



Universal credit - December 2018

The Early Warning System was developed by Child Poverty Action Group (CPAG) in Scotland to collect and analyse case evidence about how social security changes are affecting the wellbeing of children, their families, and the communities and services that support them.

Universal credit has now rolled out across all Jobcentres in the UK. This briefing provides a summary of the latest findings from the Early Warning System about the roll out.

Assessment periods

The monthly UC payment is calculated based on income received in that month – called the ‘assessment period.’ People who are paid monthly, but not on the same date each month may receive two wages in one assessment period and none in another. The effect of receiving two wages in one assessment period is that the UC award will be reduced, or stopped - forcing the claimant to make a new claim for UC the following month. Receiving no wages in the assessment period may result in the claimant being subject to the benefit cap, because exemption from the benefit cap due to work is reliant on minimum net earnings of £520 in an assessment period.

A working lone parent usually receives £770 a month UC. She is paid her wages on the last Thursday of the month and her assessment period runs from the 28th to 27th of the month. She was paid on the 25th October and 29th November, so no wages were taken into account in the November assessment period and she was paid £1040 UC. However in the December assessment period, two wages will be taken into account as she will have been paid on 29th November and 20th December – early for Christmas. As a result she will not be entitled to any UC and will have to reclaim the following month.

The client is paid £270 more one month, but the loss of UC the following month means that she will receive £500 less than she would have done if one monthly wage was taken into account per assessment period. (12/18)

Further information can be found in the [Early Warning System report on monthly assessment periods.](#)

Inaccurate real-time information

Claimants do not have to report their earnings to UC, with DWP relying on real-time information (RTI) from HMRC instead. This is much easier for claimants, unless the RTI is inaccurate, either as a result of errors in employers reporting or HMRC administration errors.

Client finished work in May, claimed UC and received his final wages a couple of days later. However DWP attributed the final pay to the assessment period starting in August, rather than the first assessment period in May, citing that was the information provided by RTI. The

client offered to provide bank statements to confirm when the money was paid but DWP said it wouldn't make any difference. #1884 (24/10/18)

Claimant commitment and sanctions

Work coaches have a large amount of discretion about the amount of work-related activity that a claimant will be required to do in return for receiving UC. Cases gathered through the Early Warning System indicate that the needs and circumstances of some claimants are not being adequately taken into account. Claimants are struggling to meet their requirements and sometimes being sanctioned as a result. Case evidence indicates this particularly affects people who are waiting for a work capability assessment because they are ill or disabled, who would have had no work related requirements pending the equivalent assessment in ESA.

Client had an accident shortly after he claimed UC in 2016 which affected his mobility. His injuries have not healed and he is at risk of further injury. He has been awarded PIP but failed the work capability assessment, which he has appealed. Since then he has suffered a series of close bereavements and his mental health has deteriorated. The DWP have been paying for a taxi to the Jobcentre every fortnight so that he can evidence what he has been doing to look for work. The client has been struggling to meet his claimant commitment due to his mobility issues, pain affecting his concentration and his mental health difficulties. Client advised the work coach of this and the GP has updated his fit notes to include the new mental health condition as well as the mobility restrictions, but the work coach has refused to reduce the client's conditionality, has stopped funding for the taxis and has referred the client for a sanction. #1689 (2/10/18)

UC claimant is spending £15 a week on bus fares to travel ½ an hour to the nearest computer so that they meet their claimant commitment. #1476 (1/10/18)

There is also evidence that work coaches are not taking steps to communicate in a manner that is appropriate for individual claimants.

A profoundly deaf claimant, whose first language is BSL, refused to sign her claimant commitment because it wasn't in a format that she could understand. Jobcentre Plus staff said her mother could just explain it to her, and told the mother that the client was just being difficult. Because the client did not sign her claim was refused which means she has had no income and has accrued rent arrears. #1874 (23/10/18)

Worse off

Universal credit is often less generous than the benefits it is replacing. In some instances this is obvious, for example due to the lack of disability premiums, but there are also lots of examples of more subtle cuts.

A client receiving PIP and income-related ESA is better off continuing to claim legacy benefits for herself than she will be if she claims UC for herself and her new baby because of the lack of disability premiums in UC. #1712 (15/10/18)

A disabled couple and their disabled child will be £180 a week worse off on UC than they would have been on legacy benefits due to the lack of disability premiums and restrictions on carers' premiums in UC #1836 (11/10/18)

Client wants to move to another local authority with her children as they are fleeing domestic abuse but there is no provision in UC for her to get housing costs for the overlap in tenancies. Two homes payments are available in relation to domestic abuse, but only if you intend to return to your home, which this client does not. #1603 (9/10/18)

A UC claimant has her son and his partner staying with her. She will have 2 x housing costs contributions applied to her UC award whereas under housing benefit, only one non-dependant deduction would have been applied because they are a couple #1714 (11/10/18)

We have a number of cases highlighting the serious detrimental impact being held on remand, even for just a few days, can have on people's incomes.

Client receiving income-related ESA with the severe disability premium, was remanded in custody for 10 days. His ESA stopped and he had to claim UC on his release, losing his entitlement to the severe disability premium which has no equivalent in UC. #1941 (25/10/18)

There are also a number of examples of people who would have been entitled to income-related legacy benefits that would have passported them to other benefits, who are not entitled to UC.

A lone parent with one child receives maternity allowance of £145 a week and therefore no UC and in turn, no healthy start vouchers or best start grant. If she was receiving statutory maternity pay, she would be entitled to UC. This is because statutory maternity pay is treated as earnings, subject to the work allowance, unlike maternity allowance which is treated as unearned income and taken into account in full. #1961 (26/10/18)

Administration error

In addition to issues caused by the design of universal credit, claimants often experience administrative error or misinformation causing them further hardship. For example:

- Underpayment
- Issues with the online claim system
- Inadequate notification of any decisions
- Lack of understanding of entitlement for people from abroad

Client was only paid 50% of the housing cost element after her husband was imprisoned. DWP incorrectly advised they had the discretion to ensure she was paid 100% of the housing

costs but continue to pay 50%. The client should be receiving 100% of the housing costs element because she is liable for 100% of the rent in her husband's absence. #1607 (9/10/18)

Client claimed UC on release from prison but the button to accept his claimant commitment on the online claim is not working (client, adviser and DWP have all tried). Two months on and the client is no further forward with his claim and no closer to receiving a payment through no fault of his own. #1666 (11/10/18)

Client's Mum claimed UC for him because he has a severe head injury. They attended the local Jobcentre where the adviser appeared to be struggling to figure out how to use the program on the computer. The Jobcentre keep saying there is no record of any UC claim, only the verification interview and to keep checking the journal, but there is no journal because there doesn't appear to be a claim. #1876 (24/10/18)

Client received a letter from UC, saying he was to be given a late payment of £1203.40 to cover 6 weeks, but 'because you have been overpaid £847.85 you now need to pay this back. There are no details to explain to him the overpayment accrued or was calculated. #1757 (08/10/18)

An EU national lone parent has been refused UC because DWP assert her only right to reside is as a jobseeker, even though she is still married to her husband and could derive a permanent right to reside from him. She has submitted several claims which have been refused. She is awaiting an appeal on one of the claims, but in the meantime DWP keep shutting her UC account down. #1619 (5/10/18)

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