on a possible disclosure of additional information after the initial declaration.

The exercise should take about 10 minutes.



Show slide 30 - Training service exercise – Additional information



Check whether they feel the case needs to go to the decision maker from the information given.

If there is potential deprivation of capital (£4,500) the case must go to the decision maker. The information gained by Ad-hoc to-do or telephone should be recorded in the Journal.

Show the learners how to complete the **Verify capital** to-do showing verified capital as £19,500, and the potential deprivation amount £4500 then select **Yes** to the question; **Should this be referred to a decision maker?**

Then select **Done**.

The service generates a **Refer to decision maker (capital/other income)** to-do. It takes you straight into it.

Ask the learners to access this to-do



When the claimant has notional capital, we need to

provide evidence to the decision maker. This is the only time you need to upload evidence of capital.



What evidence might you need to request for the decision maker to show potential notional capital?



Expected answers:

- bank or building society statements, showing
 - money being spent
 - money going in from another account
- the claimant's explanation of how they spent the money
- a written record of a call alleging fraud

Diminishing notional capital

When the decision maker decides a claimant has notional capital, we must ensure we take it into account correctly.



Show slide 31 - Diminishing notional capital – 1 of 3

Allow time for the learners to consider what they might say to the claimant before selecting ENTER to display the answer.

Select ENTER again to display the last line.

Universal Credit does not take notional capital into account indefinitely. The amount reduces for each assessment period. You might hear this called diminishing notional capital.



The decision maker determines the amount and the service includes the reduction at the time the payment for that assessment period is finalised.

When notional capital is over £16,000 the amount of notional capital is reduced each month by the amount of Universal Credit that would have been made to the claimant, if the notional capital was not included in the assessment.



Show slide 32 - Diminishing notional capital – 2 of 3

Give learners time to think of the answer to the question before displaying the next slide.



Show slide 33 - Diminishing notional capital – 3 of 3

Select ENTER to display the answer

These cases are rare, but learners may need to explain why benefit is reduced for a specific period, or where the amount came from. The decision maker will determine from when and how much the reduction is.

Module summary



Show slide 34 - Module summary

Please allow the learners time to read through the module summary and ask any questions before moving on.