

2014 No. 2887

SOCIAL SECURITY

**The Universal Credit (Digital Service) Amendment Regulations
2014**

<i>Made</i>	- - - -	<i>29th October 2014</i>
<i>Laid before Parliament</i>		<i>4th November 2014</i>
<i>Coming into force</i>	- -	<i>26th November 2014</i>

The Secretary of State for Work and Pensions, in exercise of the powers conferred by section 1(1) of the Social Security Administration Act 1992^(a) and sections 4(3), 7(3), 8(3), 9(2), 10(3), 11(4), 12(1) and (3), 19(2)(d), 32(1) and (4), 42(2) and (3) of, and paragraph 3(2) of Schedule 1 to, the Welfare Reform Act 2012^(b), makes the following Regulations:

In accordance with section 173(1)(b) of the Social Security Administration Act 1992, the Social Security Advisory Committee has agreed that the proposals for these Regulations need not be referred to it.

Citation and commencement

1. These Regulations may be cited as the Universal Credit (Digital Service) Amendment Regulations 2014 and, subject to regulation 5 (saving), come into force on 26th November 2014.

Universal credit - childcare costs

2.—(1) The Universal Credit Regulations 2013^(c) are amended as follows.

(2) In regulation 33 (the childcare costs condition)—

(a) before paragraph (1)(a) insert—

“(za) the claimant has paid charges for relevant childcare that are attributable to that assessment period (see regulation 34A) and those charges have been reported to the Secretary of State before the end of that assessment period;”

(b) at the beginning of paragraph (1)(a), for the words “the claimant pays charges in that period for relevant childcare in respect of” substitute “the charges are in respect of”;

(c) for paragraph (2) substitute—

“(2) The late reporting of charges for relevant childcare may be accepted in the same circumstances as late notification of a change of circumstances may be accepted under regulation 36 of the Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Decisions and Appeals) Regulations

(a) 1992 c.5.
(b) 2012 c.5.
(c) S.I. 2013/376.

2013(a) and, in such cases, subject to regulation 34A below, all or part of any such charges may be taken into account in any assessment period to which they relate.”.

- (3) In regulation 34(1)(amount of childcare costs element), for sub-paragraph (a) substitute—
“(a) 70% of the charges paid for relevant childcare that are attributable to that assessment period; or”.
- (4) After regulation 34 insert—

“Charges attributable to an assessment period

34A.—(1) Charges paid for relevant childcare are attributable to an assessment period where—

- (a) those charges are paid in that assessment period for relevant childcare in respect of that assessment period; or
- (b) those charges are paid in that assessment period for relevant childcare in respect of a previous assessment period; or
- (c) those charges were paid in either of the two previous assessment periods for relevant childcare in respect of that assessment period.

(2) For the purposes of paragraph (1)(c), where a claimant pays charges for relevant childcare in advance, the amount which they have paid in respect of any assessment period is to be calculated as follows:

Step 1

Take the total amount of the advance payment (leaving out of account any amount referred to in regulation 34(2)).

Step 2

Apply the formula—

$$\left(\frac{PA}{D}\right) \times AP$$

Where—

PA is the amount resulting from step 1;

D is the total number of days covered by the payment referred to in step 1, and

AP is the number of days covered by the payment which also fall within the assessment period in question.

(3) In this regulation, a reference to an assessment period in which charges are paid, or in respect of which charges are paid, includes any month preceding the commencement of the award that begins on the same day as each assessment period in relation to a claimant’s current award.”.

Universal Credit - assessment periods

- 3.**—(1) The Universal Credit Regulations 2013 are amended as follows—
- (a) in regulation 15(2) (claimant commitment – date and method of acceptance) after “regulation 21(3)” insert “or (3A)”;
 - (b) in regulation 21 (assessment periods) for paragraphs (3) and (4) substitute—
“(3) Where a new award is made to a single person without a claim by virtue of regulation 9(6)(a) or (10) of the Claims and Payments Regulations (old award has ended

(a) S.I. 2013/381.

when the claimant ceased to be a member of a couple) each assessment period for the new award begins on the same day of each month as the assessment period for the old award.

(3A) Where a new award is made to members of a couple jointly without claim by virtue of regulation 9(6)(b) or (7) of the Claims and Payments Regulations (two previous awards have ended when the claimants formed a couple) each assessment period for the new award begins on the same day of each month as the assessment period for whichever of the old awards ended earlier.

(3B) Where a claim is treated as made by virtue of regulation 9(8) of the Claims and Payments Regulations (old award ended when a claimant formed a couple with a person not entitled to universal credit), each assessment period in relation to the new award begins on the same day of each month as the assessment period for the old award.

(3C) Where a claim is made by a single person or members of a couple jointly and the claimant (or either joint claimant) meets the following conditions—

- (a) the claimant was previously entitled to an award of universal credit the last day of which fell within the 6 months preceding the date on which the claim is made; and
- (b) during that 6 months—
 - (i) the claimant has continued to meet the basic conditions in section 4 of the Act (disregarding the requirement to have accepted a claimant commitment and any temporary period of absence from Great Britain that would be disregarded during a period of entitlement to universal credit); and
 - (ii) the claimant was not excluded from entitlement by regulation 19 (restrictions on entitlement – prisoners etc.),

each assessment period for the new award begins on the same day of each month as the assessment period for the old award or, if there was an old award in respect of each joint claimant, the assessment period that ends earlier in relation to the date on which the claim is made.

(3D) For the purposes of this regulation it does not matter if, at the beginning of the first assessment period of the new award, the following persons do not meet the basic conditions in section 4(1)(a) and (c) of the Act (at least 18 years old and in Great Britain) or if they are excluded from entitlement under regulation 19 (restrictions on entitlement – prisoners etc.) provided they meet those conditions (and are not so excluded) at the end of that assessment period—

- (a) in a case to which paragraph (3B) applies, the member of the couple who was not entitled to universal credit; or
- (b) in a case to which paragraph (3C) applies, the member of the couple who does not meet the conditions mentioned in that paragraph.

(3E) In this regulation “the Claims and Payments Regulations” means the Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 (a).”;

- (c) paragraphs (5) and (6) of regulation 21 are omitted;
- (d) after regulation 22 (deduction of income and in-work allowance) insert—

“Apportionment where re-claim delayed after loss of employment

22A.—(1) This regulation applies where—

- (a) a new award is made in a case to which regulation 21(3C) (new claim within 6 months of a previous award) applies; and

(a) S.I.2013/380.

- (b) the claimant (or either joint claimant) is not in paid work and has ceased being in paid work since the previous award ended, other than in the 7 days ending with the date on which the claim is made.

(2) In calculating the amount of the award for the first assessment period in accordance with section 8 of the Act—

- (a) the amount of each element that is to be included in the maximum amount; and
- (b) the amount of earned and unearned income that is to be deducted from the maximum amount,

are each to be reduced to an amount produced by the following formula—

$$Nx \left(\frac{Ax12}{365} \right)$$

Where—

N is the number of days in the period beginning with the date on which the claim is made and ending with the last day of the assessment period; and

A is the amount of the element that would otherwise be payable for that assessment period or, as the case may be, the amount of earned and unearned income that would otherwise be deducted for that assessment period.

(3) The period of 7 days in paragraph (1)(b) may be extended if the Secretary of State considers there is good reason for the delay in making the claim.”.

(2) The Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013(a) are amended as follows—

- (a) regulation 6 (claim not required for entitlement to universal credit in certain cases) is revoked;

- (b) in regulation 9 (claims for universal credit by members of a couple)—

- (i) for paragraph (6) substitute—

“(6) Where an award of universal credit to joint claimants is terminated because they cease to be a couple an award may be made, without a claim, to either or each one of them—

- (a) as a single person; or
- (b) if either of them has formed a new couple with a person who is already entitled to universal credit, jointly with that person.”; and

- (ii) for paragraph (8)(a)(b) substitute—

“(a) one of them ceased to be entitled to an award of universal credit (whether as a single person or as a member of a different couple) on the formation of that couple;”.

- (c) in regulation 26 (time within which a claim for universal credit is to be made)—

- (i) omit paragraph (3)(e); and

- (ii) after paragraph (4) insert—

“(5) In the case of a claim for universal credit referred to in regulation 21(3C) of the Universal Credit Regulations (assessment period applied from a previous award within the last 6 months) the claim for universal credit must be made before the end of the assessment period in respect of which it is made”..

(a) S.I.2013/380.

(b) Paragraph (8) was amended by S.I.2013/1508.

(3) In regulation 7(1)(a) and (b) of the Universal Credit (Transitional Provisions) Regulations 2014(a) omit “as a single person”.

Universal Credit – calculation of unearned income

4.—(1) The Universal Credit Regulations 2013(b) are amended as follows.

(2) In regulation 73 (unearned income calculated monthly) after paragraph (2) insert—

“(2A) Where the period in respect of which unearned income is paid begins or ends during an assessment period the amount of unearned income for that assessment period is to be calculated as follows—

$$Nx \left(\frac{Mx12}{365} \right)$$

where N is the number of days in respect of which unearned income is paid that fall within the assessment period and M is the monthly amount referred to in paragraph (1) or, as the case may be, the monthly equivalent referred to in paragraph (2).”.

Saving

5.—(1) These Regulations do not apply to an award of universal credit that has been made by virtue of any of the following orders—

- (a) the Welfare Reform Act 2012 (Commencement No. 9 and Transitional and Transitory Provisions and Commencement No. 8 and Savings and Transitional Provisions (Amendment)) Order 2013(c);
- (b) the Welfare Reform Act 2012 (Commencement No. 11 and Transitional and Transitory Provisions and Commencement No. 9 and Transitional and Transitory Provisions (Amendment)) Order 2013(d);
- (c) the Welfare Reform Act 2012 (Commencement No. 13 and Transitional and Transitory Provisions) Order 2013(e);
- (d) the Welfare Reform Act 2012 (Commencement No. 14 and Transitional and Transitory Provisions) Order 2013(f);
- (e) the Welfare Reform Act 2012 (Commencement No. 16 and Transitional and Transitory Provisions) Order 2014(g);
- (f) the Welfare Reform Act 2012 (Commencement No. 17 and Transitional and Transitory Provisions) Order 2014(h);
- (g) Welfare Reform Act 2012 (Commencement No. 19 and Transitional and Transitory Provisions and Commencement No. 9 and Transitional and Transitory Provisions (Amendment)) Order 2014(i),

unless it is an award to which paragraph (2) applies.

(2) This paragraph applies to—

- (a) an award made to members of a couple jointly as a consequence of a previous award having ended when the couple formed; or

(a) S.I.2014/1230.
(b) S.I. 2013/376.
(c) S.I. 2013/983 (C. 41).
(d) S.I. 2013/1511 (C. 60).
(e) S.I. 2013/2657 (C. 107).
(f) S.I. 2013/2846 (C. 114).
(g) S.I. 2014/209 (C. 7).
(h) S.I. 2014/1583 (C.61).
(i) S.I. 2014/2321 (C. 99).

- (b) an award made to a single claimant as a consequence of a previous award having ended when the claimant ceased to be a member of couple,
where either member of the couple in question is a digital service claimant.

(3) A “digital service claimant” is a person who has become entitled to an award of universal credit—

- (a) by reference to residence in the postcode part-district SM5 2;
- (b) by forming a couple with a person who became entitled to an award of universal credit by reference to residence in that postcode;
- (c) by forming a couple with a person who became entitled to an award of universal credit by virtue of sub-paragraph (b); or
- (d) by forming a couple with a person who became entitled to an award of universal credit by virtue of sub-paragraph (c).

Signed by authority of the Secretary of State for Work and Pensions

29th October 2014

Freud
Parliamentary Under Secretary of State
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend a number of instruments relating to universal credit, namely the Universal Credit Regulations 2013 (S.I. 2013/376) (“the Universal Credit Regulations”), the Universal Credit, Personal Independence Payment, Jobseeker’s Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 (S.I. 2013/380) (“the Claims and Payments Regulations”) and the Universal Credit (Transitional Provisions) Regulations 2014 (S.I. 2014/1230) (“the Transitional Provisions Regulations”).

By virtue of the saving provision in regulation 5 the amendments only have effect in relation to particular cases (collectively known as “the digital service”) that arise from claims made by persons living in the area specified in that regulation or from such persons subsequently forming new couples or being part of a couple who separate.

Regulation 2 amends the provisions relating to the childcare costs element in the Universal Credit Regulations. The amendments provide for the childcare costs condition in regulation 33 to be met when charges for relevant childcare are paid up to two assessment periods in advance. They also amend the time allowed for reporting charges to the Secretary of State.

Regulation 2(4) inserts a new regulation 34A that provides for the costs that are attributable to an assessment period for the purposes of calculating the amount of the element. This includes a formula for calculating the amount of relevant childcare charges in respect of an assessment period where the payment has been made in advance.

Regulation 3 makes a number of changes to the provisions in the Universal Credit Regulations about assessment periods and about the creation of new awards as a result of couples separating or forming or becoming entitled to universal credit within 6 months of an award ending.

Regulation 3(1) makes amendments to the provisions in regulation 21 that specify the circumstances in which the assessment period for a new award is aligned with the assessment period for a previous award. These are where a new award is made as consequence of joint claimants separating, where single claimants form a new couple, where an existing claimant forms a couple with a person not previously entitled to universal credit and where a new claim is made within 6 months of the end of a previous award.

Regulation 3(1) also removes provision in regulation 21(5) and (6) for apportioning the amount payable where a claim is backdated.

Regulation 3(1)(d) inserts a new regulation 22A providing for a reduction in the amount of an award of universal credit in the first assessment period where a person becomes entitled to a new award within 6 months of the end of a previous award. This applies if the claim is made more than 7 days after ceasing paid work (or a longer period if the Secretary of State considers there is good reason for the delay).

Regulation 3(2) makes various amendments to the provisions in the Claims and Payments Regulations providing for the circumstances in which a claim may be treated as made or where a new award can be made without a claim. In particular, it revokes regulation 6 of those Regulations (which provides that a former claimant who loses entitlement to universal credit due to receipt of earned income need not make a new claim upon the earned income subsequently being reduced).

Regulation 3(3) makes a consequential amendment to the Transitional Provisions Regulations.

Regulation 4 amends regulation 73 of Universal Credit Regulations to include a provision for calculating the amount of unearned income in respect of an assessment period where such unearned income is paid in respect of a period beginning or ending during an assessment period.

Regulation 5 is a saving provision (see above).

An impact assessment has not been produced for this instrument as it has no impact on business and civil society organisations. The instrument has no impact on the public sector.

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