Re-claims

First published:15 March 2016 (version 1)Last updated:10 October 2016 (version 2)

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Introduction

Universal Credit is an in and out of work benefit to encourage claimants to move into employment and increase their earnings.

Re-claims provides a simple route back onto Universal Credit for claimants who have a short break in entitlement, for example, entering temporary work.

The aim of re-claims is to:

- make it easier for claimants to re-claim Universal Credit so they are encouraged to increase their earnings on a long-term or temporary basis
- ensure that claimants receive payments of Universal Credit quickly
- ensure that those claimants whose job has ended re-claim Universal Credit as quickly as possible in an effort to reduce periods of unemployment
- reduce the Department's administrative costs for processing new Universal Credit claims

Re-claims will allow most claimants who return to Universal Credit within six assessment periods of their previous award ending, to retain their previous Universal Credit assessment period and payment dates, as long as they continue to meet the basic conditions of entitlement.

Eligibility

A Universal Credit claim is closed if entitlement has ended because of an increase in the claimant's earnings or because the claimant withdraws their claim.

The claimant can re-claim Universal Credit if their earnings decrease or if they decide to claim again.

In terms of entitlement, the claimant must continue to meet the basic conditions, which are that the claimant:

- is at least 18 years old
- has not reached the qualifying age for State Pension
- is in Great Britain (including those who are temporary absent)
- is not receiving education (including full-time advanced education and fulltime non-advanced education, although there are exceptions)

However, the claimant will not be eligible for a re-claim if they return to Universal Credit during the assessment period and were:

- a member of a religious order who is fully maintained by their order
- a prisoner
- serving a sentence of imprisonment detained in hospital

Claimants must have been assessed as eligible for Universal Credit for at least one assessment period before their claim was closed to be eligible for a re-claim. If a claimant does not meet the basic eligibility conditions for Universal Credit they are not entitled to a re-claim. The system will automatically identify if a claimant is eligible to re-claim.

Re-claims period

The re-claims period begins from the first day the claimant is not entitled to Universal Credit up to six assessment periods from this date.

Claimant action

A claimant can re-claim Universal Credit within six assessment periods of their claim closing (from the beginning of the first assessment period where the award was reduced to nil) without having to make a full claim. However, if they have had a change of circumstances, where a new partner joins their household, they will be required to declare and verify their information.

If a Universal Credit claimant qualifies for a re-claim when they return to Universal Credit, they will:

- have to actively make a Universal Credit re-claim once their circumstances change (the claim will not automatically go back into payment if their earnings decrease)
- only need to tell Universal Credit about anything that has changed since their last claim, as the department already holds details from their previous Universal Credit award
- retain their previous Universal Credit assessment period and payment dates
- have to agree a Claimant Commitment
- receive a payment of Universal Credit for the whole of the assessment period in which they made the new Universal Credit claim (for exceptions see 'Claim made outside seven days' below)
- not have to attend an Initial Evidence Interview
- not have waiting days

Claimants will be informed of the re-claim period through their online journal when their claim is closed. This includes information that claimants must make a claim within seven days of their job ending, if they return to Universal Credit.

It is the claimant's responsibility to make a re-claim through their existing Universal Credit account.

Re-claims from couples

If a claimant who meets the re-claim criteria, then forms a couple with an existing Universal Credit claimant and re-qualifies for Universal Credit, they qualify for a re-claim.

This applies even if the new member of the couple doesn't meet the basic entitlement conditions at the start of the assessment period (before joining the benefit unit), but both members meet these conditions at the end of their assessment period.

For example, if an existing claimant formed a couple with a 17 year old who turned 18 during the first assessment period, they would be able to claim as a couple for the whole assessment period.

Previous Universal Credit claimants who have separated from their partner since they were last entitled to Universal Credit will also qualify for a re-claim as a single person, as long as they are entitled to Universal Credit.

Claim made within seven days of job ending

When a claimant makes a re-claim for Universal Credit because their job has ended and the claim is made within seven calendar days of their job ending, they will be paid for the whole assessment period during which they made their reclaim.

Illustrative example:

Fernando is single, has no children, lives at home with his parents and is claiming Universal Credit. His assessment period runs from the 10th to the 9th of each month.

After a couple of months of receiving Universal Credit payments, Fernando finds a job working at a local supermarket. However, six weeks later, the supermarket tells him the branch is being purchased by a bigger chain, who are downsizing the workforce, so as a result his contract will end on 13th October.

Fernando therefore makes a re-claim to Universal Credit on the 15th October. When he makes a re-claim for Universal Credit, he automatically resumes his original assessment period which starts on the 10th of each month. Also because Fernando made the Universal Credit claim on the 15th October his first new assessment period would be from the 10th October to 9th November. As Fernando made his new Universal Credit claim within seven calendar days of his job ending he will receive a payment for the whole of the assessment period

If a claimant receives earnings within the first assessment period of their reclaim, for example final wages, these will be taken into account. If the earnings result in a nil award of Universal Credit at the end of the assessment period, the claim will be closed and the claimant will be required to make another re-claim, if eligible.

Claim made outside seven days of job ending

When a claimant does not make a claim within seven calendar days of their job ending a referral to a decision maker will be required. The claimant will have to show good reason for not claiming within seven days.

Even if the claimant cannot show good reason they will still:

- need to make a re-claim to Universal Credit
- only need to provide updated information, as the Department would already hold their personal details for their previous Universal Credit award
- retain their previous Universal Credit assessment period
- have to agree and accept a Claimant Commitment

However, the claimant will not receive a payment of Universal Credit for the whole assessment period in which they made the new Universal Credit claim. If eligible, they will receive a payment of Universal Credit only from the date they made the Universal Credit claim to the end of that assessment period. This is known as apportionment.

If the payment of Universal Credit is apportioned:

- sanctions (if any) are applied to the number of days in the assessment period the claimant is paid for
- the Benefit Cap (if the claimant is subject to it) will be applied to the whole of the assessment period not just the apportioned section
- any earnings or unearned income received during the assessment period will also be apportioned

The seven day limit only applies to the job that they have left immediately prior to making the Universal Credit claim.

A claimant may return to Universal Credit because one of two part-time jobs has ended and the second part-time job also ceases in the same assessment period. In these circumstances the claimant will only have to report the loss of their first part-time job (for example, the one that caused the return to Universal Credit) within seven days, for the award not to be apportioned.

Opt-out

Claimants cannot opt out of the re-claim process. All claimants will be subject to a re-claim if they return to Universal Credit within six assessment periods of their entitlement ending.

Re-claims and Waiting Days

Previous Universal Credit claimants are eligible to a re-claim when:

- their earnings drop
- they have a change of circumstances that means they are now entitled to Universal Credit
- their job ends and they become unemployed

They will not have to serve the seven day Universal Credit Waiting Day period if they claim within their re-claim period.

If they apply for Universal Credit after the re-claim period has ended, the Universal Credit Waiting Day period will apply. See <u>Waiting Days</u>.

Re-claims and Advances

When a claimant returns to Universal Credit through the re-claim process they will be able to apply for a Universal Credit (new claim) Advance. See <u>Advances</u>.

Re-claims and backdating

Where a Universal Credit claimant returns to the same assessment period they cannot backdate their claim into the previous assessment period.

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