

EXPLANATORY MEMORANDUM TO
THE UNIVERSAL CREDIT (EXTENSION OF CORONAVIRUS MEASURES)
REGULATIONS (NORTHERN IRELAND) 2021

S.R. 2021 No. 67

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under Articles 14(2) and 48(1), (2) and (4) and paragraph 4(4) of Schedule 1 and paragraphs 1(1) and 4(1), (2)(d) and (3) of Schedule 6 to the Welfare Reform (Northern Ireland) Order 2015, and is subject to the negative resolution procedure.

2. Purpose

- 2.1 The purpose of these regulations is to extend the temporary uplift of £86.67 per month (equivalent to £20 per week) to the Universal Credit (UC) Standard Allowances for those who are making a new claim for or have been awarded UC for a further 6 months and to extend the relaxation of the minimum income floor requirements for a further three months for those who are self-employed. The extended relaxation of the minimum income floor ensures that UC self-employed claimants whose business activity is impacted by the Covid-19 crisis and restrictions are supported and temporarily can benefit from a full UC award rather than having an assumed level of income applied.
- 2.2 These changes are intended to provide additional support which helps both individuals and the wider economy to continue to weather the financial impacts arising from the Covid-19 outbreak and to ensure that UC self-employed claimants are not penalised for following Government advice on social-distancing.

3. Background

- 3.1 As part of the Government's strategy of supporting people affected by Covid-19, the following changes are being made:
 - a. Extending the additional £86.67 per assessment period in the UC Standard Allowances for six months to provide extra financial support to those experiencing the most financial disruption during the pandemic and avoid a drop in income whilst various restrictions remain in place. The £86.67 is on top of the underlying rates as adjusted by the annual uprating order made under section 132(1) of the Social Security Administration (NI) Act 1992. Accordingly, the total amount of standard allowance will increase by the relevant amounts in assessment periods beginning on or after 12th April 2021 when the uprating order for the 21-22 tax year comes into effect.

Table 1 compares the current UC Standard Allowance rates with the underlying rates (if the uplift were to be removed). These rates will apply in assessments periods starting on or before 11th April 2021.

Table 2 shows the UC Standard Allowance rates that will take effect for assessment periods starting from 12th April 2021. The underlying rates as amended by the uprating order for the 21-22 tax year are also shown in this table.

Table 1: UC Standard Allowance monthly uplift rates and underlying rates for assessment periods starting on or before 11th April 2021.

UC Standard Allowance	Uplift Rate (per month)	Underlying Rate (per month)
Single claimant, under 25	£342.72	£256.05
Single claimant, 25+	£409.89	£323.22
Couple, both under 25	£488.59	£401.92
Couple, at least on 25+	£594.04	£507.37

Table 2: UC Standard Allowance monthly uplift rates and underlying rates for assessment periods starting on or after 12th April 2021.

UC Standard Allowance	Uplift Rate (per month)	Underlying Rate (per month)
Single claimant, under 25	£344.00	£257.33
Single claimant, 25+	£411.51	£324.84
Couple, both under 25	£490.60	£403.93
Couple, at least on 25+	£596.58	£509.91

Provision has also been made to ensure that the calculation of any Transitional Protection that is awarded to a claimant as part of managed migration¹ is not reduced because of the temporary uplift. By doing so it ensures that any claimant who has moved to UC as part of managed migration will also benefit from this extra financial support. This provision will also apply to claimants who have naturally migrated to UC and are receiving transitional protection as a result of being a former Severe Disability Premium (SDP) recipient.

- b. Extending the relaxation of the application of the Minimum Income Floor² (MIF) for all self-employed UC claimants affected by the economic impact of Covid-19. It ensures that the self-employed are supported by the benefit system so that they can follow Public Health Agency guidance on social distancing and self-isolation and comply with any restrictions placed upon the operation of their business. However,

¹ Managed migration is where a claimant is moved to UC by the Department by the issuing of a 'migration notice' rather than as a result of a relevant change of circumstances.

² The MIF is an assumed level of income that is designed to encourage individuals to increase their earnings by developing their self-employment. It is determined by multiplying the number of hours claimants can reasonably be expected to work or be looking for work by the relevant national minimum wage or National Living Wage for their age, minus notional income tax and National Insurance contributions that would be payable on actual earnings at that level, to produce a net figure.

current UC entitlement rules for example, relating to capital and unearned income will still apply;

4. Consultation

4.1 There is no requirement to consult on these regulations.

5. Equality Impact

5.1 An equality impact assessment has not yet been carried out in relation to this Statutory Rule because of the need to make and lay urgently to provide support and give certainty to those affected by the Covid-19 pandemic. However, it is not anticipated that these regulations will have a negative impact on any of the Section 75 categories.

6. Regulatory Impact

6.1 These Regulations do not require a Regulatory Impact Assessment as they do not impose a cost on business, charities, social enterprises or voluntary bodies.

7. Financial Implications

7.1 None anticipated.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department has considered section 24 of the Northern Ireland act 1998 and is satisfied that the Rule –

- (a) is not incompatible with any of the Convention rights;
- (b) is not incompatible with Community law;
- (c) does not discriminate against a person or class of person on the grounds of religious belief or political opinion; and
- (d) does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. E U Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 These Regulations are equivalent to the Universal Credit (Extension of Coronavirus Measures) Regulations 2021 in Great Britain, which were laid on 16th March 2021 and come into force on 6th April 2021.

11. Additional Information

1.1. Guidance will be issued to Department for Communities staff prior to this Statutory Rule becoming operational.