EXPLANATORY NOTE

(This note is not part of the Regulations)

Part 1 of these Regulations contains various miscellaneous amendments relating to universal credit.

Regulations 2 and 3 amend various provisions of the Universal Credit Regulations 2013 (S.I. 2013/376) (the "Universal Credit Regulations") and the Universal Credit (Work-Related Requirements) In Work Pilot Scheme and Amendment Regulations 2015 (S.I. 2015/89) (the "In Work Pilot Scheme Regulations") respectively. They provide that where various earnings thresholds (calculated for the purposes of determining the work-related requirements, sanctions and recoverability of hardship payments in relation to a claimant) were determined as weekly amounts, these are to be converted into equivalent monthly amounts. The earnings to be measured against such thresholds are a person's average monthly earnings, rather than average weekly earnings.

Regulation 2(6)(e)(iii) clarifies that where a person's earned income fluctuates, such income is to be taken into account (for the purpose of calculating their average monthly earnings) as a gross amount, in the same way as when the earned income is static. Regulation 2(6)(e)(v) also clarifies that when considering a person's earnings for the purposes of calculating their average monthly earnings, the Secretary of State may disregard earnings received in respect of a job that has ended where this would result in a more accurate average and in turn mean that work-related requirements could be imposed on the person which are more appropriate to their circumstances.

Regulation 2(9)(b) amends regulation 113(1)(g) of the Universal Credit Regulations to replace the reference to the Secretary of State's discretion in regulation 99(6) with a reference instead to the amount now specified in that regulation. This is consequential to regulation 3 of the In Work Pilot Scheme Regulations, which amended regulation 99(6) of the Universal Credit Regulations by replacing the Secretary of State's discretion to suspend certain work related requirements where the claimant is in paid work with provision for those requirements to be suspended where the claimant, or the claimant and their partner, have earnings from employment of a specified amount.

Regulation 4 amends regulation 6 (rounding) of the Universal Credit Regulations to provide that, when calculating the amounts of various earnings thresholds (for the purposes of determining the applicability of work-related requirements), such amounts are to be rounded down to the nearest whole pound.

Regulation 5 amends regulation 19A(3)(b)(iii) of the Universal Credit Regulations to expand the exemption from waiting days in respect of care leavers to include young people aged between 18 and 22 who have been in care and are claiming universal credit for the first time.

Regulation 6 amends the Universal Credit Regulations and increases the maximum support available for childcare costs within universal credit from 70% to 85% of eligible childcare costs. It also provides for the caps which apply to childcare costs to be increased accordingly. These changes will come into effect from 11th April 2016.

Regulation 7 substitutes a new regulation 13 into the Social Security (Payments on Account of Benefit) Regulations 2013 (S.I. 2013/383), which sets out the earnings conditions to be met by claimants (and where appropriate their partners) who are applying for a budgeting advance. The substituted regulation provides for earnings calculations in circumstances where the claimant (and where appropriate their partner) has been in receipt of benefit for a continuous period of at least 6 months on the date of the application for the budgeting advance and also for periods of less than 6 months of receipt of benefit.

Regulation 8 amends regulation 2(2) of the Universal Credit (Surpluses and Self-employed Losses) (Digital Service) Amendment Regulations 2015 (S.I. 2015/345) (the "Surpluses and Self-Employed Losses Regulations"), which amend the Universal Credit Regulations with effect from 6th April 2016. Regulation 2(2) provides for the calculation of earnings which may be taken into account when calculating a claimant's award of universal credit, where such earnings were received in an earlier period during which the claimant was not entitled to universal credit because of excess of earnings. The regulation uses the term "the nil UC threshold" for this purpose and provides a definition for it. Regulation 8 of these Regulations amends this definition so that it correctly reflects that an amount equal to 65% of relevant earnings is deducted from a universal credit award (the single taper rate).

Regulation 9 amends paragraph 5 of Schedule 6 to the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013 (S.I. 2013/380), which incorrectly refers to the Welfare Reform Act 2012 (c. 5). The reference is amended to refer to the Social Security Administration Act 1992 (c. 5).

Regulation 10 amends the up-rating order provisions of the Social Security Administration Act 1992, inserted by the Pensions Act 2014, so that an increase of the transitional state pension comes into force for the purpose of calculating an award of universal credit in line with the coming into force of the up-rating of universal credit and other benefits or income, including the basic pension, for the same purpose.

Part 2 contains amendments concerning the prevention of dual provision of benefit for care being paid to multiple carers for the same severely disabled person (Chapter 1) and to both carer and the severely disabled person for whom they care (Chapter 2).

Regulation 11 amends section 70 of the Social Security Contributions and Benefits Act 1992 (c. 4) to ensure that, where a carer is entitled to a carer's allowance in respect of a severely disabled person, a different carer is not entitled to the carer element of universal credit in respect of the same severely disabled person for the same day. It also provides that, in each case, it is first for the carers to elect who between them shall receive the relevant benefit, then in default of such election the matter is for the Secretary of State to determine. Regulation 12 makes a consequential amendment to the Social Security (Invalid Care Allowance) Regulations 1976 (S.I. 1976/409), detailing the process for a determination of the carer to receive benefit. Regulation 13 makes a consequential amendment to the Universal Credit Regulations to refer to the amended section 70(7) of the Social Security Contributions and Benefits Act 1992.

Regulations 14 to 19 amend the Income Support (General) Regulations 1987 (S.I. 1987/1967), the Jobseeker's Allowance Regulations 1996 (S.I. 1996/207), the State Pension Credit Regulations 2002 (S.I. 2002/1792), the Housing Benefit Regulations 2006 (S.I. 2006/213), the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214) and the Employment and Support Allowance Regulations 2008 (S.I. 2008/794) respectively. The amendments provide that, where a carer for a severely disabled person has an award of universal credit which includes the carer element, that severely disabled person will not be entitled to an additional amount for care in their award of income-related benefit.

Part 3 contains amendments to regulations which relate to the continuing phased commencement of universal credit.

Regulations 20 and 21 replace the saving provisions in two sets of regulations: regulation 5 of the Universal Credit (Digital Service) Amendment Regulations 2014 (S.I. 2014/2887) and regulation 4 of the Surpluses and Self-employed Losses Regulations. The saving provisions have the effect that those Regulations only apply to awards of universal credit that are being administered on the computer system developed for areas where the digital service is operating (that is areas where there are no restrictions on the persons who may claim universal credit). The substituted savings provisions simplify the existing provisions and also provide for those Regulations to apply to existing universal credit awards in areas which are converted to digital service areas. Regulation 4(4) of the Surpluses and Self-employed Losses Regulations, which ensures those Regulations do not affect awards ending before 6th April 2016, is not amended and is reproduced in the substituted provision.

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