

Loss of Income - Covid19- Coronavirus Briefing2

www.socialwelfaretraining.co.uk

Social Welfare Training Limited© 2020 last update- 14/5/2020

	Reduced/ no hours- <i>which Benefit</i>	notes
Employed	<p>Non means tested benefits- Job Seekers Allowance (JSA) (new style)</p> <p>Means tested benefits- Universal Credit or Existing legacy benefits <small>(Job Seekers Allowance income based/ Employment and Support allowance income related / Income Support/ Working Tax Credit/ Child Tax Credit/ Housing Benefit)</small></p>	<ul style="list-style-type: none"> • Check if the government is paying up to 80% of a worker's wages, up to a total of £2,500 per worker each month as a 'furloughed worker'(must stop work). Coronavirus Job Retention Scheme- (CJRS). <ul style="list-style-type: none"> • If no longer employed or hours are less than 16 per week, consider JSA(new style) topped up by UC or legacy benefits. • Claim UC online. If no longer employed, consider and delaying a claim until wages owed are paid. Request an advance payment. Declare wages paid during each assessment period. Accept a claimant commitment online. Keep the online journal up to date. • Working Tax credits can continue if – Laid off/ without or reduced pay/ furloughed- for 8 weeks (and then reviewed).¹ Until end of furlough scheme(even if not claiming).² • Report changes in income if already on legacy benefits.
Self Employed	<p>Means tested benefits- Universal Credit or Existing legacy benefits <small>(Job Seekers Allowance income based/ Employment and Support allowance income related / Income Support/ Working Tax Credit/ Child Tax Credit/ Housing Benefit)</small></p>	<ul style="list-style-type: none"> • Check if the government is paying up to 80% of a client's wages, up to a total of £2,500 each month(note can continue to work). Payable in May 2020. Self-employed Income Support Scheme(SEISS). • JSA (new style) is not payable to self employed people. • UC- see above. Self employed will need to declare profit and loss monthly. Loses from previous month(s) can be carried forward to the next profitable month. From 6 April the requirements of the Minimum Income Floor will be temporarily relaxed for initially 8 months and perhaps longer.³ Claim UC before 80% of income received(June 2020?).

¹ Guidance A7/2020: The Social Security (Coronavirus) (Further Measures) Regulations 2020

² 5 4 2020 <https://www.gov.uk/government/news/tax-credits-customers-will-continue-to-receive-payments-even-if-working-fewer-hours-due-to-covid-19>

³ Reg 5 The Employment and Support Allowance and Universal Credit (Coronavirus Disease) Regulations 2020

Loss of Income - Covid19- Coronavirus Briefing2

		<ul style="list-style-type: none"> Working Tax Credit can continue if 'organised and regular, on a commercial basis, with a view to making a profit' and continue to put in sufficient hours.⁴ Until end of SEISS(even if not claiming).⁵ Report changes in income if already on legacy benefits.
--	--	--

	Off sick due to Covid19- coronavirus <i>Which Benefit</i>	notes
Employed	<p>Non means tested benefits- Statutory Sick Pay(SSP) or Employment and Support Allowance (ESA)(new style)</p> <p>Means tested benefits- Universal Credit(UC) or Existing legacy benefits (Job Seekers Allowance income based/ Employment and Support allowance income related / Income Support/ Working Tax Credit/ Child Tax Credit/ Housing Benefit)</p>	<ul style="list-style-type: none"> If the conditions for SSP are not met then consider ESA(new style). UC- see above. Working Tax Credit can continue if are getting SSP. Report changes in income if already on legacy benefits.
Self Employed	<p>Non means tested benefits- Employment and Support Allowance (ESA)(new style)</p> <p>Means tested benefits- Universal Credit(UC) or Existing legacy benefits</p>	<ul style="list-style-type: none"> SSP is not payable to self employed people. ESA does require sufficient NI Contributions (similar to JSA (new style) see below). UC- see above. Working Tax Credit can continue if are self-employed and would otherwise have qualified for SSP, or are getting employment and support allowance (ESA).

⁴ HMRC guidance <https://www.gov.uk/hmrc-internal-manuals/tax-credits-technical-manual/tctm02453> accessed 26 3 2020

⁵ 5 4 2020 <https://www.gov.uk/government/news/tax-credits-customers-will-continue-to-receive-payments-even-if-working-fewer-hours-due-to-covid-19>

Loss of Income - Covid19- Coronavirus Briefing2

	(Job Seekers Allowance income based/ Employment and Support allowance income related / Income Support/ Working Tax Credit/ Child Tax Credit/ Housing Benefit)	<ul style="list-style-type: none"> Report changes in income if already on legacy benefits.
--	---	---

	Who pays?	How to claim	notes
Job Seekers Allowance (new style)	DWP	Claim online at https://www.dwpe-services.direct.gov.uk/portal/page/portal/jsaol/lp or if the client is on Universal Credit, via journal.	<p>For unemployed people or people working less than full time(16 hours per week). Can request a short term benefit advance if payment is delayed.</p> <p>Must have paid NI conts. at 26 weeks above the lower earnings limit (e.g. 2019/2020 £118) in one of the 2 tax years before the benefit year in which claim made AND in both of those tax years, have paid NI conts. or got credits at 50 X the lower earnings limit (e.g. 2019/2020 50 x £118).</p>
Statutory Sick Pay	employer	Via employer who may top up pay with contractual sick pay.	<p>Payable from day 1(without the usual 3 waiting days) for Covid-19 cases from 13/3/2020. Normally need sick notes- instead obtain from NHS111 if affected-</p> <ul style="list-style-type: none"> infected or contaminated with Coronavirus disease or in isolation or caring for a child or qualifying young person who is a member of the person's shielding(?) <p>household and who is in isolation or infected or contaminated with Coronavirus disease.</p> <p>Lasts up to 28 weeks , paid at flat rate, average weekly earnings must be above the lower earnings limit(2019/20 £118).</p>

Loss of Income - Covid19- Coronavirus Briefing2

<p>Employment and Support Allowance(new Style)</p>	<p>DWP</p>	<p>Claim online- https://www.gov.uk/guidance/new-style-employment-and-support-allowance-detailed-guide#how-to-claim</p>	<p>Similar NI conditions to JSA. Payable from day 1 for Covid-19 cases from 13/3/2020(instead of the usual 7 day wait). Normally need sick notes- instead obtain from NHS111.</p> <ul style="list-style-type: none"> • infected or contaminated with Coronavirus disease or • in isolation or • caring for a child or qualifying young person who is a member of the person's household and who is in isolation or infected or contaminated with Coronavirus disease⁶ <p>Can request a short term benefit advance if payment is delayed.</p>
<p>Universal Credit</p>	<p>DWP</p>	<p>Claim online- https://www.universal-credit.service.gov.uk/postcode-checker If already on this benefit, let them know circumstances have changed via journal.</p>	<p>Assessed and paid monthly. Declare all changes through online journal. Normally paid directly to client. Job centre appointments are suspended for 3 months from 19/3/2020.</p> <p>Request backdating if could not get through on online system due to high demand('official computer system inoperative').⁷</p>
<p>Council Tax Support/ Reduction</p>	<p>Local Authority</p>	<p>Contact your local authority. If already on this benefit, let them know circumstances have changed.</p>	<p>Normally assessed weekly- declare changes. Each scheme varies between Local Authorities except for in Wales. £500 million council tax hardship fund- "The government's strong expectation is that billing authorities will provide all recipients of working age LCTS during the financial year 2020-2021 with a further reduction in their annual council tax bill of £150"⁸</p>
	<p>DWP/ HMRC/</p>	<p>If already on these benefits, let them know circumstances have changed.</p>	<p>Legacy benefits would normally only be for existing claimants. Two exceptions where new claims might be made are for rent (Housing</p>

⁶ Memo DMG 04/20 March 2020. Reg 2 The Employment and Support Allowance and Universal Credit (Coronavirus Disease) Regulations 2020

⁷ Reg 26 UC, PIP, JSA&ESA (C & P) Regulations 2013

⁸ <https://www.gov.uk/government/news/government-confirms-500-million-hardship-fund-will-provide-council-tax-relief-for-vulnerable-households> accessed 26 3 2020

Loss of Income - Covid19- Coronavirus Briefing2

Legacy benefits	Local Authority		Benefit) (supported or temporary accommodation) or possibly those with entitlement to a severe disability premium. A client may be better off staying on legacy benefits/ claiming these rather than claiming UC- seek advice.
------------------------	-----------------	--	---