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DRAFT STATUTORY INSTRUMENTS

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**2013 No.**

**The Universal Credit Regulations 2013**

**PART 8**

**CLAIMANT RESPONSIBILITIES**

**CHAPTER 2**

**SANCTIONS**

*When reduction to have effect*

**Start of the reduction**

- 106.** A reduction period determined in relation to a sanctionable failure takes effect from—
- (a) the first day of the assessment period in which the Secretary of State determines that the amount of the award is to be reduced under section 26 or 27 of the Act (but see also regulation 107(2));
  - (b) if the amount of the award of universal credit for the assessment period referred to in paragraph (a) is not reduced in that period, the first day of the next assessment period; or
  - (c) if the amount of the award for the assessment period referred to in paragraph (a) or (b) is already subject to a reduction because of a previous sanctionable failure, the first day in respect of which the amount of the award is no longer subject to that reduction.

**Reduction period to continue where award terminates**

**107.—**(1) If an award of universal credit terminates while there is an outstanding reduction period, the period continues to run as if a daily reduction were being applied and if the claimant becomes entitled to a new award (whether as single or joint claimant) before that period expires, that award is subject to a reduction for the remainder of the total outstanding reduction period.

(2) If an award of universal credit terminates before the Secretary of State determines that the amount of the award is to be reduced under section 26 or 27 of the Act in relation to a sanctionable failure and that determination is made after the claimant becomes entitled to a new award the reduction period in relation to that failure is to have effect for the purposes of paragraph (1) as if that determination had been made on the day before the previous award terminated.

**Suspension of a reduction where fraud penalty applies**

**108.—**(1) A reduction in the amount of an award under section 26 or 27 of the Act is to be suspended for any period during which the provisions of section 6B, 7 or 9 of the Social Security Fraud Act 2001(1) apply to the award.

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(1) 2001 c.11. Section 6B was inserted by section 24(1) of the Welfare Reform Act 2009.

(2) The reduction ceases to have effect on the day on which that period begins and begins again on the day after that period ends.

**When a reduction is to be terminated**

**109.**—(1) A reduction in the amount of an award under section 26 or 27 of the Act is to be terminated where—

- (a) since the date of the most recent sanctionable failure which gave rise to a reduction, the claimant has been in paid work for a period of, or for periods amounting in total to, at least 26 weeks; and
- (b) the claimant’s weekly earnings during that period or those periods were equal to or exceeded—
  - (i) the claimant’s individual threshold, or
  - (ii) if paragraph (4) of regulation 90 applies (threshold for an apprentice) the amount applicable under that paragraph.

(2) The termination of the reduction has effect—

- (a) where the date on which paragraph (1) is satisfied falls within a period of entitlement to universal credit, from the beginning of the assessment period in which that date falls; or
- (b) where that date falls outside a period of entitlement to universal credit, from the beginning of the first assessment period in relation to any subsequent award.

(3) A claimant who is treated as having earned income in accordance with regulation 62 (minimum income floor) in respect of an assessment period is to be taken to have weekly earnings equal to their individual threshold in respect of any week falling within that assessment period.