
DRAFT STATUTORY INSTRUMENTS

2013 No.

The Universal Credit Regulations 2013

PART 8

CLAIMANT RESPONSIBILITIES

CHAPTER 2

SANCTIONS

Introduction

100.—(1) This Chapter contains provisions about the reduction in the amount of an award of universal credit in the event of a failure by a claimant which is sanctionable under section 26 or 27 of the Act (“a sanctionable failure”).

(2) How the period of the reduction for each sanctionable failure is to be determined is dealt with in regulations 101 to 105.

(3) When the reduction begins or ceases to have effect is dealt with in regulations 106 to 109.

(4) How the amount of a reduction is calculated for an assessment period in which the reduction has effect is set out in regulations 110 and 111.

(5) Regulations 112 to 114 provide for some miscellaneous matters (movement of sanctions from a jobseeker’s allowance or an employment and support allowance, cases in which no reduction is made for a sanctionable failure and prescription of work placement scheme for the purposes of section 26(2)(a) of the Act).

Reduction periods

General principles for calculating reduction periods

101.—(1) The number of days for which a reduction in the amount of an award is to have effect (“the reduction period”) is to be determined in relation to each sanctionable failure in accordance with regulations 102 to 105, but subject to paragraphs (3) and (4).

(2) Reduction periods are to run consecutively.

(3) If the reduction period calculated in relation to a sanctionable failure in accordance with regulations 102 to 105 would result in the total outstanding reduction period exceeding 1095 days, the reduction period in relation to that failure is to be adjusted so that the total outstanding reduction period does not exceed 1095 days.

(4) In determining the reduction period in relation to a sanctionable failure, a previous sanctionable failure is disregarded if it occurred in the 14 days immediately preceding the failure in question.

(5) In paragraph (3) “the total outstanding reduction period” is the total number of days for which no reduction in an award under section 26 or 27 of the Act has yet been applied.

Higher-level sanction

102.—(1) This regulation specifies the reduction period for a sanctionable failure under section 26 of the Act (“higher level sanction”).

- (2) Where the sanctionable failure is not a pre-claim failure the reduction period is—
- (a) where the claimant is aged 18 or over on the date of the sanctionable failure—
 - (i) 91 days, if paragraphs (ii) and (iii) do not apply,
 - (ii) 182 days, if there was another sanctionable failure giving rise to a higher-level sanction in the 365 days preceding the failure in question for which a 91 day reduction period applies, or
 - (iii) 1095 days, if there was another sanctionable failure giving rise to a higher-level sanction in that period of 365 days for which a 182 day or 1095 day reduction period applies; or
 - (b) where the claimant is aged 16 or 17 on the date of the sanctionable failure—
 - (i) 14 days, if paragraph (ii) does not apply, or
 - (ii) 28 days, if there was another sanctionable failure giving rise to a higher-level sanction in the 365 days preceding the failure in question for which a 14 day or 28 day reduction period applies.

(3) But where the other sanctionable failure referred to in paragraph (2) was a pre-claim failure it is disregarded in determining the reduction period in accordance with that paragraph.

(4) Where the sanctionable failure for which a reduction period is to be determined is a pre-claim failure, the period is the lesser of—

- (a) the period that would be applicable to the claimant under paragraph (2) if it were not a pre-claim failure; or
- (b) where the sanctionable failure relates to paid work that was due to last for a limited period, the period beginning with the day after the date of the sanctionable failure and ending with the date on which the limited period would have ended,

minus the number of days beginning with the day after the date of the sanctionable failure and ending on the day before the date of claim.

(5) In this regulation “pre-claim failure” means a failure sanctionable under section 26(4) of the Act.

Medium-level sanction

103.—(1) This regulation specifies the reduction period for a sanctionable failure under section 27 of the Act (other sanctions) where it is a failure by the claimant to comply with—

- (a) a work search requirement under section 17(1)(a) (to take all reasonable action to obtain paid work etc.); or
- (b) a work availability requirement under section 18(1).

(2) The reduction period is—

- (a) where the claimant is aged 18 or over on the date of the sanctionable failure—
 - (i) 28 days, if paragraph (ii) does not apply, or
 - (ii) 91 days, if there was another sanctionable failure of a kind mentioned in paragraph (1) in the 365 days preceding the failure in question for which a 28 day or 91 day reduction period applies; or
- (b) where the claimant is aged 16 or 17 years on the date of the sanctionable failure—

- (i) 7 days, if paragraph (ii) does not apply, or
- (ii) 14 days, if there was another sanctionable failure of a kind mentioned in paragraph (1) in the 365 days preceding the failure in question, for which a 7 day or 14 day reduction period applies.

Low-level sanction

104.—(1) This regulation specifies the reduction period for a sanctionable failure under section 27 of the Act (other sanctions) where —

- (a) the claimant falls within section 21 (claimants subject to work preparation requirement) or 22 (claimants subject to all work-related requirements) of the Act on the date of that failure; and
- (b) it is a failure to comply with—
 - (i) a work-focused interview requirement under section 15(1),
 - (ii) a work preparation requirement under section 16(1),
 - (iii) a work search requirement under section 17(1)(b) (to take any particular action specified by the Secretary of State to obtain work etc.), or
 - (iv) a requirement under section 23(1), (3) or (4) (connected requirements: interviews and verification of compliance).

(2) Where the claimant is aged 18 or over on the date of the sanctionable failure, the reduction period is the total of—

- (a) the number of days beginning with the date of the sanctionable failure and ending with—
 - (i) the day before the date on which the claimant meets a compliance condition specified by the Secretary of State,
 - (ii) the day before the date on which the claimant falls within section 19 of the Act (claimant subject to no work-related requirements),
 - (iii) the day before the date on which the claimant is no longer required to take a particular action specified as a work preparation requirement by the Secretary of State under section 16, or
 - (iv) the date on which the award terminates (other than by reason of the claimant ceasing to be, or becoming, a member of a couple),whichever is soonest; and
- (b) whichever of the following number of days is applicable in the claimant's case—

- (i) 7 days, if paragraphs (ii) and (iii) do not apply,
- (ii) 14 days, if there was another sanctionable failure of a kind mentioned in paragraph (1) in the 365 days preceding the failure in question for which a 7 day reduction period applies, or
- (iii) 28 days, if there was another sanctionable failure of a kind mentioned in paragraph (1) in the 365 days preceding the failure in question for which a 14 day or 28 day reduction period applies.

(3) Where the claimant is aged 16 or 17 years on the date of the sanctionable failure, the reduction period is—

- (a) the number of days beginning with the date of the sanctionable failure and ending with—
 - (i) the day before the date on which the claimant meets a compliance condition specified by the Secretary of State,

- (ii) the day before the date on which the claimant falls within section 19 of the Act (claimant subject to no work-related requirements),
 - (iii) the day before the date on which the claimant is no longer required to take a particular action specified as a work preparation requirement by the Secretary of State under section 16, or
 - (iv) date on which the award terminates (other than by reason of the claimant ceasing to be, or becoming, a member of a couple),
- whichever is soonest; and
- (b) if there was another sanctionable failure giving rise to a low level sanction in the 365 days preceding the failure in question, the number of days in sub-paragraph (a) plus 7 days.

Lowest-level sanction

105.—(1) This regulation specifies the reduction period for a sanctionable failure under section 27 of the Act (other sanctions) where it is a failure by a claimant who falls within section 20 of the Act (claimants subject to work-focused interview requirement only) to comply with a requirement under that section.

(2) The reduction period is the number of days beginning with the date of the sanctionable failure and ending with—

- (a) the day before the date on which the claimant meets a compliance condition specified by the Secretary of State;
- (b) the day before the date on which the claimant falls within section 19 of the Act (claimant subject to no work-related requirements); or
- (c) the day on which the award terminates (other than by reason of the claimant ceasing to be, or becoming, a member of a couple),

whichever is soonest.

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.

(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.

Amount of reduction

Amount of reduction for each assessment period

110. Where it has been determined that an award of universal credit is to be reduced under section 26 or 27 of the Act, the amount of the reduction for each assessment period in respect of which a reduction has effect is to be calculated as follows.

Step 1

Take the number of days—

- (a) (a) in the assessment period; or
- (b) (b) if lower, in the total outstanding reduction period,

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

and deduct any days in that assessment period for which the reduction is suspended in accordance with regulation 108.

Step 2

Multiply the number of days produced by step 1 by the daily reduction rate (see regulation 111).

Step 3

If necessary, adjust the amount produced by step 2 so that it does not exceed—

- (a) (a) the amount of the standard allowance applicable to the award; or
- (b) in the case of a joint claim where a determination under section 26 or 27 of the Act applies only in relation to one claimant, half the amount of that standard allowance.

Step 4

Deduct the amount produced by steps 2 and 3 from the amount of the award for the assessment period after any deduction has been made in accordance with Part 7 (the benefit cap).

Daily reduction rate

111.—(1) The daily reduction rate for the purposes of regulation 110 is, unless paragraph (2), or (3) applies, an amount equal to the amount of the standard allowance that is applicable to the award multiplied by 12 and divided by 365.

(2) The daily reduction rate is 40% of the rate set out in paragraph (1) if, at the end of the assessment period—

- (a) the claimant is aged 16 or 17;
- (b) the claimant falls within section 19 of the Act (claimant subject to no work-related requirements) by virtue of—
 - (i) subsection (2)(c) of that section (responsible carer for a child under the age of 1), or
 - (ii) regulation 89(1)(c),(d) or (f) (adopter, claimant within 11 weeks before or 15 weeks after confinement or responsible foster parent of a child under the age of 1); or
- (c) the claimant falls within section 20 (claimant subject to work-focused interview only).

(3) The daily reduction rate is nil if, at the end of the assessment period, the claimant falls within section 19 of the Act by virtue of having limited capability for work and work-related activity.

(4) The amount of the rate in paragraphs (1) to (3) is to be rounded down to the nearest 10 pence.

(5) In the case of joint claimants—

- (a) each joint claimant is considered individually for the purpose of determining the rate applicable under paragraphs (1) to (3); and
- (b) half of any applicable rate is applied to each joint claimant accordingly.

Miscellaneous

Application of ESA or JSA sanctions to universal credit

112. Schedule 11 has effect in relation to persons who are, or have been, entitled to an employment and support allowance or a jobseeker's allowance and who are, or become, entitled to universal credit.

Failures for which no reduction is applied

113.—(1) No reduction is to be made under section 26 or 27 of the Act for a sanctionable failure where—

- (a) the sanctionable failure is listed in section 26(2)(b) or (c) (failure to apply for a particular vacancy for paid work, or failure to take up an offer of paid work) and the vacancy is because of a strike arising from a trade dispute;
- (b) the sanctionable failure is listed in section 26(2)(d) (claimant ceases paid work or loses pay), and the following circumstances apply—
 - (i) the claimant’s work search and work availability requirements are subject to limitations imposed under section 17(4) and 18(3) in respect of work available for a certain number of hours,
 - (ii) the claimant takes up paid work, or is in paid work and takes up more paid work that is for a greater number of hours, and
 - (iii) the claimant voluntarily ceases that paid work, or more paid work, or loses pay, within a trial period;
- (c) the sanctionable failure is that the claimant voluntarily ceases paid work, or loses pay, because of a strike arising from a trade dispute;
- (d) the sanctionable failure is that the claimant voluntarily ceases paid work as a member of the regular or reserve forces, or loses pay in that capacity;
- (e) the sanctionable failure is listed in section 26(4) (failure to take up an offer of paid work, or to cease paid work or lose pay before making a claim), and the period of the reduction that would otherwise apply under regulation 102(4) is the same as, or shorter than, the number of days beginning with the day after the date of the sanctionable failure and ending with the date of claim;
- (f) the sanctionable failure is that the claimant voluntarily ceases paid work in one of the following circumstances—
 - (i) the claimant has been dismissed because of redundancy after volunteering or agreeing to be dismissed,
 - (ii) the claimant has ceased work on an agreed date without being dismissed in pursuance of an agreement relating to voluntary redundancy, or
 - (iii) the claimant has been laid-off or kept on short-time to the extent specified in section 148 of the Employment Rights Act 1996, and has complied with the requirements of that section; or
- (g) the sanctionable failure is that the claimant by reason of misconduct, or voluntarily and for no good reason, ceases paid work or loses pay, but the claimant’s weekly earnings (or, if the claimant is a member of a couple, their joint weekly earnings) have not fallen below the level which the Secretary of State considers sufficient for the purposes of regulation 99(6) (circumstances in which requirements must not be imposed).

(2) In this regulation “regular or reserve forces” has the same meaning as in section 374 of the Armed Forces Act 2006(2).

Sanctionable failures under section 26 - work placements

114.—(1) Mandatory Work Activity is prescribed as a work placement for the purpose of section 26(2)(a) of the Act (failure to undertake a work placement of a prescribed description).

(2) “Mandatory Work Activity” is a scheme designed to provide work or work-related activity with a view to assisting claimants to improve their prospects of obtaining paid work.