

Derbyshire Welfare Rights Service

Universal Credit - Sanctions & Hardship Payments

Universal Credit is a means-tested benefit which will eventually replace Income Support, Income-Based Jobseeker's Allowance, Income-Related Employment and Support Allowance, *Working Tax Credit*, Child Tax Credit and Housing Benefit - DWP refers to these as 'legacy benefits'.

The UC 'full service' (see below) has now been introduced throughout Derbyshire.

The full service of UC affects all new means-tested benefit claims for people of working age (with the exception of some severely disabled people) and will apply to all sorts of claimants, even those who are working.

Where the full service is in place, it is not possible to make a new claim for any of the benefits that UC replaces.

Existing benefit claims may not change until between **November 2020 and September 2024** but your claim could change to UC if you have a change of circumstances which means that you need to make a new claim for means-tested benefit.

For full details, please see our website or our leaflet 'Universal Credit – what is happening now and in the future in Derbyshire'.

Call our Helpline for further advice.

In order to claim Universal Credit, you need to accept a Claimant Commitment (see our leaflet 'Universal Credit' – the 'Claimant Commitment' for more details) and you need to make sure that you have taken all the action set out in the Commitment.

You can avoid unnecessary sanctions by making sure that your Claimant Commitment is up to date and that it properly reflects your abilities, your education and training, the sort of work you are able to look for, the hours you can work, and your needs for support in looking for work.

Derbyshire Welfare Rights Service

If your Work Coach thinks that you have not made sufficient efforts to look for work, or you have failed to apply for a job, failed to take up a job, or that you have done anything else that indicates you are not doing all you can to find work, your Universal Credit can be 'sanctioned' – benefit can be reduced or stopped.

If you think you may be sanctioned, or you have been sanctioned, seek advice at once. The sanction can be overturned if you had 'good reason' for your actions.

Remember that sanctions can 'escalate' – if you are sanctioned more than once within a set period, you can lose benefit for a longer time.

Always challenge a sanction if you think it is wrong.

Types of sanction

There are different levels of sanction – 'lowest', 'low', 'medium' and 'high'.

Which of them applies depends upon what the Jobcentre says you have or have not done, and whether it is the first sanction of its type in a period of a year, or if you have been sanctioned before.

Lowest level sanctions

A 'lowest level' sanction can be imposed where the only requirement is that you attend a 'Work-Focused Interview' but you have failed to meet this requirement.

The sanction is 'open ended' – so it only ends when you comply with what you have been asked to do. Seek advice if this applies to you.

Low level sanctions

A low level sanction is an open-ended sanction for failures listed below which ends once you begin to comply with what you have been asked to do – plus a fixed period.

You can be sanctioned where you have failed:

- to undertake specified 'work search' action
- to comply with a 'work preparation' requirement
- to comply with a 'Work Focused Interview'
- to produce evidence in support of your claim or to confirm you have complied with what you have been asked to do
- to undertake action specified by the Jobcentre that will help you get paid work, or get better paid work

Derbyshire Welfare Rights Service

- to report a change of circumstances which affects your claim (for instance not reporting a change in circumstances such as losing a job or losing pay)
- or
- you refused to take part in 'work preparation' such as in the Work Programme or to go on a training scheme or other employment scheme

The fixed period after you comply with what you have been asked to do is:

- 7 days for the first sanction
- 14 days for the second
- 28 days for third and subsequent sanctions (if these come within 365 days of the last sanction).

Medium level sanctions

A medium level sanction can be imposed if you fail to undertake reasonable Work Search action or to be able and willing immediately to take up work – including more hours and better paid work.

The sanction will last for:

- 28 days for a first failure
- 3 months (91 days) for a second or subsequent failure within 365 days

Higher level sanctions

A higher level sanction can be imposed if you:

- Fail to undertake Mandatory Work Activity without good reason
- Fail to apply for a particular vacancy without good reason
- Fail to take up an offer of work without good reason
- Ceased paid work through misconduct, or voluntarily, without good reason
- Lose pay without good reason by reason of misconduct or voluntarily

The sanction will last for:

- 3 months (91 days) for a first failure
- 6 months (128 days) for the second failure and subsequent failures if within 365 days of the previous one

How much is the sanction?

The amount of benefit that is stopped depends upon your age (under or over 25) and which level of sanction applies.

You may find that the whole of your Universal Credit payment has stopped. See below for what to do if you are left without money.

Derbyshire Welfare Rights Service

There should be no sanctions if:

- You fail to apply for a job that arises as a result of a trade dispute
- You are made voluntarily redundant
- You leave the Armed Forces voluntarily
- You are laid off or on short-time working
- You leave work or lose pay whilst you are in a trial period

Good Reason

In many situations there may be no sanction if you acted with 'good reason'.

There is no legal definition of what 'good reason' means – If you think you have good reason and you wish to challenge the sanction, call the helpline.

Take action as soon as you know there is a problem. There is no time limit to challenging a sanction decision.

For more details, see our leaflet – 'Challenging Benefit Decisions'.

Hardship Payments

If a sanction means that you are in financial hardship, you can apply for hardship payments on Universal Credit.

NB – you must be 18 or over to get hardship payments. 16-17 year olds and those who are subject to 'lowest level' sanctions cannot get hardship payments as the sanction in these cases is lower and you will usually be left with a small amount of money.

You must usually make a claim for hardship payments on the UC10 form from the Jobcentre.

Hardship will be accepted by the Jobcentre only where:

- For a low-level sanction, you have changed the behaviour that caused you to be sanctioned – such as re-engaging with the Work Programme, attending appropriate training etc as required, or undertake an alternative activity if the original activity is no longer available
- You continue to meet the terms of your Claimant Commitment
- You cannot meet your immediate and most basic and essential needs - this means accommodation, heating, food, hygiene,
- You have made every effort to find alternative sources of support to meet, or partially meet, such needs
- You have made every effort to cease to incur any expenditure which does not relate to your immediate and most basic and essential needs
- You may be asked for further evidence to support your hardship claim, including what other resources you may have, and what efforts you have made to cut your costs.

Derbyshire Welfare Rights Service

Your application should be considered on its own merits, but the more information you can give, the better: If you have a health condition, a disability or caring responsibilities, mention this in your application and supply any available evidence.

You may be asked if your family can help you – it is not reasonable to do this if this would cause financial problems to your family or if it would cause trouble between you and your family.

You should not be expected to seek help from charities – but if you have done so, this may be taken as meeting your needs for a time.

If you have savings available to help you but you have to apply for them and wait to get the payment, a hardship payment may still be made.

You should not be asked to move home, or sell or pawn your personal property.

Amount of payment – and repaying

The payment will be 60% of the sum that has been taken off your Universal Credit.

Hardship Payments are repayable and you will be asked to agree to repayments from future benefit payments before the payment is made.

Universal Credit is paid monthly – hardship payments will be paid from the date that you apply for them to the date that your next Universal Credit payment would be due. You will need to show that you meet the criteria for a hardship payment for each month of Universal Credit payment.

If in doubt, seek advice.

Other help - Derbyshire Discretionary Fund

This fund provides help to help people during an emergency or crisis situation and to support people to continue to live independently or cope with exceptional pressure when they have no money to help their situation.

Emergency Cash Payment

An emergency cash payment can help people when they cannot pay for food, heating or emergency travel which could lead to an immediate and serious risk to the health and safety of the person or their family. This could be because of a disaster or crisis.

If an emergency cash payment is awarded it will be given in voucher form which can be taken to a post office with proof of ID.

How are applications made?

Applications can be made via phone to the Derbyshire Discretionary Fund (DDF) team - 01629 533399 and they can be contacted Monday to Friday, 10am to 4pm

Derbyshire Welfare Rights Service

Additional information can be found on our website, visit www.derbyshire.gov.uk/welfarebenefits

To keep up-to-date with benefit changes in Derbyshire go to
www.derbyshire.gov.uk/benefitnews

Benefits Helpline – 01629 531535 or email
welfarebenefits@derbyshire.gov.uk

Monday, Tuesday, Thursday, Friday
11.00am – 4.00pm