

Changes to Welfare Benefits - Supporting People and Families

Coronavirus Act 2020 – UK Spring Budget 2020

Disability Law Service

Help sheet

Due to the international outbreak of the Coronavirus (COVID19) pandemic in the UK, emergency protective changes have been made by the UK government to the welfare benefits system.

The following is a help sheet designed to outline these relevant changes regarding (COVID19), and to help inform the general public of what help may now be available to those affected in this current crisis.

The main changes cited in the help sheet can be found via the Coronavirus Act 2020,¹ the Social Security (Coronavirus) (Further Measures) Regulations 2020² and the UK Spring Budget 2020.³

Universal Credit (UC)⁴

A large number of changes have been made by the UK government in regards to Universal Credit (UC) in order to protect current claimants and to make this benefit more accessible to all new applicants.

Claimants who are having to stay at home due to (COVID19) will have their mandatory work searches or work availability requirements under their claimant commitments removed to account for their incapacity.⁵ **This new change will apply for the next 3 months, starting from 19th March 2020.**⁶

¹ Coronavirus Act 2020, <http://www.legislation.gov.uk/ukpga/2020/7/contents/enacted/data.htm>

² Social Security (Coronavirus) (Further Measures) Regulations 2020, <http://www.legislation.gov.uk/uksi/2020/371/contents/made>

³ UK Spring Budget 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871799/Budget_2020_Web_Accessible_Complete.pdf

⁴ <https://www.gov.uk/universal-credit>

⁵ See (n 2), s 6(1)(a).

⁶ www.understandinguniversalcredit.gov.uk/coronavirus/

You should not attend the Jobcentre unless you are directed to do so for an exceptional purpose.⁷

Beginning on 24th March 2020 and continuing for the next 3 months, there will be no new reviews or reassessments for all benefits requiring assessments, this includes (UC).⁸

If you have already received a UC50 form for reassessment before this date, you will need to complete it and return it as soon as possible. Please contact (UC) to request extra time if you are struggling to complete your forms.

Self-employed/freelancers or those on a zero hours contract who are incapacitated due to (COVID19), can now access (UC).⁹

The Minimum Income Floor (MIF) has now been removed as a stipulation of eligibility for (UC) allowing self-employed/Freelancers who are ineligible for the governments Jobs Retention Scheme (JRS)¹⁰, to allow them access (UC).¹¹

All new claimants for (UC) can request an advance of up to 100% of their estimated standard allowance. Advances can be requested as soon as a new claim has been accepted, usually granted within 5 days of request (can be granted sooner in certain circumstances).¹²

If you have made a claim for, (UC) but do not have a date for an assessment appointment, you do not need to do anything. You will be contacted shortly by telephone or letter to let you know what will happen next.¹³

New changes have been made to help ensure claimants can repay these advances back in a more sustainable and manageable way by reducing the maximum rate at which the DWP can deduct your monthly award from 30% to 25%. Advances must usually be repaid within 12 months,¹⁴ but this will change to 24 months in October 2020.

The standard allowance rate for (UC) will be increased by £20 a week meaning claimants will be up to £1040 better off. **This new change will apply for one year from 6th April 2020.**¹⁵

⁷ See (n 6).

⁸ <https://www.gov.uk/government/news/coronavirus-update-benefit-reviews-and-reassessments-suspended>

⁹ <https://www.gov.uk/government/publications/support-for-those-affected-by-covid-19/support-for-those-affected-by-covid-19>

¹⁰ <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

¹¹ See (n 3), p 39, 1.96. Also see (n 2), s 2(1).

¹² See (n 4), Get an advance on your first payment.

¹³ See (n 6).

¹⁴ See (n 3), p 53, 1.180 & p 70, 2.9.

¹⁵ See (n 2), s 3(1)(2).

The government has now allowed for an increase in Local Housing Allowance (LHA) rates for (UC) housing element to pay for at least 30% of market rents in each area from April 2020.¹⁶

The government has introduced an additional exemption from the Shared Accommodation Rate (SAR) for (UC) claimants to protect those at risk of homelessness. This will enable rough sleepers aged 16-24, care leavers up to the age of 25, and victims of domestic abuse and human trafficking to live on their own, supporting their recovery from homelessness.¹⁷

For those who are undergoing 'managed migration' from legacy benefit to Universal Credit, a transitional protection for former Severe Disability Premium (SDP) claimants has been introduced to increase the rate of transitional payments for claimants in receipt of Severe Disability Premium when they move to Universal Credit.¹⁸

Statutory Sick Pay (SSP)¹⁹

For many workers who are incapacitated due to having symptoms or having to isolate because of family members potentially being infected by (COVID19), Statutory Sick Pay (SSP) will be their first port of call.

For employees (PAYE), if you have become incapacitated or you are having to self-isolate due to COVID19, you can now access (SSP) from the first day of your incapacity, rather than from the fourth day of your incapacity.²⁰ **This new change will be affective retrospectively from 13 March 2020.**²¹

(SSP) is paid at the rate of £94.25 per week and can be paid for up to 28 weeks.²²

You will need to report your conditions to your employer immediately.

Eligibility for (SSP) applies:

- Be classed as an employee (a person under an employment contract);
- Earn an average of £118 per week.²³

¹⁶ See (n 2), s 4(2)(a).

¹⁷ See (n 3), p 54, 1.190 & p 71, 2.20.

¹⁸ See (n 3), p 70, 2.12.

¹⁹ <https://www.gov.uk/statutory-sick-pay>

²⁰ See (n 1), s 40(1) & (n 3), p 38, 1.94.

²¹ See (n 9).

²² See (n 20), what you'll get.

²³ See (n 20), eligibility.

Self-employed/Freelancers

If you are not eligible for SSP – for example if you are self-employed or earning below the Lower Earnings Limit of £118 per week – and you have COVID-19 or are advised to self-isolate, you can now more easily make a claim for Universal Credit (UC) or new style Employment and Support Allowance.²⁴

Again, these measures will apply retrospectively from 13th March 2020.²⁵

General information

If you need to supply your employer with evidence of symptoms or if you are having to isolate because someone you live with has symptoms, you can obtain an Isolation Note from NHS 111.²⁶

‘New Style’ Employment and Support Allowance (NESA)²⁷

For those who are incapacitated due to (COVID19) and are not eligible for (SSP), ‘New Style’ Employment and Support Allowance (NESA) may be available to a claimant from the first day of incapacity, instead of from the eight day of incapacity.²⁸

As (NESA) is a contribution-based income-related benefit, an applicant’s savings and capitals (or a partners savings, capitals or incomes) will not be taken into account for eligibility, although, an applicant will need to have paid enough National Insurance contributions over the last 2 full tax years.²⁹

New applicants for (NESA) will not be required to supply a fit note. A claimant can obtain an Isolation Note via NHS 111.³⁰

If you have made a claim for (NESA), but do not have a date for an assessment appointment, you do not need to do anything. You will be contacted shortly by telephone or letter to let you know what will happen next.³¹

²⁴ See (n 9), What if I am self-employed or not eligible for SSP?

²⁵ Ibid.

²⁶ <https://111.nhs.uk/covid-19>

²⁷ <https://www.gov.uk/guidance/new-style-employment-and-support-allowance>

²⁸ See (n 3), p 38, 1.95.

²⁹ See (n 27), eligibility.

³⁰ See (n 26).

³¹ See (n 6)

If you already have an assessment appointment arranged, you do not need to attend. Your assessment provider will contact you to discuss your appointment and explain the next steps to you.³²

If claimants for (NESA) tell the DWP in good time that they are needing to staying at home or that they have been diagnosed with (COVID19), they will not be sanctioned. The DWP will review their conditionality requirements in their claimant commitment, to ensure they are reasonable.

As with (UC) above, beginning on 24th March 2020 and continuing for the next 3 months, there will be no new reviews or reassessments for Employment and Support Allowance (ESA) or New Style (ESA).³³

If you have already received a ESA50 form for reassessment before this date, you will need to complete it and return it as soon as possible. Please contact DWP (ESA) department to request extra time if you are struggling to complete your forms to request extra time.

‘New Style’, Jobseekers Allowance (NEJSA)³⁴

For employees (PAYE), who have been affected by (COVID19) and find themselves ineligible for any other income-related benefit, ‘New Style’ Jobseekers Allowance (NSJSA) may be available to claim.

New claimants will need to have worked as an employee (PAYE) for at 2 of the last 3 years and paid enough Class 1 National Insurance contributions.³⁵ Unfortunately, if you are self-employed and only paid Class 2 National Insurance contributions, (NSJSA) will not be available for application (unless you worked as a shared fisherman or a volunteer development worker).³⁶

For existing (NSJSA) claimants (as with (UC) and (ESA) above), beginning on 24th March 2020 and continuing for the next 3 months, there will be no new reviews or reassessments for ‘New Style’ Jobseekers Allowance.³⁷

³² See (n 8).

³³ Ibid.

³⁴ <https://www.gov.uk/guidance/new-style-jobseekers-allowance>

³⁵ Ibid, eligibility.

³⁶ Ibid.

³⁷ See (n 8).

A person who has an award for Jobseekers Allowance ('New Style' included) who has a 'period of sickness' due to being:

(a) Infected or contaminated with (COVID19);

(b) In isolation; or

(c) is caring for a child or qualifying young person who is a member of the person's household and who falls within sub-paragraph (a) or (b),³⁸

and who satisfies the requirements for entitlement to a jobseeker's allowance other than those specified in section 1(2)(f) of the Jobseekers Act 1995(1) (not having limited capability for work) is to be treated as capable of work or as not having limited capability for work.³⁹

For claimants on legacy (old) Jobseekers Allowance (JSA),⁴⁰ from the beginning of March 2020 and then for a period of the next 3 months, as a consequence of the (COVID19) outbreak, and for the fact of Jobcentre Plus closures, claimants will be treated as being:

(a) available for employment; and

(b) actively seeking employment.⁴¹

Personal Independence Payment (PIP)⁴²

For Personal Independence Payment (PIP), there have been few but very important changes.

If you have made a claim for Personal Independence Payment (PIP), but do not have a date for an assessment appointment, you do not need to do anything. You will be contacted shortly by telephone or letter to let you know what will happen next.⁴³

As with (UC) and (ESA), which require assessments, **beginning on 24th March 2020 and continuing for the next 3 months**, there will be no new reviews or reassessments for (PIP).⁴⁴

³⁸ See (n 2), s 8(1)(a)(b)(c).

³⁹ Ibid, ss (2)

⁴⁰ <https://www.gov.uk/jobseekers-allowance>

⁴¹ See (n 2), 7(1)(a)(b).

⁴² <https://www.gov.uk/PIP>

⁴³ See (n 6).

⁴⁴ See (n 8).

If you have already received a (PIP) renewal or reassessment form before this date, you will need to complete it and return it as soon as possible. Please contact the DWP (PIP) department to request extra time if you are struggling to complete your forms.

If you already have an assessment appointment arranged, you do not need to attend. Your assessment provider will contact you to discuss your appointment and explain the next steps to you.⁴⁵

All (PIP) awards have been extended for a further 18 months,⁴⁶ so if your award is due to run out, or you are currently in the last 12 months of your award, all awards have been extended by a further 6 months.

Please note that the same new changes to reviews and reassessments apply for, Disability Living Allowance (DLA), Attendance Allowance (AA) and the Industrial Injuries Disablement Benefit (IIDB) as above.⁴⁷

Carers Allowance (CA)⁴⁸

If you are in receipt of Carers Allowance (CA) and you or the person you care for are infected or contaminated with (COVID19), or either of you are having to isolate because of the disease, you shall be treated as only having temporarily ceased to satisfy your requirements for (CA) to regularly and substantially engage with the person you care for, on every day in each week (35 hours).⁴⁹

You will continue to be eligible for your Carers Allowance during this time.

Housing Benefit (HB)⁵⁰ and Council Tax Relief (CTR)⁵¹

Housing Benefit

⁴⁵ See (n 6).

⁴⁶ See (n 3), p 70, 2.8.

⁴⁷ See (n 7).

⁴⁸ <https://www.gov.uk/carers-allowance>

⁴⁹ See (n 2), s 9(1).

⁵⁰ <https://www.gov.uk/housing-benefit>

⁵¹ <https://www.gov.uk/apply-council-tax-reduction>

Local Housing Allowance (LHA) rates have been increased to allow claimants for Housing Benefit (HB) to access at least 30% of market rents in each area from April 2020.⁵²

The government has introduced an additional exemption from the Shared Accommodation Rate (SAR) for (HB) claimants to protect those at risk of homelessness. This will enable rough sleepers aged 16-24, care leavers up to the age of 25, and victims of domestic abuse and human trafficking to live on their own, supporting their recovery from homelessness.⁵³

Council Tax Relief

The government has provide Local Authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area. The government expects most of this funding to be used to provide more council tax relief, either through existing Local Council Tax Support schemes, or through complementary reliefs.⁵⁴

Further Information

For further information on how to apply for any of the welfare benefits shown above, please see our bibliography below.

This includes links to all the relevant government help sheet pages detailing the relevant changes to the UK welfare benefits system.

Free School Meal Vouchers

Children eligible for free school meals can now benefit from a 'national voucher scheme' allowing them to continue to access meals whilst they need to stay at home due to (COVID19).

Schools can now provide every eligible child with a weekly shopping voucher worth £15 to spend at supermarkets while schools are closed due to the coronavirus.

Schools can continue to provide meals for collection or delivery themselves, but where this is not possible, the scheme will allow schools to provide vouchers to families electronically, or as a gift card for those without internet access.

⁵² See (n 2), s 4(2).

⁵³ See (n 3), p 54, 1.190 & p 71, 2.20

⁵⁴ Ibid, p 39, 1.97.

The vouchers can be spent on food at a range of shops including Sainsbury's, Tesco, Asda, Morrisons, Waitrose and M&S, with the Department working to get more shops to join the scheme as soon as possible.⁵⁵

⁵⁵ <https://www.gov.uk/government/news/voucher-scheme-launches-for-schools-providing-free-school-meals>

Bibliography

Table of Legislation

Coronavirus Act 2020:

<http://www.legislation.gov.uk/ukpga/2020/7/contents/enacted/data.htm>

Social Security (Coronavirus) (Further Measures) Regulations 2020:

<http://www.legislation.gov.uk/uksi/2020/371/contents/made>

UK Spring Budget 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871799/Budget_2020_Web_Accessible_Complete.pdf

Table of Welfare Benefits

<https://www.gov.uk/universal-credit>

<https://www.gov.uk/statutory-sick-pay>

<https://www.gov.uk/guidance/new-style-employment-and-support-allowance>

<https://www.gov.uk/guidance/new-style-jobseekers-allowance>

<https://www.gov.uk/pip>

<https://www.gov.uk/carers-allowance>

<https://www.gov.uk/housing-benefit>

<https://www.gov.uk/apply-council-tax-reduction>

Other Online Sources

www.understandinguniversalcredit.gov.uk/coronavirus/

<https://www.gov.uk/government/news/coronavirus-update-benefit-reviews-and-reassessments-suspended>

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

<https://111.nhs.uk/covid-19>

<https://www.gov.uk/government/news/voucher-scheme-launches-for-schools-providing-free-school-meals>

