

SCHEDULE 5

Deductions from benefit and direct payment to third parties

Rent and service charges included in rent

7.—(1) This paragraph applies where all of the following conditions are met.

(2) The first condition is that in any assessment period the claimant—

- (a) has an award of universal credit which includes an amount under Schedule 4 to the Universal Credit Regulations (housing costs element for renters); or
- (b) occupies exempt accommodation and has an award of housing benefit under section 129 of the Contributions and Benefits Act (housing benefit)(1).

(3) The second condition is that the claimant is in debt for any—

- (a) rent payments;
- (b) service charges which are paid with or as part of the claimant's rent.

(4) The third condition is that the claimant occupies the accommodation to which the debt relates.

(5) Where this paragraph applies, but subject to sub-paragraphs (6) and (7), the Department may, in such cases and circumstances as the Department may determine, deduct in relation to that assessment period an amount from the claimant's award equal to 5 per cent. of the standard allowance and pay that amount to the person to whom the debt is owed.

(6) Before the Department may commence (or re-commence) making deductions in respect of such a debt, the claimant's earned income (or in the case of joint claimants their combined earned income) in relation to the previous assessment period must not exceed the work allowance.

(7) The Department must stop making such deductions if, in relation to the three assessment periods immediately preceding the date on which the next deduction could otherwise be made, the claimant's earned income (or in the case of joint claimants their combined earned income) equals or exceeds the work allowance.

(8) In this paragraph—

“exempt accommodation” has the meaning given by paragraph 1 of Schedule 1 to the Universal Credit Regulations (meaning of payments in respect of accommodation);

“rent payments” includes any elements included in the claimant's rent which would not fall to be treated as rent under the Housing Benefit Regulations (Northern Ireland) 2006(2) or as rent payments under the Universal Credit Regulations;

“service charges” includes any items in a charge for services in respect of the accommodation occupied by the claimant which would not fall to be treated as service charges under the Universal Credit Regulations.

(1) Section 129 was amended by Article 8(2) of the Housing Support Services (Northern Ireland) Order 2002 (S.I. 2002/3154 (N.I. 8)) and Schedule 8 to the Welfare Reform Act (Northern Ireland) 2007.

(2) S.R. 2006 No. 405.