
DRAFT STATUTORY INSTRUMENTS

2013 No.

The Universal Credit Regulations 2013

PART 8

CLAIMANT RESPONSIBILITIES

CHAPTER 3

HARDSHIP

Introduction

115. This Chapter contains provisions under section 28 of the Act for the making of hardship payments where the amount of an award is reduced under section 26 or 27 of the Act.

Conditions for hardship payments

116.—(1) The Secretary of State must make a hardship payment to a single claimant or to joint claimants only where—

- (a) the claimant in respect of whose sanctionable failure the award has been reduced under section 26 or 27 of the Act is aged 18 or over;
- (b) the single claimant or each joint claimant has met any compliance condition specified by the Secretary of State under regulation 104(2)(a)(i);
- (c) the single claimant or either joint claimant completes and submits an application—
 - (i) approved for the purpose by the Secretary of State, or in such other form as the Secretary of State accepts as sufficient, and
 - (ii) in such manner as the Secretary of State determines;
- (d) the single claimant or either joint claimant furnishes such information or evidence as the Secretary of State may require, in such manner as the Secretary of State determines;
- (e) the single claimant or each joint claimant accepts that any hardship payments that are paid are recoverable;
- (f) the Secretary of State is satisfied that the single claimant or each joint claimant has complied with all the work-related requirements that they were required to comply with in the 7 days preceding the day on which the claimant or joint claimants submitted an application in accordance with sub-paragraph (c); and
- (g) the Secretary of State is satisfied that the single claimant or each joint claimant is in hardship.

(2) For the purposes of paragraph (1)(g) a single claimant or joint claimants must be considered as being in hardship only where—

- (a) they cannot meet their immediate and most basic and essential needs, specified in paragraph (3), or the immediate and most basic and essential needs of a child or qualifying

young person for whom the single claimant or either of the joint claimants is responsible, only because the amount of their award has been reduced—

- (i) under section 26 or 27 of the Act, by the daily reduction rate set out in regulation 111, or
 - (ii) by the daily reduction rate prescribed in regulations made under section 6B(5A), 7(2A) or 9(2A) of the Social Security Fraud Act 2001(1) which is equivalent to the rate referred to in paragraph (i);
- (b) they have made every effort to access alternative sources of support to meet, or partially meet, such needs; and
- (c) they have made every effort to cease to incur any expenditure which does not relate to such needs.
- (3) The needs referred to in paragraph (2) are—
- (a) accommodation;
 - (b) heating;
 - (c) food;
 - (d) hygiene.

The period of hardship payments

117. A hardship payment is made in respect of—

- (a) a period which—
 - (i) begins with the date of issue of the application under regulation 116(1)(c), or, if later, the date on which all the conditions in regulation 116(1) are met, and
 - (ii) ends with the day before the date on which the single claimant's, or the joint claimants', next full payment of universal credit for an assessment period is due to be made (or would be made but for a reduction under section 26 or 27); or
- (b) where the period calculated in accordance with paragraph (a) is 7 days or less, that period plus a further period ending with the day referred to in paragraph (a)(ii) or, if sooner, the last day in respect of which their award is reduced pursuant to regulation 111.

The amount of hardship payments

118. The amount of a hardship payment for each day in respect of which such a payment is to be made is to be determined in accordance with the formula—

$$60\% \text{ of } \left(\frac{Ax12}{365} \right)$$

where A is equal to the amount of the reduction in the single claimant's or joint claimants' award calculated under regulation 110 for the assessment period preceding the assessment period in which an application is submitted under regulation 116(1)(c).

(1) **2001 c.11.** Section 6B was inserted by section 24(1) of the Welfare Reform Act 2009 and subsection (5A) by paragraph 58(3) of Schedule 5 to the Welfare Reform Act 2012. Subsection (2A) of section 9 was inserted by paragraph 61(4) of Schedule 2 to that Act.

Recoverability of hardship payments

119.—(1) Subject to paragraphs (2) and (3), hardship payments are recoverable in accordance with section 71ZH of the Social Security Administration Act 1992⁽²⁾.

(2) Paragraph (1) does not apply in relation to any assessment period in which the single claimant, or each joint claimant, falls within section 19 of the Act by virtue of regulation 90 (claimant subject to no work-related requirements - the earnings thresholds).

(3) Hardship payments cease to be recoverable where, since the last day on which the claimant's or the joint claimants' award was subject to a reduction under section 26 or 27 of the Act—

- (a) a single claimant has had weekly earnings that are equal to or exceed their individual threshold; or
- (b) joint claimants have had combined weekly earnings that are equal to or exceed the sum of their individual thresholds,

for a period of, or more than one period where the total of those periods amounts to, at least 26 weeks.

(2) 1992 c.5. Section 71ZH was inserted by section 105(1) of the Welfare Reform Act 2012 (c.5).