

## Coronavirus benefits and payments

In March and April 2020, the government introduced multiple changes benefits and financial support in response to COVID-19. Many measures were intended to be temporary. With England's second lockdown beginning in November 2020, some measures have been extended and further changes are likely. At the time of writing, the main recent changes include:

- The introduction of the £500 **test and trace support payment** for low-income workers on a reduced income due to self isolation (see page 2)
- The extension until March 2021 of the **Job Retention Scheme** to pay wages of workers who are furloughed or on reduced hours. Employees will continue to receive 80 per cent of their monthly wages up to £2,500.

To be eligible for the scheme, employees must have been on the employer's payroll by 30 October 2020 (ie, a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30 October). Employees can be on any type of contract, including temporary, part time or zero hours contracts.

The Job Support Scheme and Job Retention Bonus, which were due to start on 1 November 2020, have been postponed.

- Support through the **Self-Employment Income Support Scheme (SEISS)** will be increased, with the third grant covering November 2020 to January 2021 calculated at 80 per cent of average trading profits, up to a maximum of £7,500. Applications will be open from 30 November for self-employed people who are eligible and have been affected by coronavirus. Further details are available at [gov.uk](https://www.gov.uk)
- The **minimum income floor** in universal credit (where self-employed claimants are assumed to have a certain level of income) will not be reintroduced in November 2020 as planned, but will remain suspended at least until the end of April 2021.



### Test and trace support payments



### ESA appeal changes



### Healthy start scheme



### Benefit arrears capital rules

- From 28 October 2020, people in England who have been advised to **shield** can claim statutory sick pay or employment and support allowance on that basis, if unable to work from home and otherwise eligible. This applies to people who have received a letter from their doctor or health authority because they are in an area with restrictions that include advice to shield; and they need to shield because they are clinically extremely vulnerable and are at very high risk from coronavirus.

More changes are expected; check [www.hertfordshire.gov.uk/benefits](http://www.hertfordshire.gov.uk/benefits) for updates.

## Test and Trace support payments

Since 28 September 2020, people are required by law to self-isolate if they test positive or are contacted by Test and Trace. To ensure that people on lower incomes can self-isolate without worry about their finances, people in receipt of benefits are eligible for a new Test and Trace Support payment of £500.



To be eligible for a payment, claimants must:

1. have been asked to self-isolate by NHS Test and Trace either because they've tested positive for coronavirus or have recently been in close contact with someone who has tested positive, and
2. be employed or self-employed, and
3. be unable to work from home and will lose income as a result, and
4. be aged 16 or over, and
5. be currently receiving universal credit, working tax credit, income-based employment and support allowance, income-based jobseeker's allowance, income support, housing benefit and/or pension credit.

People who meet the first four conditions listed above, but are not in receipt of a qualifying benefit, may be entitled to a **discretionary** payment if they can show that they have a low income and will face financial hardship as a result of not being able to work while are self-isolating.

If the self-isolation period has ended, awards can still be made if the applicant satisfies the eligibility conditions and applies within two weeks of it ending.

The Test and Trace support payment is made on top of any benefit payments or statutory sick pay the claimant may be entitled to.

For more information and details of how to apply, claimants should check their local authority's website or phone the local authority.

## COVID compensation could end benefit entitlement

The DWP has confirmed that the £60,000 compensation payment awarded to families of NHS and social care workers who have died after contracting coronavirus in the course of their duties will **not** be disregarded when calculating entitlement to means-tested benefits.

## Mandatory reconsideration changes to ESA

Employment and support allowance (ESA) claimants who have been found fit for work following a work capability assessment can now appeal to a first-tier tribunal straight away, without having to ask the DWP to reconsider the decision first. This change has happened due to a High Court judgement [Michael Connor v Secretary of State for Work and Pensions](#).

When a person makes a claim for employment and support allowance (ESA), that claim is decided by the Department for Work and Pensions (DWP). If the claim is refused, the claimant has a right of appeal to the first-tier tribunal. However, until recently, the right of appeal did not arise until the DWP had had the chance to decide whether to revise the decision to refuse the claim for ESA (mandatory reconsideration).

Mr. Connor's case focused on two matters: firstly, that access to the first-tier tribunal may be delayed for an indefinite period because there is no prescribed period within which the DWP must deal with an application to revise the decision; and secondly, that for the period it takes for the mandatory reconsideration decision to be made, however long that is, payment of ESA ceases.

After the claimant has gone through the mandatory reconsideration stage an appeal can be lodged with the first-tier tribunal and ESA becomes payable again under payment pending appeal arrangements. The High Court were not satisfied there was a justification for not extending paying pending appeal during mandatory reconsideration stage. It also found that the mandatory reconsideration caused a disproportionate interference with the right of access to court.

As a result of the High Court findings, on 10 September 2020 the DWP announced that a mandatory reconsideration is no longer required prior to appeal, where the claimant has been found fit for work following a work capability assessment. Please note this change does not apply to ESA disallowance decisions due to failure to return a questionnaire or failure to attend a work capability assessment. Claimants must also continue to provide medical certificates in order to qualify for payment during this time.

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## Benefits calculator

Claimants and professionals can now access a benefits calculator via the Hertfordshire County Council website at [www.hertfordshire.gov.uk/benefits](http://www.hertfordshire.gov.uk/benefits).

The benefits calculator, which is supplied by Policy in Practice, enables people to:

- Find out which welfare benefits they could receive
- Know how their income will change with universal credit
- Compare their income under the legacy system and universal credit
- See how much income will be left after paying housing costs
- Access links to apply for benefits



## Universal credit transitional payments

Since 8 October 2020, the transitional severe disability premium amount paid to some universal credit (UC) claimants who transferred to UC prior to 16 January 2019 is now included in their main UC payment. This means that, instead of receiving two payments to their bank account each month, they will receive just one. Their UC statement will show what has been paid, and the extra payment is now shown as 'transitional protection' on UC statements.

Over time, if a person's UC entitlement increases then the amount of transitional protection they receive will go down. However, as long as the UC award does not decrease, the overall level of payment will remain the same.

Those affected should have received a phone call and letter from the DWP, to explain what is happening. They do not need to take any action.

## Abolition of SDP gateway

From 16 January 2019 until 26 January 2021, claimants who receive a legacy benefit which includes a severe disability premium (SDP) cannot apply for universal credit. Instead, they can make new application for legacy benefits and tax credits. (Legacy benefits include income-related employment and support allowance (ESA), income support, income-based jobseeker's allowance and housing benefit (HB)).

From 27 January 2021, the DWP intends to **abolish** the SDP gateway, and that route to making a new claim for a legacy benefit or tax credits will no longer be available. Claimants who receive SDP will be eligible for UC in the same way as other claimants.

**Example:** Rajinder receives income-related ESA, including SDP, and HB. He is planning to move to a rented flat in a different local authority area. Under the SDP gateway rules that apply until 26 January 2021, he can apply for HB for his new home. However, if he moves to a different local authority on or after 27 January 2021, he won't be able to make a new claim for HB. He will need to apply for UC instead (meaning that his income-related ESA will stop, and he may be significantly worse off).

Claimants who get SDP could find it worthwhile getting advice to make sure they are claiming the correct benefits before the rules change, especially if they anticipate having a change of circumstances that could trigger a need to make a new benefit claim.

However, like many of the 'temporary' benefit rules introduced recently, it is possible that the SDP gateway could remain in place after 27 January so please check with the MAU webpages or advice line for the latest information.

## Universal credit deductions

A new page on [gov.uk](https://www.gov.uk) will help claimants to find out more about debts and deductions taken from their UC payments. Claimants may have deductions from their UC to recover benefit advances or overpayments, budgeting and crisis loan repayment, recoverable hardship payments, or third party deductions if they owe money for things like rent, council tax, electricity, gas or water.

The page linked above includes a tool that will help claimants find out who to contact if they have a query about money taken off their UC payment. Claimants should seek advice if a deduction is causing financial hardship.

## Going back to work from universal credit?

Claimants who are returning to work after a period on universal credit (UC) have been advised to tell the DWP that they are now working, but should not cancel their claims. If they just cancel, they risk missing out on their final payment.

**Example:** Steve's UC assessment period runs from 5 October to 4 November and he's due to be paid UC on 11 November. He gets a new job and starts work on 20 October, but won't actually get paid any wages until 30 November.

If he contacts the DWP and cancels his UC claim on 20 October (instead of just telling the DWP that he is now working), he won't get any UC for **any** of the period from 5 October to 4 November. The DWP doesn't make part-month payments for UC.

As he has no earnings in that period up to 4 November, he will still be entitled to his usual UC, paid to him on 11 November. It isn't until he's been paid by his employer on 30 November that his universal credit for 5 November to 4 December will be reduced or stopped.

## Cold weather payments



The cold weather payment scheme is available from 1 November 2020 until 31 March 2021. It provides people on certain means-tested benefits £25 for each seven-day period of very cold weather, and is paid automatically.

Claimants can visit [gov.uk](http://gov.uk) to see details of qualifying benefits and circumstances, and can [check if their postcode has been triggered for a payment](#).

## UC rule change for employees paid monthly

Universal credit (UC) claimants who are paid monthly by their employer, and occasionally receive two payments from their employer in one month, will benefit from a change in the rules.

DWP staff can now reallocate a second monthly payment from a customer's employer into a different assessment period. This means that if, for example, people are paid early by their employer due to their regular monthly pay date falling on a weekend or bank holiday they won't have two wages allocated to one assessment period. The new rules apply from 16 November 2020.

Affected claimants should check their monthly UC payments and ask the DWP to reallocate earnings if appropriate. Seek advice if necessary.

See The Universal Credit (Earned Income) Amendment Regulations 2020 (SI.No.1138/2020) at [www.legislation.gov.uk/ukxi/2020/1138/made](http://www.legislation.gov.uk/ukxi/2020/1138/made), and also see <https://cpaq.org.uk/welfare-rights/legal-test-cases/universal-credit-assessment-period-inflexibility> for more information and links to template letters for requesting a reconsideration.

## Pension age changes

In October 2020, state pension age for both men and women increased to 66. For more information see the [Pensions Act 2011](#)

You can go to [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension) to check the date when an individual will reach state pension age.

## Making a contribution: late NI payments and ESA



The Money Advice Unit assisted a terminally ill self-employed client to apply for new style employment and support allowance (NSESA) under the special rules in April 2020, with the maximum three months' backdate requested. The claim was refused on grounds of insufficient NI contributions. The client was too ill to be able to engage due to undergoing cancer treatment, but eventually in July found out from HMRC that she had minimal gaps in her Class 2 NI record and she immediately paid this. DWP changed their NSESA decision, but her first payment would not be paid until the end of August as there is a standard six-week penalty imposed from the date missing NI payments are paid up. This meant that our client would miss out on nearly seven months of payments, ultimately penalising her for being too ill to manage her claim.

Initially it appeared that this decision could not be challenged, as DWP tends to apply the penalty as standard, but with the assistance of the judicial review project at the Child Poverty Action Group (CPAG) an argument was made for a discretionary review of the claim using these really useful regulations:

Under Reg 6 SS(CTCNIN) Regs (and analogously Reg 65 Social Security (Contributions) Regulations 2001) the DWP has discretion to treat a late payment of Class 2 NI contributions as paid at an earlier date where the person did not pay it previously due to **“ignorance or error”** and it is **“appropriate in the circumstances”**. Indeed, the DWP's own guidance 'ADM U1 - ESA conditions of entitlement', para U1041 states *“[I]f there is an existing decision, the DM may need to consider revising or superseding it. A change of circumstances will occur on the date it is accepted that late contributions are treated as having been paid”*

We submitted an argument that it was unlawful for DWP to operate a 'blanket policy' when discretion is available as it was clearly an error by the client, rectified at the first opportunity and appropriate in the circumstances to treat the late payment as 'paid when due' enabling a full back payment. Medical evidence was submitted to support the client receiving treatment through the period in question.

The DWP used their discretion and revised their decision, but only removed the six-week penalty and treated the claim as payable from the date the NI arrears were paid up. Not satisfied with this, as there were still six months of payments missing, a further argument was made that late NI payments can be treated as 'paid when due' meaning there is no gap in the NI records and the claim should be fully backdated. This time the DWP agreed and paid full arrears from the start of the initial claim.

Whenever it appears that a decision cannot be challenged, do not give up. CPAG's judicial review project has template letters available for situations where a public body needs challenging, or they will very kindly help with drafting one you need. Please see <https://cpag.org.uk/welfare-rights/judicial-review>

## Over five thousand Hertfordshire families are missing out on £100's of food and milk vouchers



Please pass this message on to any family or pregnant woman that you work with. According to the latest NHS figures, there are 8,700 Hertfordshire families who should be getting Healthy Start Vouchers and fewer than 3,400 are. And claiming couldn't be easier!

*Are you pregnant or have a child under four? Did you know you could be missing out on free fruit and vegetables or milk?*

*If you are at least 10 weeks pregnant or have a child under four years old, you could be entitled to Healthy Start Vouchers worth £3.10 per child per week, to spend on milk, plain fresh and frozen fruit and vegetables, and/or instant formula milk. You can also use them to buy pulses and canned fruit and vegetable as long as they have no fat, salt, sugar or other flavouring added. The vouchers can be redeemed at local retailers.*

*If you are entitled to Healthy Start Vouchers you will also get free vitamins designed to help pregnant and breastfeeding women and growing children.*

*Pregnant women and every child over one and under four years old can get one voucher every week. Children under one year old can get £6.20 per week.*

To be eligible you should be in receipt of certain means-tested benefits. Check your eligibility at [www.gov.uk/healthy-start/eligibility](http://www.gov.uk/healthy-start/eligibility)

For example, a parent with a new baby and a three-year-old could get vouchers worth almost £500 a year.

You can still receive the vouchers if you live with your partner and they receive one of these benefits, or if you are the dependent child of someone who receives them. If you are pregnant and under 18 you do not have to be in receipt of any benefits to qualify.

Take-up of the vouchers is very low, around 40 percent, so check you are entitled as soon as possible to prevent missing out. You can pick up an application leaflet at your GP surgery or baby clinic. Alternatively you can phone for a form on 0345 607 6823 or download and print one from [www.healthystart.nhs.uk](http://www.healthystart.nhs.uk)

Due to COVID19 restrictions, the form does not need to be signed by a health professional.



## Food poverty

This has certainly been in the headlines recently, and Hertfordshire County Council, including the Money Advice Unit, is committed to playing its part in making sure children don't go hungry.

It is vitally important that eligible children get free school meals during term-time. As getting universal credit or other low-income benefits is one of the key ways to be eligible, the MAU has now got three major additions to its web-pages at [www.hertfordshire.gov.uk/benefits](http://www.hertfordshire.gov.uk/benefits)

- A free and simple-to-use benefit and budgeting calculator, supplied by Policy in Practice.
- A short 30 - 40 minute self-teaching guide to universal credit
- A link to the Healthy Start voucher scheme, to get free milk, fruit, vegetables and vitamins for pre-school children

More information about school meals themselves, and to apply for free school meals , visit [www.hertfordshire.gov.uk/freeschoolmeals](http://www.hertfordshire.gov.uk/freeschoolmeals)

## Claimants told that they must attend telephone assessments

When telephone health assessments were introduced for employment and support allowance (ESA) and universal credit (UC) earlier this year, the DWP agreed that they wouldn't take action if a claimant did not take part. Since 2 November 2020 however, the appointment letters will make it clear that claimants **must** attend their telephone appointment, unless they have good reason. That could mean benefit being stopped (ESA) or reduced (UC).

As part of the DWP's safeguarding policy, no one should have their support stopped without being contacted first. People should be contacted to ask them to explain why they did not, or could not attend or participate in the assessment and where good cause is provided and accepted, support should continue. But please let the MAU know if that isn't the case.

## Child trust funds

Child trust funds are tax-free savings products for children born between 1 September 2002 and 2 January 2011. Children born during that period were given two £250 vouchers (or £500 for families on low incomes) by the government, to invest for the future. Relatives and friends can make payments to top up a child trust fund.

The first beneficiaries of the scheme have now turned 18, meaning they can now access their funds. Some young people will not know there are accounts in their name so HMRC has created a simple online tool to help young people find out where their account is held. See [www.gov.uk/child-trust-funds](http://www.gov.uk/child-trust-funds)



From a young person's 18th birthday onwards, their child trust fund will count as capital if applying for means tested benefits.

## Case study – using evidence from one benefit claim to assist with another

It is quite common for claimants to be refused personal independence payment (PIP) despite receiving employment and support allowance (ESA), or vice versa. If the claimant is challenging the refusal of one benefit, they may be able to use letters or assessment reports from their claim for another benefit as evidence.

### Example:

The Money Advice Unit assisted a claimant who had lost her award of PIP after asking for it to be increased. She has significant difficulty with walking due to a leg injury, but did not score any points for mobility in her PIP assessment in February 2020 as the DWP decided that she is able to walk 200 metres reliably. A reconsideration was unsuccessful, despite submitting medical evidence. The MAU adviser then submitted an appeal.

This claimant receives ESA, and had been placed in the ESA support group following a work capability assessment (WCA) in 2019. The MAU adviser asked the DWP for a copy of the health professional's report from the 2019 WCA, in the hope that this would contain evidence helpful for the PIP appeal.

It did! The physiotherapist who conducted the assessment wrote that the claimant has leg weakness and fatigue, walked slowly with a limping gait and was unstable. They concluded "severe disability seems likely in the area of mobilizing". The report also mentioned problems with budgeting and other daily activities.

The MAU adviser submitted the WCA report in support of the PIP appeal, and shortly afterwards the DWP awarded enhanced rates of PIP for both mobility and daily living, without the need to attend an appeal tribunal.

Claimants are entitled to request copies of health professionals' reports from work capability assessments (used for ESA and universal credit), and PIP assessments. Contact the DWP office dealing with the relevant benefit. In practice, you may need to chase up your request several times before the DWP actually sends out the report.

As the DWP is fond of pointing out, ESA and PIP have different criteria. A claimant who meets the criteria for limited capability for work under ESA or UC won't always meet the criteria for PIP, and vice versa. But there are similarities in the criteria, for example both assessments look at ability to cope with social engagement and ability to get around safely outdoors and navigate to unfamiliar places. A claimant who has difficulty with learning tasks, or initiating and completing personal actions (which are considered in the WCA) is likely to also have difficulty with preparing cooked meals and budgeting (which are covered in the PIP assessment).

Since March 2020, assessments have been conducted over the phone rather than face-to-face. It is arguable that a report from a face-to-face assessment should be given more weight than a report from a telephone assessment, as the assessor will have seen the claimant and been able to examine them and observe their movements and body language.

## Helping people with brain injuries claim benefits



Over the last 14 months, Headway Hertfordshire and the Money Advice Unit have been working together to help Headway Hertfordshire clients get personalised advice about benefits.

Since starting in September 2019, 40 people with brain injury have been advised and a total of nearly £178,000 has been put into the pockets of Headway Hertfordshire clients. This includes weekly benefit gains of over £3,000 and lump sum gains of nearly £20,000.

John Archer, Headway Hertfordshire CEO, said, “we have been delighted with the results of this collaboration and thrilled that our clients are getting the money that they are entitled to. This income will make a dramatic difference to our patients and help them live the best life they can.”

Gemima\* is one of the Headway Hertfordshire clients who has been helped by the project. She is single and living with her parents, having received a brain injury through an accident at work. The Money Advice Unit adviser assisted her with a personal independence payment claim and she was awarded enhanced rates (although this was only awarded after appeal which the MAU also helped her with). Gemima is unable to work so she was also awarded employment and support allowance; the MAU challenged the DWP’s decision that Gemima was capable of work related activity, also winning a reversal of this decision. In addition, the MAU helped Gemima claim universal credit to top up her employment and support allowance, which was backdated to the date of the DWP error. All this means that Gemima is now better off by over £300 per week, money that she desperately needs to maintain her independence.

Gemima said, “I am so grateful to the Money Advice Unit for helping me to claim the right benefits. I couldn’t have done it without them. My family and I now don’t have to worry so much about money – thank you!”

\*Gemima is not a real name to protect the client’s identity.

Any client from Headway Hertfordshire who is eligible for this service will be referred by one of the expert team. Headway Hertfordshire supports those with an acquired brain injury, their carers and close family. We aim to reduce social isolation, improve health and wellbeing and give carers a break. For more information contact Headway Hertfordshire on [enquiries@headway-herts.org.uk](mailto:enquiries@headway-herts.org.uk) or 0300 330 1455.

## Review of terminal illness rules

The DWP has confirmed that they will change the rules defining ‘terminal illness’ for benefits purposes after completing a review of the special rules for terminally ill claimants. The current definition of terminal illness that requires that the person's death be 'reasonably expected within six months'. The new rules have not yet been announced, but are expected to be more flexible. Under the special rules, terminally ill claimants can have claims fast tracked and, in some cases, qualify for a higher rate of benefit than they would have received otherwise.



## Query from the MAU advice line

Every working day, the Money Advice Unit answers benefits queries from statutory and voluntary organisations on our advice line on 01438 843444 (9.30 am - 12.30 pm) or by email at [moneyadvice.unit@hertfordshire.gov.uk](mailto:moneyadvice.unit@hertfordshire.gov.uk) This advice line is for professionals only.



### Question

My service user receives income-related employment and support allowance (IRESA) and housing benefit (HB). He applied for personal independence payment (PIP) over a year ago. His PIP application was initially refused, but after a mandatory reconsideration and appeal he has finally been awarded enhanced rates of PIP. He was delighted to receive a lump sum payment of nearly £10,000 for the PIP arrears from the start of his claim. However, he already had £8,000 savings and I'm worried that his IRESA and HB will be stopped because he now has over £16,000 capital.

### Answer

There's no need to worry. Arrears of PIP are ignored for 52 weeks after a claimant receives them, and will not count as capital. So, the service user will continue receiving IRESA based on the amount of capital he would have if he hadn't received the PIP arrears. His HB will not be affected either. (The same 52-week disregard applies to arrears of attendance allowance and means-tested benefits such as IRESA, HB, tax credits or universal credits, and certain other benefits).

If a claimant receives arrears which are paid to compensate for an official error or error of law, they can sometimes be ignored for a longer period.

His IRESA may increase as a result of the PIP award. Claimants who receive the enhanced rate of PIP daily living component qualify for an enhanced disability premium as part of IRESA (although he may have had an enhanced disability premium already in place, if he has previously been assessed as having limited capability for work related activity). Claimants who receive either rate of PIP daily living component can qualify for a severe disability premium as part of IRESA if they live alone, or can be treated as living alone, and nobody is being paid carer's allowance or the carer element of universal credit for looking after them.



Your service user may qualify for arrears of those premiums, going back to the start of his PIP award, which could potentially add up to an additional £5,000. Those arrears would also be disregarded as capital under the 52-week rule.

Up-to-date versions of MAU's benefit factsheets are available at [www.hertfordshire.gov.uk/benefits](http://www.hertfordshire.gov.uk/benefits)