



WELFARE RIGHTS ADVICE IN NORTH AYRSHIRE

NORTH AYRSHIRE



Health &amp; Social Care Partnership

## Money Matters Update No 29

### 21 May 2020

#### More than four million people are now claiming Universal Credit

More than four million people are now claiming universal credit, according to new DWP statistics.

In Universal Credit: 29 April 2013 to 9 April 2020, the DWP reports that there were 1.2 million starts to universal credit in the period 13 March 2020 to 9 April 2020, resulting in a claimant count of 4.2 million by the end of the period.

The DWP highlights how peaks in the number of claims have coincided with key events -

- 60,000 claims were made on 20 March 2020 - the day the ['workers support package'](#) was announced;
- 110,000 claims were made on 23 March 2020 - the day the government implemented its 'stay at home' requirements including the immediate closure of shops selling non-essential goods and services - and a further 122,000 claims were made the following day; and 136,000 claims were made on 27 March 2020 - after the [self-employed income support scheme](#) was announced on the previous evening.

[Universal Credit: 29 April 2013 to 9 April 2020](#) is available from gov.uk

#### More than two million people claimed unemployment benefits in April 2020

The number of people claiming unemployment benefits - jobseeker's allowance and universal credit under the 'searching for work' conditionality regime - rose to 2.1 million in April 2020, an increase of 69.1 per cent over the previous month.

The Institute for Fiscal Studies commenting on Job vacancies stated

'Job vacancies almost completely dried up in March and are now only tentatively recovering in the health and social care sector and barely at all in other parts of the economy.

The fact that there has been no recovery in vacancies in the most deprived local authorities is also worrying, especially because it will be risky to travel far for work on public transport.'



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#### Treatment of SEISS and CJRS payments made to Universal Credit claimants

New legislation clarifies treatment of payments in the assessment of income and capital and makes provision for treating claimants as re-claiming benefit for up to five Universal Credit assessment periods.

In force from 21 May 2020, the Universal Credit (Coronavirus) (Self-employed Claimants and Reclaims) (Amendment) Regulations 2020 (SI.No.522/2020) provide that -

- a payment under the SEISS is to be treated as a receipt for the purposes of calculating the claimant's self-employed earnings in the assessment period in which it is received;
- no deduction may be made in the calculation of those earnings in respect of the salary or wages paid to a claimant's employee which are covered by a payment under the CJRS; and
- a payment under the CJRS, or any loan or grant to meet the losses or expenses of the claimant's business in relation to the outbreak of coronavirus (COVID-19) disease, is to be disregarded in the calculation of the claimant's capital.

In addition, the regulations insert a new regulation 32A in the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013. The new regulation 32A makes provision for awarding or re-awarding universal credit where no award is made on a person's initial claim, or where a person ceases to be entitled to an award. It allows the Secretary of State to treat the person as re-claiming universal credit for up to five assessment periods after an assessment period in which they were found not to be entitled on account of their income.

The [explanatory memorandum](#) to the regulations advises that -

'By treating the claimant as making a new claim it also allows for surplus earnings to be applied to the universal credit award. This means:

- if the earnings received as an employee under the CJRS or as a self-employed person under the SEISS (within the assessment period), are more than £2,500 over the amount that would normally cause the UC claim to stop i.e. in the case of a lump sum;
- any amount over the £2,500 limit will be deducted from following assessment period(s) if the claim is 'made' within six months of the previous claim ending; and
- will continue until there is no surplus remaining.'



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[SI.No.522/2020](#) is available from [legislation.gov.uk](http://legislation.gov.uk)

Money Matters can provide benefit checks to ensure claimants are receiving their legal entitlement to benefits. Phone 01294 310456.

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