Part 12 PM Check - State Pension Credit

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Introduction

12000 The following paragraphs explain the specific processes that are followed by the indoor officers - both the MRO who performs the official error check, and the Business Support Team (BST) for the SPC sample.

12001 Whether the outcome of the check after categorisation will result in a PM fraud/claimant error or official error being raised is covered in Part 17 Categorisation.

12002 - 12009

Handoff between MROs

12010 On completion of the technical preview, review and recommended categorisation the MRO who conducted the visit will be responsible for arranging the hand-off of all cases to the MRO who performs the official error check.

*Note: this will include cases where the MRO conducting the visit has completed FRED Ala the PCP to obtain further information.*

12011 Cases that were suitable for the sample at the technical preview stage but were subsequently abandoned from the sample will also form part of the hand-off.

12012 The nature of the hand-off is dependent on your location at the time. The hand-off will be:

- face to face where the MRO conducting the visit and yourself are at the same location
- via courier where you are performing the official error check remotely

12013 You will assume responsibility for completing all entries on FRED A

12014 On receipt of the case you will carry out the:

- 100% evidence check
- 100% preview check
- check on the selected period

12015 - 12019
Control of sample

12020 Following the hand off from the MRO who has conducted the visit, you will have the overall responsibility for controlling the sample. You will retain responsibility for the follow up of incomplete cases with the PCP; follow up on a weekly basis the progress of incomplete cases with the PCP etc.

12021 - 12049

State Pension Credit (SPC) checking methodology

Introduction

12050 The check will be performed on a post payment basis.

12051 The check is a full case check but restricted, in the case of SPC to a pre-specified week.

12052 You will conduct a check on all cases that form part of the sample.

12053 - 12059

The Official error check

12060 On examination of the case you should:

- establish any inconsistencies or errors in the claim/application which may indicate fraud or under/overpayments
- establish whether the case needs to be excluded from any further PM action
- establish whether the claimant has reported a change of circumstance which has not been actioned and has resulted in an over/underpayment.

Award value where SPC is combined with another DWP benefit

12061 The award value to be recorded on FREDA, in cases where SPC is combined with other DWP benefits, is the actual amount of SPC in payment, (i.e. after deduction of the other benefit).

Award value for deduction cases
12062 The award value to be recorded on FREDA in a case where deductions (3rd party deductions, MID, OP, SF, CSM) have been applied; it is the gross SPC figure before deductions.

*Note: You will also record the adjusted award value, i.e. the amount in payment after deductions, in the appropriate field on FREDA*

12063 - 12079

**Evidence**

**Selected Period Check Principles**

12080 When conducting the selected week check, PM will only have regard to the following:

- all information/evidence received on or prior to the date the payment for the selected week was released
- all office activity that occurred on or prior to the date the payment for the selected week was released

12081 You will not have regard to any information or office activity after the date the payment for the selected week was released

*Note: for detailed scenarios see [Part 17 Categorisation]*

12082 - 12089

**Available evidence**

12090 As part of the examination of a case, you will check:

- all existing evidence that is available and which impacts on the award in respect of the selected period.
- Where the available evidence is insufficient to determine the correctness of the award, you will leave the check as incomplete.
- PM can request that the office obtain a record print, which should arrive the following day, retrievable information for up to 5 years is obtainable.

12091 Record prints are requested via dialogue IS560: the user selects the type of print they require, the record prints are produced overnight and sent to a secure printer at the owning office. You can find more information if you need it in the SSOG under dialogues/ IS560.
12092 The following evidence is required by PM:

- information relating to the current claim and held on any accessible computer system within the DWP for example, CIS, PCSC etc
- an examination of all benefit related systems dialogues to establish whether the case is live and SPC is in payment; the amount of the award; other income; other benefits in payment; the correctness of the case for official error purposes and claimant error/fraud information for review purposes
- information held on any accessible computer system relating to a previous claim/application (but not where the information has been archived)
- information via FRAIMS to check ongoing investigation by FES
- exceptionally, any archived information relating to a current or previous claim/application, which PM considers is instrumental to the check in progress. PM will state why such information has been requested
- all clerical papers relating to the current claim/application, including unactioned post/evidence
- scanned documents relating to current claim/applications and held on local systems, having reference to the date that the document was scanned
- any clerical papers relating to a previous claim/application and stored within the pension centre or stored remotely. PM expect these documents to be made available. PM will refer to these previous claim/application papers only where a query arises during the PM check, which may be resolved by reference to papers relating to a previous claim/application. PM will record the reason such reference was made e.g. "query on mortgage outstanding balance".
- Any information on the CAM system including the corresponding dates and times which relate to the Verint telephony system. This information will be provided by the PCP as there is a requirement for PCPs to print all documentation held on the CAM and relating to the current claim.
- Any information with regard to the claimants claim in the form of a telephone recording that is held on the Verint telephony system.

12093 - 12129

Types of evidence

12130 PM require all existing documentation relating to the selected period in order to complete their check. This includes:

- any statements made by the claimant
- documents provided by the claimant or a third party in support of the application
- MID and third party payments Sub-files
documents relating to a relevant change of circumstances, including unactioned post
• in some cases, Social Fund wallets
• AA/DLA/PIP/AFIP/CA cards (after 15.03.04 the above CA cards will only be required on clerical cases or if the interface system release is unsuccessful)

12131 Where a full case review has taken place prior to the date the payment for the selected period was released, you will check form PC2 and any subsequent documentation that substantiates the award for the selected week. You will always check for changes and discrepancies by comparing the information on the PC2 with:

• the original claim/application form
• any additional information such as forms A6 where additional evidence has been recorded and/or off-line DM decisions made

12132 Where the full case review has been conducted by telephone, you will check the transcript of that call or, if the call has not been traced, that the visiting MRO has obtained a statement of the circumstances at the appropriate review date’.

12133 - 12139

MRO completion of FREDA/database for incomplete evidence

12140 Any aspect of the check, which has not been cleared, will be shown clearly in the notes box screen of the database. The check will be left incomplete only in respect of the uncleared aspect(s).

12141 The case will be displayed on the PM database as incomplete, until the review is ended, regardless as to whether a payment error has been recorded.

12142 Even if the incomplete issue remains uncleared, the case will count as an error i.e. an actual payment error, rather than a deemed error

Completion of FREDA for case incomplete with PM

12143 Where PM has been unable to clear the check because the case has been submitted to AGA for advice, the aspect for which advice is awaited will be shown on FREDA. The case will be recorded as ‘incomplete with PM’.
12144 Such a case will not default to a deemed error, and will be excluded from any reports until such time as the check can be cleared.

Evidence Unclear/Insufficient

12145 Where you identify evidence/information/verification that the MRO conducting the visit has failed to obtain (either by failing to identify that the evidence/information/verification was required at the technical preview or by identifying the evidence/information/verification was required but failing to obtain it) then ideally it should be the MRO conducting the visit who contacts the claimant to request the evidence/information/verification required. If necessary a notified re-visit may be required.

Note: where a notified re-visit is required you will complete FREDA identifying the information/evidence/verification required. The team leader is responsible for arranging for a team member to conduct the notified re-visit as a matter of priority.

12146 Where you identify incomplete evidence/information/verification that the MRO conducting the visit would not have been able to obtain from the claimant, you will complete FREDA detailing the required evidence/information/verification and pass to the PCP to obtain within the deadline.

E-mail Evidence

12147 Where the original document/certified copy/signed photocopy is not available, PM may accept e-mail evidence provided that the relevant points are covered. E-mail evidence will be regarded as equivalent to a telephone call.

Scanned evidence

12148 Where the original document has been scanned, the scanned document will be regarded in the same way as original evidence as there is no paper based evidence due to the evidence being held on microfilms.

Evidence provided by claimant by telephone

12149 From 6.1.04 the Social Security (Change of Circumstances) Regulations 2003 amended regulation 32(1B) of the Claims and Payments Regulations.
This provides that notice of a change which affects whether entitlement to benefit or payment of benefit will continue can be given to an appropriate office:

- in writing; or
- by telephone, unless the Secretary of State requires written notice

12150 You may accept, as evidence, a form A6 recording a telephone call from a claimant. However in certain circumstances you will require documentary evidence as listed in the paragraphs below.

12151 Where the statement can be supported by documentary evidence (such as a change in part-time earnings or occ pen), you will expect the office to have obtained such evidence.

12152 For SPC, changes affecting these claimants must be submitted in writing. Therefore, you will check that the following changes have been made in writing:

- change of name
- change of payment destination (e.g. address)
- change of payment method
- change of post office
- other payee action
- death of a claimant/partner

12153 PM will accept other changes by telephone but where for example:

- the change in question is too extensive or complicated to be accurately recorded over the telephone;
- there are doubts about the accuracy of the statement
- depending on the nature of the change, further information/evidence may be required,

in such cases, you will require documentary evidence and expect the office to have obtained such evidence.

12154 In all cases where the claimant has reported a change by telephone, a form A6 record (or equivalent) must be completed and full details of the change recorded. You may consider requesting details of the telephone call from the PCP so that a transcript of the exchange can be obtained from BST where there is insufficient or unclear documentary evidence available.

12155 You will also to have regard to any reported changes recorded in ISCS dialogue I510
Evidence obtained by visiting officers

12156 Evidence obtained by visiting officers must be sufficient to enable PM to carry out their check.

12157 You will seek further evidence where:

• the claim/application/review form obtained by the visiting officer is incomplete
• information gathered by the visiting officer is unclear, inconsistent, or incomplete
• prescribed verification procedures have not been followed

Abandonment procedures

12158 For abandonment procedures see Part 5 Sampling & Abandonment.

New Claims/applications

12159 You will check that:

• the conditions of entitlement are met
• the claim/application form has been fully completed and evidence of identity has been verified (see Evidence of identity)
• the date of claim/application, and "date of entitlement" dates are correct; if the time limit has been extended, you will check that the decision has been recorded with reasons for allowing the extension (see Extending the time limit for applying)
• the claim/application form (if clerical) is signed, or that there is a written statement of the claimant’s circumstances approved by the person making the claim/application (see Signature on claim form)
• the correct SPC stats symbol has been used (you will tell the office of any which are incorrect)
• the correct AIP type code has been entered (you will tell the office of any which are incorrect)
• that if the application form is photocopied the signature is the original
• the application has been correctly paid in advance or arrears whichever is appropriate
• where appropriate, that the date of termination is correct
• that the claimant’s partner has agreed to him making the application
Note: where a claimant has converted from MIG to SPC, a national easement was introduced relating to verification of date of birth. You will accept these if in line with prescribed instructions. However, the easements are only applied to conversion cases.

12160 In all new claims, PM will check the following:

- **Claim/application forms**
  - to establish that all personal details are correct and that the details provided by the claimant are the same as those held on the computer system

- **CIS**
  - to establish whether other benefits are being paid to the claimant; partner, and, where relevant, any non-dependants

12161 Where appropriate, you will also check the following:

- **Common Enquiry Service Dialogues**
  - to establish if other benefits have been claimed or are in payment and to check in RPL for existence of a GMP, indicating possible entitlement to occupational pension

- **Carer's Allowance Unit**
  - to check for details of a claim to and payments of Carer's allowance (CA) including an increase for dependants, and to check for an underlying entitlement to, CA.

- **National Insurance Records System (NIRS)**
  - to check for possible entitlement to occupational pension/earnings

12162 - 12169

**SPC Conditions of Entitlement**

12170 You will check that the claimant satisfies the conditions of entitlement to receive SPC; this is covered in DMG chapter 77

**Evidence of identity**

12171 In accordance with Part 1 of the SS Administration Act 1992, which applies to all DWP benefits, a claimant is not entitled to benefit unless they, and anyone for whom they are applying (unless a child/young person, or, if the claim was made treated as made prior to 5.10.98, their partner) have
satisfied certain agreed criteria as regards identity the claimant/person for whom they are applying (unless exempt) must:

- provide an NINO, together with information/evidence to show that the NINO is theirs, or
- provide information/evidence to enable their NINO to be traced, or
- make an application for a NINO and provide enough information/evidence for one to be allocated to them (the application can be processed provided that a NINO application has been made)

**Extending the time limit for applying**

12172 If the time limit for applying has been extended, you will check that the request to extend the prescribed time was made before the claim was determined, and that the request was recorded on one of the following:

- the application form
- form DLPC 103
- form A6 (for request made by telephone)
- a letter from the claimant

You will check that the DM has recorded their decision, including their reasons for allowing the extension

**Signature on claim form**

12173 A valid claim is a condition of entitlement therefore, for the claim to be effective it must be made in the manner prescribed in regulations. If the SPC claim is not made in the way that regulations prescribe, you will treat any benefit to which the claimant is entitled as not payable and record an official payment error.

12174 Although a signature adds weight to the evidence on a claim form, in certain circumstances the lack of a signature on a claim form does not make the claim invalid, provided that:

- the claimant has stated elsewhere on the claim form their intention to claim
- the claim has been made in writing on an official claim form for the benefit being claimed
- the claim has been made in accordance with instructions on the form, unless certain reasons apply, for example the claimant has physical,
learning, mental or communication difficulties, the information or evidence does not exist
• the claim includes any information or evidence in connection with the claim as the claim form may require unless certain reasons apply (see above bullet point)

Note: a form that has been produced by the S of S with the claimant’s answers already entered on it and then referred to the claimant to be signed and return as a claim for benefit is an official claim form.

PM action

12175 You will raise a whole award official error where the application form has not been “approved” by the claimant as the application is invalid and erroneous in law.

SPC application

12176 For applications to SPC made on or after 6 October 2003, you will check that the application has been made on the prescribed form (PC 1). Where the application has not been made on the prescribed form,

12177 You will:

• leave the check as incomplete to allow the office to invite an application on an approved form. Although the DM may accept any other application form as an expression of intention to apply, the claimant will still have to complete a SPC application form in accordance with C & P Regs, reg 4(7)
• raise a whole award official payment error from the outset of the check if an application on an approved form cannot be obtained within the prescribed time limits

Note: once an application is accepted as valid, the DM must establish if all conditions of entitlement are satisfied.

Claims/applications by telephone

12178 The Social Security (Claims and Payments) Amendment Regulations 2006 which came into effect on 24.7.06 allow claims to SPC to be made by telephone without the need for a written statement of circumstances and for such claims to be amended by telephone.
12179 From 24.7.06 claims to SPC could be made entirely by telephone call to the Contact Centre telephone number specified by the Secretary of State. No claim form will be issued to the claimant and no signed declaration obtained. Note: the information given over the phone will constitute the claim.

12180 Therefore, it will no longer be necessary for claimants to provide a written statement of their circumstances unless the Secretary of State so directs or, unless during a telephone conversation the claimant states they wish to claim in writing.

12181 When a claim by telephone has been determined, a decision notice and statement of details will be sent to the claimant. The claimant will be asked to check the accuracy of the facts contained in the statement of details and notify the Department immediately if there are any inaccuracies, changes or omissions.

Note: claimants will also be reminded of their responsibility to notify relevant future changes in their circumstances.

12182 However, once made the claim is valid but will remain defective until the claimant has provided all the information necessary to determine the claim. If the claim is not defective or defective but corrected within the time allowed by the S of S the date of claim will be the date that details of the claimant’s circumstances were provided by telephone. However, in most cases the date of claim will be the date the intention to claim was notified.

12183 A call will only need to be listened to and a transcript made where the call relates to the latest review. Where this has been superseded by a clerical review it is not necessary to listen to the call.

12184 Where it is necessary for PM to listen to a SPC tele-claim, obtaining a transcription of the call will be the responsibility of the Business Support Team (BST)

12185 A full detail of this process is covered in Part 6 Preview.

12186 The transcript will become the audit trail for PM purposes, which will be used by all subsequent PM staff dealing with the case and retained within the PM docs. Where it is necessary to listen to a call and make a transcript, this must be done before attempting to perform the review element of the check.

12187 - 12189

Appropriate Amounts
Guarantee credit

12190 You will check that the correct standard minimum guarantee amount has been awarded, the appropriate qualifying conditions for additional amounts have been met; and that the correct amount for each group has been awarded. See DMG chapter 78.

12191 You will check that income, which falls to be deducted from the appropriate minimum guarantee, has been done so correctly, and is the net income if subjected to any disregards etc.

12192 Following a change of address, you will check that any existing extra amounts remain in payment unless the office has established that there are other relevant changes, for example:

- a claimant who is a disabled living alone, reports a change of address but reports no other changes. The extra amount for severely disabled is in payment. If you establish that the claimant is now living with children etc. and is not entitled to the additional amount, you will raise a procedural error if this affects the selected period as the overpayment of the additional amount will be classed as claimant error.

12193 - 12199

Treatment of other benefits

General

12200 You will:

- ensure the payday, amount and payment cycle (where appropriate) are recorded correctly. PM will wish to see documentary evidence to substantiate the amount taken into account e.g. details of State Pension

Note: a payment error arising from an incorrect rate of other benefit at uprating will be classed as official error (since uprating is not a change the claimant is required to declare).

- check that benefit paid annually has been attributed correctly
- check details on CIS to establish whether any other benefits are being paid to the claimant or partner
- use Common Enquiry Service, where appropriate, to verify details
- check that, where appropriate, correct recovery/abatement action has been taken
• check underlying entitlement to other benefits and its affect on the award of additional amounts; for example that the extra amount for carer responsibilities has been removed 8 weeks after underlying entitlement to CA ceases
• check that the affect on any extra amounts has been considered when payment of the other benefit ceases

SPC new application cases – receipt of other DWP benefits

12201 For applications made on form PC 1, the claimant is not required to declare receipt of other DWP benefits with the exception of the following:

- CA, where this is paid to anyone looking after the claimant or their partner
- benefits claimed but not yet decided on.

12202 Pension centre staff will be required to check if a claimant is in receipt of AA, DLA, PIP or AFIP

*Note: PM will raise an official payment error if these are missed and results in a failure to award an additional amount for severe disability.*

12203 You will check whether another DWP benefit is in payment for the selected week, and will confirm that the correct rate is taken into account in the assessment.

*Note: an error arising from the failure to take another DWP benefit into account on a new claim, apart from a benefit claimed but not decided on or CA where this is paid to anyone who is looking after the claimant and/or his or her partner will be classed as official error.*

12204 Where the error arises from the claimant's failure to declare receipt of a benefit claimed but not yet decided, or CA where this is paid to anyone who is looking after the claimant and/or their partner, but the information is already held by the business unit responsible for the payment of SPC, an official error will be raised.

12205 Where AA, DLA, PIP or AFIP ceases due to the claimant being in hospital for 4 weeks, or entering a care home, any additional amount payable for severe disability will cease as the qualifying benefit has been withdrawn.

Award or cessation of a DWP benefit

12206 A claimant must notify an award or cessation of another DWP benefit whether or not an AIP has been specified. Where an award or cessation of
another DWP benefit has not been notified and changes the amount of SPC in payment:

*Note: You will raise a procedural comment where this affects the selected period, as the error would be classed as a claimant error.*

**Income/Benefit available on application and Notional Income in respect of other Social Security Benefits**

12207 Legislation provides for the application of notional income in respect of notional entitlement where that income is available on application. However, in some cases it may be difficult to decide that an income would be payable on application and apply notional income. A claimant cannot be forced to claim an income/ that they do not wish to claim however, the fact that a claimant has not claimed an income does not necessarily mean that it will not be taken into account. Therefore, DMs must decide the facts of each case individually to determine whether notional income should be applied to unclaimed Social Security benefits, especially where the claim is the only formality preventing the claimant obtaining the benefit.

12208 For SPC only unclaimed State Pension should be considered. Where you identify that there is a possibility that another benefit is available on application which the office have failed to investigate or consider, before classifying the case you will leave the case as incomplete for the office to investigate the issue and where appropriate to obtain a DM’s decision as to whether notional income should be applied, as this is a decision with more than one possible outcome.

12209 The claim should only be left as incomplete where the office should have considered the issue before the selected period and therefore there is a possibility of an incorrect benefit award for the selected period.

*Note: Where State Pension has been claimed but the claim not processed, notional income will not be considered.*

12210 Where the office feels that another benefit may be available on application, they should advise the claimant to apply for that benefit. Where the office feels that there is no benefit available on application, they should document the reason why they consider that the benefit is not available on application. A referral to a SPC Decision Maker and further enquiries may be necessary before a decision can be made in respect of the availability of the other benefit, as this is a complex area.

12211 Where the claimant makes a claim for the other benefit, the result of the PM check will be based on the decision regarding entitlement to the other
benefit. Where the claimant does not make a claim to the other benefit, the claim would normally be referred to an SPC Decision Maker, who will make a decision as to whether there should be a notional income to take into account on the grounds that another benefit is available on application.

12212 The SPC Decision Maker’s decision will normally specify either that the application for the other benefit is not straightforward, and why, and that there is no notional income to take into account, or that there is a notional income to take into account as there is another income/benefit available on application, and from what date the benefit would be available if the claimant applied for it. In this case the result of the PM check will be based on the decision of the Decision Maker.

12213 Where the decision on the other income/benefit does not cover the selected period, and the circumstances of the case are the same at the time of the decision as they were at the selected period, the “rule of thumb” is used when recording the result of the check. For example, if the decision is that there is no entitlement to the other income/benefit, or that the income is not available on application, or the period of delay before the other benefit is awarded will not have elapsed, the case will be recorded as correct. Where the decision is that there is entitlement to the other benefit, or that the income is available on application, and the period of delay has passed, there will be an error on the case.

12214 This does not affect the PM treatment of:

- notional entitlement to income other than DWP benefits
- other DWP benefits which have been claimed but not decided on.

12215 - 12219

Earnings

12220 For the purpose of SPC a claimant may work any number of hours each week without entitlement being affected. The earnings from such employment will however affect the amount of SPC to which the claimant will be entitled.

Note: You will check that all necessary verification is available.

12221 You will require sight of the original wage slip(s) or a certified copy or a signed photocopy of wage slips or form A15 etc.

12222 Exceptionally, where the above is not available you may accept form A6 which should fully document the gross earnings and any voluntary and mandatory deductions being taken from wages e.g. tax, NI, union dues,
private pension contributions etc. If no deductions are being made, this must be clearly stated.

12223 Earnings are treated as income for the purpose of SPC. Income (including earnings) of the claimant, and any partner, should be calculated in the same way. The income should then be treated as the income of the claimant.

12224 You will check that any earnings from employment as either an employed earner or from self employment have been treated as income and taken into account for the purpose of calculating the Guarantee Credit or as qualifying income for the savings credit.

Calculating weekly amount of earnings

12225 You will check that the correct weekly amount of earnings has been calculated as follows:

- Period of a week or less - the weekly amount will be the amount of the payment
- Payment for a month - the weekly amount will be the amount of the payment multiplied by 12 and the result divided by 52
- Payment for a period of 3 months - the amount of the payment multiplied by 4 and the result divided by 52
- Payment for a period of a year - the amount of the payment divided by 52
- Payment for more than a week but none of the above apply - the amount of the payment multiplied by 7 and the result divided by the number of days in the period for which the payment was made

Averaging of amounts

12226 If the claimant’s earnings fluctuate and have changed more than once, or the regular pattern of work means that the claimant does not work the same hours every week, the weekly earnings can be averaged. You will check that the average weekly earnings have been correctly calculated. See DMG 86016

Recognisable cycle

12227 Where the claimant does not work the same hours every week and there is a recognized cycle of work, over the period of the complete cycle, (including any periods where the claimant does no work, but not including any other absences).
No recognisable cycle

12228 Where there is no recognised cycle of work, averaging will be based on:

- the last two payments, if these payments are one month or more apart; or
- the last four payments, if the last two payments are less than one month apart; or
- some other number of payments if this means a more accurate average weekly amount can be calculated

Note: You will check that that the appropriate disregards have been applied.

Final Payments of income

12229 There is no exclusion period for SPC in the case of final earnings. If the employment ended before SPC entitlement then the final payments are ignored.

12230 SPC Regulations were introduced that deal with the treatment of final payments of income for SPC purposes.

12231 This applies:

- where a claimant has been receiving a regular payment of income; and
- that payment is coming to an end or has ended; and
- the claimant receives a final payment of that income

12232 Where a final payment is less than or equal to the amount of the previous regular payments, the whole of the final payment will be treated as being made for a period equal to the regular period.

12233 Where the amount of the final payment is greater than the amount of the previous regular payment:

- each part of the final payment equal to the regular payment; and
- any part remaining that is less than the regular payment, is treated as being made for a period that is equal in length to the regular period

Date final payments are treated as paid
12234 A final payment falling within SPC Regulations is treated as paid on the date the next regular payment would have been paid had they continued, if not actually paid on that date.

Example

SPC starts on 15.1.04 benefit week commencing (BWC) Monday

The claimant has been receiving monthly earnings of £120.00 paid on the last day of the month since the start of the award. The regular weekly amount is £27.69.

The claimant finishes work on 18.8.06 and on that day receives a final payment of £90.00. This is treated as being paid on the last day of the month (i.e. 31.8.06); £20.76 is taken into account from BWC 28.8.06 until BWC 18.9.06. From BWC 25.9.06 there is no income to take into account.

Each part of the final payment falling within SPC Regulations is treated as paid on the dates the equivalent number of regular payments would have been paid had payments continued.

Example

SPC award starts 8.2.05 BWC Monday. The claimant has been in receipt of monthly earnings of £80.00 paid on the last day of the month since the start of the award.

They finish work on 28.9.06 and on that day receive £150.00 which is their final earnings of £80.00 together with £70.00 holiday pay.

The £80.00 is treated as paid on 28.9.06 and the balance, £70.00, as paid on 31.10.06 the date the next regular payment would have been due.

The final payment is taken into account at a weekly rate of £16.15 from BWC 23.10.06 until BWC 20.11.06.

12235 You will check that:

- all necessary verification is available e.g. wage slips, forms A15 etc
- final payments have been correctly calculated and attributed
- where employment has ended prior to an application to SPC, payment in respect of final payments have been fully disregarded
Other Income

12236 You will check that the payday and frequency of payment have been recorded correctly, that the income has been correctly attributed, and that the correct amount has been taken into account. The following gives guidance in respect of common types of other income.

Spousal Maintenance

12237 You will check that spousal maintenance payments and payments in kind have been treated correctly.

Occupational/private pension due

12238 You will check:

- previous employment details for an indication of likely entitlement to a private pension
- whether the office have failed to take account of the private pension due but not claimed (notional income)
- for men/women aged 60-64, who may have deferred claiming, that the possibility of notional income from a private pension has been considered/investigated
- for any indication that a late spouse's private pension may be inherited by the claimant
- for existence of a Guaranteed Minimum Pension (GMP) shown against the SP award in RPL and the appropriate screens within NIRS to ensure that any undeclared NSP Income or earnings has been identified.

Note: if the claimant is entitled to a GMP, they may be receiving a pension or be entitled to a pension that they have not yet claimed – you will consider:

- whether notional income should have been taken into account
- whether they have received their pension entitlement as a lump sum.

Occupational/private Pension in Payment

12239 Where pension is in payment, you will check:

- that the pay-day, frequency of payment and attribution are correct
- for evidence that the correct rate of pension has been taken into account
12240 From 05 March 2007, it is accepted that when processing a claim to SPC or actioning life event changes it is sufficient to verify the current amount of NSPs using bank statements, bank or building society books. Prior to 05 March 2007 actual details from NSP payment slips were required.

12241 However in order to establish the correct net amount of the NSP, contact must be made with the claimant to ascertain, whether there are any deductions, the type of any deductions and the amount of the deductions. A record must be kept of any deduction details - where this information is provided verbally by the claimant on the telephone it should be recorded on form A6 and dialogue IS110.

12242 The new guidance only applies to any applications and Life events from 05 March 2007. There was different guidance in place for claims processed and life events actioned prior to 05 March 07. You must check the case in line with what the guidance/legislation that was in place when the claim was processed/life event actioned.

12243 The level of verification that will apply for the review week will therefore be dependent on whether the claim was processed / life event actioned prior to or after 05 March 2007. However if the claimant produces an NSP advice slip at the interview you should have regard to it when completing the review, for consideration for the claimant error element.

12244 Similarly, for reconstructions the level of evidence that will be required will be dependent on whether the claim was processed/ life event actioned prior to or after 05 March 2007.

12245 - 12249

**Savings credit**

12250 ISCS will carry out the calculation and you will check that the:

- total qualifying income has been correctly assessed by including all income other than WTC; IB; JSA(cont); ESA(cont); SDA; MA; maintenance payments and any amount disregarded in the calculation of a claimant’s income
- excess qualifying income is correct which includes Retirement Pension (excluding CDI); second pensions; annuities; assumed income from savings and investments; certain benefits and earnings
- correct savings credit restriction has been applied
- savings credit awarded is correct taking into account whether the income exceeds the appropriate minimum guarantee, and if so the savings credit entitlement has been correctly eroded
Assessed income period (AIP)

Note: DMG Chapter 83 covers the technical guidance surrounding AIPs.

PM action on failure to set an AIP

12260 Failure to set an AIP is erroneous in law unless legislation allows this.

12261 You will record the failure to set an AIP where one should have been set as an official error where this has lead to an incorrect payment in the selected week. This will apply where the award of SPC is found to be incorrect as a direct result of the failure to set an AIP, for example, where an existing AIP has ended but no review has been conducted and where there has been a change to the claimant’s retirement provision.

12262 However, where there is evidence to show that the claimant failed to report information that affects their claim (for example, the commencement of a NSP) prior to the point at which an AIP became appropriate, a categorisation of claimant error must be considered:

- If the claimant failed to provide the information at the start of the claim (or the start of the new AIP), even if there was a subsequent point when the case should have been reviewed but was not, you should categorise the error as either “claimant mistake” or “claimant fraud” as appropriate. This is because the claimant’s omission is the reason for the error entering the system.
- Where the claimant’s circumstances were reported correctly at the start of the claim (or the start of the new AIP), but changed during the course of the AIP, and where the change was one that the claimant was not required to report, then where PDCS have missed a review you should categorise as “official error”.
- If the claimant does not have an AIP at the start of the claim due to age restrictions, and subsequently fails to declare a reportable change, and PDCS then miss a review and fail to set an AIP where one is appropriate, you should categorise as either “claimant mistake” or “claimant fraud” as appropriate. This is because the claimant’s omission is the reason for the error entering the system.

12263 However procedural errors must be recorded in the cases where PM record a claimant related error for measurement purposes, but there still has been a failure by PDCS to review on time.
12264 When recording error start dates where:

- there should have had been an AIP set but PDCS have failed to put one in place; or
- an AIP has expired and PDCS have failed to conduct a review/reset the AIP

you will conduct the review and obtain appropriate evidence as at the date on which the AIP should have been set/reviewed and re-set.

12265 Where this failure has led to an error then, in line with normal error recording principles, the error start date will be the first date on which the missed AIP had a financial impact.

12266 If the failure to set a new AIP or review and re-set an existing AIP does not lead to an incorrect payment in the Selected Week, you will record a procedural error.

12267 You must not record error start dates before they had a financial impact, as this provides FEMA and Fraud and Error Programme Strategic Analysis Team with incorrect information on which to base their analysis.

**Deemed variations in retirement provision**

12268 Where an AIP is in force and the DM knows that the claimant’s retirement pension scheme or annuity contract contains no provision for periodical increase then the amount of that element of retirement provision is ‘deemed’ not to change.

12269 Where the above paragraph does not apply, during the currency of an AIP, elements (the assessed amount) of the claimant’s retirement provision are deemed to increase, with effect from specific dates prescribed by Reg 10 of the SPC Regs.

**Dates and amounts of deemed increases**

12270 From 5th April 2004 the SPC (Misc Amdts) Regs 2004 introduced changes to SPC law deemed variations as follows:

**Deeming based on actual increases**
12271 Where the arrangements, under which an element of retirement provision is paid, contain provision for:

- the payment to be paid periodically; and
- the date on which the increase is to be paid; and
- the amount of increase is known

then the amount is deemed to increase by the amount stated in the arrangements.

12272 Where the period of the increase in the assessed amount first paid is the same as the period for which the last regular payment was made, the deemed increase is effective from:

- the date the first increased payment is actually paid, if this is the first day of the claimant’s benefit week
- otherwise, the first day of the benefit week that immediately follows the benefit week in which the first increased payment was actually paid

12273 Where the period for which the increase in the assessed amount is first paid is not the same as the period for which the last regular payment was made, the deemed increase takes effect from:

- the date the second payment of the increased amount is actually paid, if that is the first day of the applicant’s benefit week
- otherwise, the first day of the applicant’s benefit week immediately following the date the second payment of the increased amount is actually paid

**Deeming based on standard increase**

12274 Where all the information has not been provided the relevant element of retirement provision is deemed to increase on:

- the day in April each year when the annual uprating of additional pensions comes into force if that is the first day of the benefit week
- otherwise, the first day of the next following benefit week

12275 The amount is determined by applying the same percentage increase as directed by the Secretary of State to be made to additional pensions on uprating to the relevant element of the retirement provision.
Change of circumstances

12276 The claimant is required to notify any relevant change in circumstances, when the change occurs. The new outcome decision will replace the original decision.

12277 A relevant change of circumstances is a change that:

• occurs after an outcome decision has been made; and
• alters a component of the SPC award

It does not matter if the new outcome decision changes the amount of the award or not.

AIP set

12278 Where an AIP has been set, you will check that the claimant’s circumstances allowed an AIP to be specified, for example:

• the conditions in relation to age, retirement income etc are satisfied

  \textit{Note: an AIP can be set if the claimant has no retirement income. This is because an AIP is beneficial to the claimant.}

• the start date is correct - e.g. date of entitlement, day after the previous AIP ended etc

• if the length of the AIP is correct - i.e. a period of 5 years starting on the day that the relevant decision takes effect. If less than 5 years, do any exceptions apply?

New types of AIP

12279 Following the introduction of Pension Credit in October 2003, there are a large volume of claims which will have an AIP that expired in October 2008 and during 2009. To overcome this issue, new types of AIPs were introduced, described as follows:

Rapid Review

12280 Rapid Review is a process where an Assessed Income Period (AIP) review is carried out and a new AIP set without the claimant being contacted first and is usually done by ISCS with no user intervention.
ISCS automatically selects and reviews those cases that fulfil the Rapid Review eligibility criteria on a monthly basis. Cases that are not selected for Rapid Review will continue to be processed following the current AIP review process.

In order for a claimant to be eligible for the automatic review process they must meet the following criteria:-

- claimant and, where applicable, partner are both aged 65 or over, and
- have capital of £6,000 and below, (£10,000 or below from 2.11.09); or
- have capital of £10,000 and below, when permanently residing in a care home; and
- have no “Other Income” declared; and/or
- where a non increasing non-state pension is declared and it is of a fixed amount that is recorded on ISCS as a type N non-state pension

A new review notification letter is issued together with the leaflet INF4 to all claimants subject to automatic review showing the current details the department hold for them including the details of any dependants. This notification advises claimants that based on this information a new AIP has been set from the day after the end of the current AIP.

The claimant is instructed by a letter to check the details provided and only contact PDCS if the information is not correct or they have new circumstances to report.

Desk Top Reviews

Pension Service Bulletins 60/13 and 101/13 introduced the Desk Top Review (DTR) process for Pension Credit reviews. Prior to this, the DTR process had been piloted. It has been established that no official guidance products were issued throughout the DTR pilot period. The delivery business issued clerical notifications to claimants during the pilot; these were produced using a mail merge. No instructions were circulated to record, on individual cases, the issue of clerical notifications. Due to this, there may be no evidence to support whether a notification was issued to the claimant during the pilot period. This was corrected when PSB 60/13 was issued. In the pilot cases you must attempt to clarify any discrepancies that have been identified in line with PMG para 7605 onwards. Unless the claimant categorically denies that they received a clerical notification, you must categorise as claimant related error. You must also categorise as claimant related error any cases where the claimant is unable to remember receiving a clerical notification.
This is because, where the legacy notepad shows that a DTR has been performed, you are accepting that TPS have issued a clerical notification to the claimant. Therefore, the claimant knew to report any discrepancies.

**AIP run on**

AIP run on is the introduction of an open ended AIP for those claimants aged 75 and over. New SPC legislation came into effect from 06/04/2009, providing the ability to extend an assessed income period indefinitely for claimants aged 75 or over.

Claimants who have an AIP set from age 75 that spans their 80th birthday have an automatic AIP run on set if they satisfy the following criteria:

- Claimants who had a non-restricted AIP (5-7) years in place which matured on or after 06/04/2009 where they are aged 80 or over during the related period, and
- For new claimants entitled to Pension Credit on or after 06/04/2009 where they are eligible for a non-restricted AIP (5 years) and they are aged 80 or over during the respective AIP period
- The age limit has been set at those aged 75 and over because it is felt that this group will have a more stable retirement income because everyone who has built up a lump sum with their provider must buy an annuity by the time they reach age 75

Existing, eligible claimants were automatically identified on 05/04/09 via the Income Support Computer System (ISCS) and issued with a notification (MF6800) from 06/04/09 to inform them that their AIP dates changed. The notification explained to the claimant that their new assessed income period set will continue indefinitely and whilst this remains in place they do not have to report changes to pensions, savings or investments.

**Recording on FREDA**

As analysis of SPC and HB cases where a rapid review has been carried out is required by FEMA, PM Staff will be required to record if a case has been subject to an AIP and what type of AIP on FREDA.

Therefore as part of the case preview PM staff will make a selection from the drop down box field on FREDA called AIP Status. This is a drop down box with 4 pick list options

- none
12292 Dialogue IS503 displays the AIP Type field. This field displays the type of AIP and the start and end dates. The codes displayed are as follows:-

<table>
<thead>
<tr>
<th>Code</th>
<th>Type of AIP set</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Normal system set, that is five years</td>
</tr>
<tr>
<td>2</td>
<td>System restricted date, for example set to claimant’s or partner’s birthday</td>
</tr>
<tr>
<td>3</td>
<td>User supplied</td>
</tr>
<tr>
<td>4</td>
<td>User restricted</td>
</tr>
<tr>
<td>5</td>
<td>Conversion/Transition</td>
</tr>
<tr>
<td>6</td>
<td>Rapid Reviews</td>
</tr>
</tbody>
</table>

Codes 1-6 all relate to standard AIPs

12293 You will:

• raise an official payment error where an AIP has been set but the claimant does not satisfy the conditions for an AIP to be set, and as a result a non-beneficial change of circumstances has been ignored, which has caused an incorrect amount of SPC to be paid to the claimant
• raise a procedural error where the claimant does not satisfy the conditions for an AIP to be set and a non-beneficial change of circumstances has been ignored, but the amount of SPC the claimant receives has not been affected
• raise an official payment error where the start date of the AIP is incorrect which has resulted in the claimant’s amount of SPC received being incorrect
• raise a procedural error where there is no effect to the amount of SPC in payment to the claimant

AIP not set

12294 Where an AIP has not been set, you will check that:

• if the reason is the age condition, or non entitlement that it is correct
• if SPC is awarded, or is awarded at a higher rate, because an element of the claimant’s retirement provision, which is due to be paid stops temporarily. PM will check that this is correct and a review date has been input
an AIP is not already in force

You will check the date from which the change has been processed ensuring that the correct effective dates have been used when processing the change.

Where a decision relating to SPC is superseded on the grounds of a change of circumstances and the amount of SPC changes, the effective date is either the day the change occurs if this is the first day of the claimant’s benefit week, or from the first day of the claimant’s benefit week immediately following the date of change.

Note: this general rule does not apply in the following circumstances:

- changes in income (except assumed income from capital);
- prisoners;
- change of benefit week;
- claimant ceases to be a patient;
- mortgages and loans;
- non-dependants
- uprating.

You will check that the assessed amounts and effective dates are correct where there has been a deemed variation in the claimant’s retirement provision.

Income and capital

Income Treated As Earnings

Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), Statutory Adoption Pay (SAP) and Statutory Paternity Pay (SPP) should be treated as earnings, subject to the rules of disregard.

Income from Capital

From 6.10.03, except in certain cases, if a capital asset is deemed to yield a weekly income, any actual income generated from the capital asset is fully disregarded. You will check that where deemed income has been taken into account, it has been done correctly and disregarded where applicable; or taken fully into account or disregarded in part.
12302 From 19.5.08, when assessing the amount of assumed income deemed to be generated from a claimant’s capital, DMs should have regard to receipts of income paid into any account that the claimant may hold. Where such receipts have been included in the calculation of the claimant’s income (or considered but disregarded, for example a payment of AA), DMs should establish the period for which they were paid and consider reducing the amount of capital on which assumed income is calculated.

12303 You will check that savings and capital assets have been actioned correctly and that the correct bank statements have been used to verify the claimant’s capital and that the verification is up to date and that all interest has been added to the appropriate accounts.

### Capital

12304 You will have consideration to the normal capital check, taking into account the difference in the excess of the appropriate level of capital for verification purposes (i.e. from 06/10/03 claimant/partner capital assets in excess of £6,000 or £10,000 if in permanent residential care and from 02/11/09 capital in excess of £10,000 for all SPC claimants). Please see SSoG 'When Evidence of Capital is Needed'.

### Exceptions

12305 The following exceptions apply:

- in SPC cases income is taken into account at a weekly amount until the claimant notifies a change in that income

Note: the review of capital and income in SPC cases will be dependent on whether an AIP has been specified and if so, whether the changes would be beneficial to the claimant once a complete review on the claimant’s retirement provision has been conducted.

12306 Therefore when assessing the claimant’s entitlement to a guarantee credit, the claimant’s savings will need to be considered and any changes to their savings before the final processing of the application to SPC. The effect of the changes however, will depend on whether an AIP has been set.
Processing the new application from the Treat as Made (TAM) effective date

12307 When the case is previewed the processor identifies that the claimant will be entitled to an AIP from the date of application. This is because the claimant is over 65 years old, has stated that there will be no change to their retirement provision in the next 12 months.

12308 This means that the claimant’s circumstances as at the TAM date will be the initial basis of the award.

12309 As the claimant has an AIP, their retirement provision is fixed, except if the claimant notifies an overall decrease in their retirement provision.

Further action

12310 If it is evident at the time of processing that the amount of money in the claimant’s bank account has reduced, any beneficial change to the claimant’s retirement provision should be considered.

12311 If an AIP has been set and the change is beneficial, (i.e. the change in retirement provision results in an increase in the claimant SPC), the change should be implemented.

12312 If the claimant has further balance changes on when for example SP and AA are paid into the account. This change to the claimant retirement provision should be considered. If the change in retirement provision results in a decrease in the claimant SPC the change should not be implemented.

12313 If an AIP has been set and the claimant has further balance changes which result in an increase to their capital, and a decrease to their SPC, the change should not be implemented.

Notification to the claimant

12314 It is the responsibility of the claimant to notify any further changes themselves to their retirement provision and for the DM to consider them in light of normal DMA rules. However, there is no requirement for the claimant to report any such changes should they choose not to do so.

Deemed weekly income from capital
12315 The law specifies special rules for this along with the length of time that the capital can be disregarded. SPC Act 02, s 15(2) & s 15(6) (b); SPC Regs, reg 15(6) & Sch V, DMG Volume 14, Chapter 84.

12316 You will check that the DM has correctly determined that the capital can be disregarded and how long the capital can be disregarded when working out the amount of deemed weekly income from capital.

**Capital disregarded when establishing the amount of weekly income from capital**

12317 You will check that where capital can be disregarded indefinitely that the DM has correctly decided this. DMG Volume 14, Chapter 84 lists types of capital that can be disregarded indefinitely.

**Examples**

1. Life insurance policies

The SPC regulations Schedule V, para 10 specifies that the surrender value of a life insurance policy which is still in force is disregarded indefinitely and will not form any part of capital when establishing the amount of weekly income from capital regardless of whether an AIP has been set or not.

2. Funeral plan contract

The SPC regulations Schedule V, para 11 specifies that a funeral plan contract is disregarded indefinitely and will not form any part of capital when establishing the amount of weekly income from capital regardless of whether an AIP has been set or not.

**Deprivation of capital**

12318 The technical guidance for deprivation of capital is dealt with within DMG chapter 84.

12319 - 12329

**Mortgages and home loans**

**General**
12330 There was a change in the housing costs rules from 5 January 2009 which affected the Standard Interest Rate (SIR), the qualifying period before which housing costs can be awarded and an increase in the upper limit eligible for mortgage interest relief.

12331 You will check the capital outstanding to ensure that the correct balance is being used, and that this does not include any arrears, capitalised interest, unpaid insurance premiums or ineligible home loans.

12332 You will check that the details in the assessment with regard to the Selected Period are accurate based on the information provided on form MI12, latest form MI12R and any other available documentation.

12333 In all instances, you will check that the DM’s decision is supported by appropriate evidence. Guidance on housing costs is contained in DMG Chapter 78.

**Changes to the method of calculation of the SIR**

12334 From 1.10.10 the SIR is based on the bank of England published average mortgage rate.

12335 A list of SIR rates is available within DMG chapter 23 Appendix 6.

**The PM Check**

12336 You will check that the details in the assessment with regard to the Selected Period are accurate based on the information provided on form MI12, latest form MI12R and any other available documentation. In all instances, PM will check that the DM’s decision is supported by appropriate evidence. Guidance on housing costs is contained in DMG Volume 13 Chapter 78.

12337 You will check that the mortgage or loan is for the dwelling in which the claimant resides. PM should also confirm that the claimant is liable, and/or responsible for the housing costs on that dwelling.

12338 You will check the capital outstanding to ensure that the correct balance is being used and that this doesn’t include any arrears, capitalised interest, unpaid insurance premiums or ineligible home loans.
Re- Mortgages and other loans (such as Home Improvements)

12339 You will check for evidence of a re-mortgage or additional borrowing from the information submitted by the lender on forms MI12, MI12R or other documentation as provided.

12340 Re-mortgages are only allowable on the element originally taken out to acquire an interest in the home. If it is evident that the mortgage stated is a re-mortgage, you will expect to see a DM decision (following an investigation by the Pension Service) to confirm the eligibility of the balance quoted.

12341 Any amount over the original mortgage redemption figure would need to be investigated for eligibility. This may include elements such as Legal or Registration fees, or an extra amount borrowed to finance home improvements. Eligible home improvements broadly fit into a list of twelve, provided within DMG Volume 13 Chapter 78.

12342 A DM decision should be present in the case, to confirm the eligibility of any home improvements. You will leave the case as incomplete, if such a decision is either not present, or is questionable in law.

Loans taken out in a relevant period

12343 Loans (new or extra borrowing) taken out in a relevant period are not normally allowable, unless specific rules apply. This includes loans taken out to replace original loans (re-mortgages). Eligible increases include:

- loans used to repay an earlier allowable loan, or buy a new home
- loans to replace rent, where the home was originally a tenancy and has since been purchased
- loans used to purchase accommodation more suited to the needs of a disabled person
- loans used to purchase or adapt accommodation for persons of different sexes over age 10 (but under 20)

12344 You will check the date the loan was taken out, and the dates of any subsequent loans, and compare this to the actual date of claim for SPC. You will check that where there is evidence of increased borrowing, that this has been considered, and where increased borrowing or a re-mortgage has been allowed or disallowed, that there is a DM decision to support this.

Increase in capital balance outstanding
Interest is eligible on a mortgage/loan increase caused by:

- acquiring a further interest in the home
- taking out a further eligible home improvement loan

Where the latest form MI 12R shows an increased capital balance, you will check that the increase has been considered for eligibility, and that a DM has made a decision for allowing/not allowing interest on the increased balance.

Where the office failed to refer the increased balance to the DM, you will leave the case as incomplete to allow the DM to decide on the increased balance.

*Note*: if the DM decides to allow the increased balance, and the evidence supports this decision, you will raise a payment error.

Where form MI12R confirms that the increase in capital balance outstanding is not due to arrears, capitalised interest, insurance premiums or a further mortgage/loan, the office will be expected to have contacted the claimant to establish the reason for the increase. The onus is on the claimant to show that the increase is due to an eligible reason, such as a further, eligible loan.

*Note*: where the increase in capital balance outstanding is due to an eligible reason but the claimant failed to declare the increase, the resultant payment error will be classed as claimant error due to the claimant’s failure to declare the change in circumstance.

Where the information supplied by the lender on form MI12R contradicts that on previous forms MI12/MI12R, (e.g. a discrepancy in the figure for the original amount borrowed), the office will need to query this with the lender. If the lender fails to respond, the earlier figure should continue to be used (supersession on the basis of the original application).

**Pre 2/10/95 cases – 16 week arrears**

Claimants with pre-1995 mortgages may have accumulated arrears because only 50% of the claimant’s loan interest is met during the first 16 weeks of their claim; any interest charged on the arrears of interest should be met as a housing cost. If the claimant was in difficulty, an application could be made to the local office for assistance with the interest charged on the arrears of interest. However, legislation states that the amount of such interest shall be met and this should have been done automatically.
12351 Where there is a possibility that the arrears of interest could have been met and no decision has been made, you will leave the case as incomplete for the office to establish if any interest on these arrears had accumulated: The outcome will depend on:

- if the information relating to the unmet arrears is not available by the PM deadline, you will raise a deemed error as a payment error cannot be ruled out
- if the information is provided by the PM deadline, you will proceed to check the correctness of the award in respect of the selected period, where it is found that interest on the arrears had accumulated because only 50% of the loan interest had been met during the first 16 weeks of the claim, You will raise a payment error

Restrictions

12352 You will check whether the eligible amount allowed for housing costs needs to be restricted, due to:

- upper limits
- excessive housing costs
- purchase of formerly rented property

12353 PM would expect that a DM has applied the law correctly for any of these circumstances, and fully documented the decision made.

12354 Having established the appropriate capital balance outstanding, you will go on to check the following:

- whether the property is owned jointly
- correct application of SIR/LIR/SR
- any add-back in payment is still appropriate and is the correct amount
- whether the lender is a qualifying lender
- MID anniversary dates
- Whether any “other” (such as Service Charges and Ground Rent) housing costs are eligible
- that deductions in respect of non-dependants are correct

Joint Ownership

12355 You will check for any evidence that may indicate that the property is the responsibility of more than one person, and that the correct share ratio has
been applied. Where it is indicated that there was joint responsibility, you will investigate the reasons why responsibility was abdicated by the other party.

**Eroding the add back**

12356 Add-backs are an additional amount designed to transitionally protect claimants who were adversely affected by the housing costs changes of 2 October 1995 (see Appendix 4 to DMG Chapter 23). Where there is an add-back in the claimant’s assessment, it will decrease by any allowable increase in the claimant’s SPC award.

**Qualifying Lender, and MID payments**

12357 Most mortgages will fall to be paid direct to the lender, under the Mortgage Interest Direct scheme. Lenders that have signed up to the scheme will be listed in the Qualifying Lenders Register, which can be found online. Where a claimant is receiving Savings Credit only, all payment, including that for mortgage interest, must be made to the claimant. Where payment has been made to the lender, a payment error will be appropriate.

12358 You will check whether the lender has signed up to the MID scheme, and that any payments related to the mortgage/home loan have been made directly to the lender. As the Department is contracted to make such payments directly, an official error would be recorded if payments were made to the claimant.

**Anniversary Dates**

12359 Reductions in the balance outstanding on a mortgage/loan (as evident from the MI12 Review form) can only be actioned from a designated Anniversary Date.

12360 You will check that the correct Anniversary Date has been set, having regard to the relevant linking rules, and that any reductions in housing costs have been actioned correctly.

**Other housing costs**

12361 You will require a statement from the Service Charge provider, showing a full breakdown of the cost and purpose of each individual charge, and a written decision by a Decision Maker, in order to confirm the amount.
allowable. You will check that the charges are payable as a condition of occupancy, whether any are met by Housing Benefit, and that only eligible charges have been allowed.

12362 For ground rent, you will not seek evidence other than that contained on the claim form, provided that this evidence is clear.

*Note: this includes the amount of ground rent or the length of the lease unless there is a 'reason to doubt' i.e. the amount of ground rent appears to be an excessive amount.*

**Non-dependant deductions**

12363 You will check, where the claimant has declared other residents at their address, whether a non-dependant deduction is appropriate from any housing costs awarded.

12364 You will confirm whether the definition of “non-dependant” is satisfied, and that the correct code has been allocated to that non-dependant.

12365 Where there have been any changes in the non-dependant’s circumstances, you will check that the change has been actioned from the correct date.

**Clerical components**

12366 If the case involves a clerical component, you will check that:

- the reason for the clerical component, together with its calculation, has been recorded
- the clerical component has been recorded correctly on the system, or for clerical cases, on form A14/A14A

**Case Reviews/Notes**

12367 You will check that:

- the appropriate case reviews have been set to mature at the correct time and that these have been actioned timeously
- all indicator fields have been completed

12368 - 12399
Deductions for MID payments

12400 You will check that deductions are appropriate and applied at the correct rate.

12401 Legislation governing MID payments to a qualifying lender is different from that covering other third party deductions. DWP has a legal obligation to pay over the correct amount to the third party, (except where a part week payment applies, usually at the beginning and end of a claim, as part week payments can be made directly to the claimant. (Paragraph 2 of schedule 9A to the Claims and Payments Regulations 1987 refers).

*Note: because of this fundamental difference in legislation, any under/overpayment of MID payments will be classed as a payment error. This is because the overall amount of benefit paid for the selected period will be affected by correcting the case, which DWP is required to do by legislation.*

Case live but it is doubtful that a payment was issued for the selected period

12402 Where further enquiries are required to confirm that a payment has been made in respect of the selected period, you will leave the case as incomplete. You will check the benefit paying systems for an indication if the payment was made. If you establish later that no payment was made for the selected period, the case will have to be abandoned.

12403 - 12429

Civil Partnerships

12430 The implementation of the Civil Partnership Act 2005 and the Social Security (Pensions Social Security and Child Support) (Consequential and Provisions) Order 2005), provides that the definition of a “couple” means:

- a man and a woman who are married and are members of the same household; or
- a man and a woman who are not married but are LTAHAW; or
- two persons of the same sex who are civil partners and are members of the same household; or
- two people of the same sex who are not civil partners but are living together as if they were civil partners.
Note: for the purposes of bullet point 4 two people of the same sex are to be regarded as living together as if they were civil partners only if they would be regarded as living together as husband and wife if they were two people of the opposite sex.

12431 Therefore, you will apply the meaning of couple defined in the above paragraph and conduct the technical preview/PM checks on all aspects of the case to ensure that change resulting from the introduction of the Civil Partnership legislation has been correctly actioned and all required information/verification obtained. For example, capital, income, benefits paid to a member of a “couple”, evidence of identity, joint claims for JSA etc.

Living Together (LT)

Note: following the Civil Partnership Act coming into force, the definition of “couple” changed to reflect that legislation as noted in the above paragraphs.

12432 Where evidence held in the case paper suggests that a LT situation may exist which the office have overlooked, for cases subject to review, the outcome will depend largely on the MRO who conducted the visit findings. For example the claimant may admit to living together at the interview and the MRO who conducted the visit determines that clearly a LT situation exists, the claimant having made a deliberately evasive/ambiguous statement on the claim form.

12433 Where the MRO who conducted the visit through structured probing suspects a LT situation but the claimant does not admit to this, the MRO who conducted the visit will complete an FRF to Fraud. The DM will be expected to decide/express an opinion as to whether LT applied during the selected period for official error checks if appropriate.

Note: PM staff should not undertake an LT interview.

12434 - 12439

Part week payments

12440 You will check that:

- all income types (including assumed income) and benefits are disregarded for part week payments
- Savings Credit does not form part of any part week payment
- the part of any part week payment, if it has resulted in a fraction of a penny that it has always been rounded up/down in the claimant’s favour
• SPC has been applied for from the claimant’s 60th Birthday
• ESA(IR), IS or JSA(IB) has been paid up to the day before the claimant’s 60th (65th) Birthday
• the SPC payday coincides with the claimant’s SP payday
• the period of the part week payment ensuring all of the above have been considered when paying this

When part week payments are appropriate

12441 Part week payments of SPC Guarantee Credit are appropriate in specific circumstances on new applications and existing cases.

New Applications

12442 Part week payments may be appropriate on a new application prior to 06/04/10 if, within 3 months before their application, the claimant was receiving IS or JSA (IB) on the day before they reached state pension age or receiving JSA (IB) after reaching age 60. From 06/04/10 part week payments can be appropriate for all SPC claimants who’s TAM Date is on or after 06/04/10 (unless transitionally protected) and the claimant reaches SPA on or after 06/04/10.

Note: Part week payments of SPC will only be at Guarantee Credit rate.

12443 - 12449

National easements

12450 Businesses can seek National easements for specific operational issues; WWEG FESD can provide support with drafting the easement if businesses require help.

12451 Where a National easement has been accepted, PM will issue guidance to inform PM and delivery business staff to explain how PM will treat any affected cases.

Note: PM will not have any regard to any local easements.

12452 - 12459

Categorisation
12460 Following the completion of the official error check you will be required to categorise the case using the findings from both the official error and MRO visit recommended categorisation following the review and Fraud/Compliance outcomes.

Note: full details of categorisation can be found in Part 17 Categorisation.

12461 - 12999