STATUTORY INSTRUMENTS

2015 No. 1754

SOCIAL SECURITY

The Universal Credit and Miscellaneous Amendments Regulations 2015

Made - - - - 7th October 2015

Laid before Parliament 14th October 2015

Coming into force in accordance with regulation 1

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 1(1) and 5(1)(p) and (r) of the Social Security Administration Act 1992(**1**), sections 70(7), 135(1), (5) and (6), 137(1) and 175(1) and (3) of the Social Security Contributions and Benefits Act 1992(**2**), sections 4(5), 35(1) and 36(2) of the Jobseekers Act 1995(**3**), sections 2(3)(b) and (7), 17(1) and 19(1) of the State Pension Credit Act 2002(**4**), sections 4(2), 24(1), and 25(2) and (3) of the Welfare Reform Act 2007(**5**) and sections 6(1)(c) and (3), 7(3), 8(3), 9(2), 10(2) and (3), 11(4), 12(1), (3) and (4), 19(2)(d), (3)(b) and (4), 22(2), 24(1)(a), 26(8)(a) and (c), 27(9)(a) and (c), 28(2)(f), 32(1), (2) and (4), 37(4), 42(2) and (3) of, and paragraphs 3(2) and 4(1), (3)(a) and (4) of Schedule 1 to, the Welfare Reform Act 2012(**6**).

In accordance with section 173(1)(b) of the Social Security Administration Act 1992, the Social Security Advisory Committee has agreed that the proposals for these Regulations need not be referred to it.

In respect of provisions in these Regulations relating to housing benefit, in accordance with section 176(1) of the Social Security Administration Act 1992(**7**), the Secretary of State has consulted with organisations appearing to him to be representative of the authorities concerned.

(**1**) 1992 c. 5. Section 5(1)(r) was substituted by section 101(1) of the Welfare Reform Act 2012 (c. 5).
(**2**) 1992 c. 4. Section 137 is repealed by Part 1 of Schedule 14 to the Welfare Reform Act 2012 (c. 5) from a date to be appointed. Section 137(1) is an interpretation provision and is cited because of the meaning given to the word "prescribed".
(**3**) 1995 c. 18. Section 35(1) is an interpretation provision and is cited because of the meaning given to the words "prescribed" and "regulations".
(**4**) 2002 c. 16. Section 17(1) is an interpretation provision and is cited for the meaning of the word "prescribed" and "regulations".
(**5**) 2007 c. 5. Section 24(1) is an interpretation provision and is cited because of the meaning given to the words "prescribed" and "regulations".
(**6**) 2012 c. 5.
(**7**) Section 176(1) was amended by paragraph 23 of Schedule 9 to the Local Government Finance Act 1992 (c. 14), paragraph 3(4) of Schedule 13 to the Housing Act 1996 (c. 52) and section 69(6) of the Child Support, Pensions and Social Security Act 2000 (c. 19).

Citation, commencement and application

1.—(1) These Regulations may be cited as the Universal Credit and Miscellaneous Amendments Regulations 2015 and come into force at the end of the period of 21 days beginning with the day on which they are laid, except as provided by paragraph (2).

(2) Regulation 6 comes into force on 11th April 2016.

(3) Where any amendment made by these Regulations applies in respect of an existing award of universal credit, that amendment has effect for the purposes of that award—

(a) on the date on which that amendment comes into force, if there is an assessment period for the award that begins on that day; or

(b) if sub-paragraph (a) does not apply, on the first day of the next assessment period for the award beginning after that day.

(4) In this regulation—

"assessment period" has the meaning given by section 7(2) of the Welfare Reform Act 2012; and

"existing award of universal credit" means an award of universal credit that exists on the date on which the relevant amendment comes into force.

PART 1

UNIVERSAL CREDIT MISCELLANEOUS AMENDMENTS

Conversion of weekly earnings thresholds to monthly equivalents

2.—(1) The Universal Credit Regulations 2013(**8**) are amended as follows.

(2) In regulation 2 (interpretation), delete the definition of "weekly earnings" and insert in the appropriate place—

""monthly earnings" has the meaning in regulation 90(6);".

(3) In regulations 19A(4) (waiting days) and 28(2)(a) (period for which the LCW or LCWRA element is not to be included), for "weekly" substitute "monthly".

(4) In regulation 41 (when an assessment may be carried out)—

(a) in paragraph (2), for "weekly" substitute "monthly"; and

(b) in paragraph (3), at the end insert ", converted to a monthly amount by multiplying by 52 and dividing by 12".

(5) In regulation 62(4) (minimum income floor)—

(a) delete "monthly"; and

(b) delete sub-paragraph (a).

(6) In regulation 90 (claimants subject to no work-related requirements – the earnings thresholds)—

(a) in paragraph (1), for "weekly" substitute "monthly";

(b) in paragraph (2), at the end insert as closing words ", converted to a monthly amount by multiplying by 52 and dividing by 12";

(c) in paragraph (3)—

(**8**) S.I. 2013/376; relevant amending instruments are S.I. 2014/2888 and 2015/1362.

(i) for "weekly" substitute "monthly"; and

(ii) in sub-paragraph (b)(ii), at the end insert ", converted to a monthly amount by multiplying by 52 and dividing by 12";

(d) in paragraph (4)—

(i) for "weekly" substitute "monthly"; and

(ii) at the end, insert ", converted to a monthly amount by multiplying by 52 and dividing by 12"; and

(e) in paragraph (6)—

(i) for "A person's weekly earnings are the person's earned income taken as a weekly average by reference to", substitute "A person's monthly earnings are";

(ii) in sub-paragraph (a), for "the amount of that" substitute "the person's";

(iii) in sub-paragraph (b), after "that income" insert ", calculated or estimated before any deduction for income tax, national insurance contributions or relievable pension contributions, taken as a monthly average";

(iv) in sub-paragraph (b)(ii), for "weekly" substitute "monthly"; and

(v) at the end, insert as closing words—

"and the Secretary of State may, in order to enable monthly earnings to be determined more accurately, disregard earned income received in respect of an employment which has ceased".

(7) For regulation 99(6) (circumstances in which requirements must not be imposed) substitute—

"(6) This paragraph applies where the claimant has monthly earnings or, if the claimant is a member of a couple, the couple has combined monthly earnings (excluding in either case any that are not employed earnings) that are equal to, or more than, the following amount multiplied by 52 and divided by 12—

(a) in the case of a single claimant, £5 plus the applicable amount of the personal allowance in a jobseeker's allowance for a single person aged 25 or over (as set out in Part 1 of Schedule 1 to the Jobseeker's Allowance Regulations 1996); or

(b) in the case of claimant who is a member of a couple, £10 plus the applicable amount of the personal allowance in a jobseeker's allowance for a couple where both members are aged 18 or over (as set out in that Part).".

(8) In regulation 109 (when a reduction is to be terminated)—

(a) in paragraph (1)(a), for "26 weeks" substitute "six months";

(b) in paragraph (1)(b), for "weekly" substitute "monthly"; and

(c) in paragraph (3), for "weekly" substitute "monthly" and delete "any week falling within".

(9) In regulation 113(1)(g) (failures for which no reduction is applied)—

(a) for "weekly", in both places it occurs, substitute "monthly"; and

(b) for "the level which the Secretary of State considers sufficient for the purposes of" substitute "the amount specified in".

(10) In regulation 119(3) (recoverability of hardship payments)—

(a) for "weekly", in both places it occurs, substitute "monthly"; and

(b) for "26 weeks" substitute "six months".

3.—(1) The Universal Credit (Work-Related Requirements) In Work Pilot Scheme and Amendment Regulations 2015(**9**) are amended as follows.

(2) In regulation 2 (interpretation), delete the definition of "weekly earnings" and insert in the appropriate place—

""monthly earnings" has the meaning in regulation 90(6) of the Universal Credit Regulations (earnings thresholds);".

(3) In regulations 4(2) and (5) (provision made for piloting purposes) and 7(b) (meaning of "qualifying claimant"), for "weekly", in each place it occurs, substitute "monthly".

Rounding of earnings thresholds

4. In regulation 6 (rounding) of the Universal Credit Regulations 2013, after paragraph (1) insert —

"(1A) Where the calculation of an amount for the purposes of the following regulations results in a fraction of a pound, that fraction is to be disregarded—

(a) regulation 90 (claimants subject to no work-related requirements – the earnings thresholds); and

(b) regulation 99(6) (circumstances in which requirements must not be imposed).".

Waiting days – amendment of exemption for care leavers

5. In regulation 19A(3)(b)(iii) of the Universal Credit Regulations 2013(**10**), at the end insert "or a person under the age of 22 who is claiming universal credit for the first time and was a care leaver before reaching the age of 18".

Amendment of the amount of childcare costs element

6.—(1) The Universal Credit Regulations 2013 are amended as follows.

(2) In regulation 34(1)(a) (amount of childcare costs element)(**11**), as it has effect both as amended by and apart from the amendment made by regulation 2(3) of the Universal Credit (Digital Service) Amendment Regulations 2014(**12**), for "70%" substitute "85%".

(3) In regulation 36 (table showing amounts of elements), in the table—

(a) in the row under "Childcare costs element" showing the maximum amount for one child, for "£532.29" substitute "£646.35"; and

(b) in the row under "Childcare costs element" showing the maximum amount for two or more children, for "£912.50" substitute "£1,108.04".

Amendment of the earnings condition for budgeting advances

7. For regulation 13 (earnings condition for budgeting advances) of the Social Security (Payments on Account of Benefit) Regulations 2013(**13**) substitute—

(**9**) S.I. 2015/89.
(**10**) Regulation 19A was inserted by regulation 2(1)(a) of S.I. 2015/1362.
(**11**) Regulation 34(1) was amended by S.I. 2014/2887, subject to a saving provision which ensured that the amendment only applied to awards of universal credit administered on the DWP digital service system. The original version of Regulation 34(1) continued to apply to all other awards of universal credit.
(**12**) S.I. 2014/2887.
(**13**) S.I. 2013/383. Regulation 13 was amended by S.I. 2013/1508.

"**Earnings condition**

13.—(1) The earnings condition is satisfied—

(a) in a case where regulation 12(2) (expenses necessarily related to obtaining or retaining employment) does not apply, where paragraph (2) is satisfied;

(b) in a case where regulation 12(2) does apply, where paragraph (4) is satisfied.

(2) This paragraph is satisfied where—

(a) if B is not a member of a couple, B does not have earned income exceeding £2,600, or

(b) if B is a member of a couple, B and their partner jointly do not have earned income exceeding £3,600,

over the relevant period.

(3) In paragraph (2), "the relevant period" means the period covered by the six complete assessment periods preceding the date of the application for the budgeting advance.

(4) This paragraph is satisfied where—

(a) if B is not a member of a couple, B does not have earned income, or

(b) if B is a member of a couple, B and their partner jointly do not have earned income,

exceeding the permitted amount over the applicable period.

(5) In paragraph (4), "the permitted amount over the applicable period" is to be determined by the formula—

$$N \times \left(\frac{P}{6} \right)$$

where—

N is the number of complete assessment periods in the applicable period, and

P is—

(i) where sub-paragraph (4)(a) applies, £2,600;

(ii) where sub-paragraph (4)(b) applies, £3,600.

(6) For the purposes of paragraphs (4) and (5), "the applicable period" means—

(a) if there are six or more complete assessment periods immediately preceding the date of the application for the budgeting advance, the period covered by the six complete assessment periods immediately preceding the date of the application for the budgeting advance;

(b) if there are fewer than six complete assessment periods immediately preceding the date of the application for the budgeting advance, the number of complete assessment periods immediately preceding the date of the application for the budgeting advance.

(7) Earned income for each complete assessment period is to be calculated for the purposes of this regulation in accordance with Chapter 2 of Part 6 of the Universal Credit Regulations save that in relation to the earned income of a person who is in gainful self-employment for the purpose of regulation 64 of these Regulations, regulation 62 of those Regulations (minimum income floor) is to be disregarded.

(8) In this regulation, "assessment period" has the meaning given in regulation 21 of the Universal Credit Regulations.".