

Sanctions

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Contents

[Introduction – Policy Intent](#)

[How sanctions operate for Universal Credit](#)

[General principle of sanction deductions](#)

[Application of a reduction to the claimant's award in Universal Credit](#)

[Failure to report the loss of work / earnings](#)

[Daily sanction amounts](#)

[Lowest level sanctions](#)

[Low level sanctions](#)

[Medium level sanctions](#)

[Higher level sanctions](#)

[Escalation of sanctions](#)

[Pre-claim failures – higher level sanctions](#)

[16/17 year olds](#)

[Sanctions in place until exhausted](#)

[Compliance condition](#)

[Change to sanction amount when claimant moves conditionality regime](#)

[Termination of sanctions](#)

[Date termination applies](#)

[Fraud penalties](#)

[Good reason](#)

Introduction – Policy Intent

Sanctions are a key part of Universal Credit supporting the conditionality regimes and compliance. Sanctions support conditionality by:

- encouraging claimants to always do what is reasonable to look for work, increase hours worked or increase their pay

- ensuring claimants experience the consequences of a failure to meet requirements
- increasing in length following repeated non-compliance
- ensuring claimants understand they are responsible for the consequences of their actions

For Universal Credit claimants focus is on setting suitable work-related requirements, tailored to the claimant's circumstances, so they are more likely to enter work when meeting them.

Work related requirement sanctions are designed to act as a deterrent against claimants deliberately failing to meet reasonable requirements, or whose obstructive or negative actions make them reliant on Universal Credit. Claimants must fully understand both the requirement and the sanction consequences of not meeting it. Claimants are more likely to meet a requirement if they understand that by failing to do so their Universal Credit will be sanctioned. This means Universal Credit payments will be reduced, and the period of reduction will increase the more times that a claimant fails to meet similar requirements.

A sanction reduces a claimant's Universal Credit payment by a daily amount. This information is brought to the claimant's attention and explained to them. See Claimant Commitment hub

Refer a failure to meet a mandatory requirement set out in the claimant's commitments, to a decision maker. Include all the information obtained from the claimant about the reasons they did not meet the requirement, and any activity the claimant has otherwise undertaken.

If it is determined the requirement was not reasonable, for example because a claimant's circumstances have changed since the requirement was originally set. Therefore it is not required to refer for a sanction decision.

When a claimant is notified that a requirement is mandatory, but fails to do it without providing a good reason, a sanction is applied.

A trained decision maker determines whether the claimant had good reason and if a sanction should apply.

In Universal Credit there are four sanction levels:

- higher
- medium
- low
- lowest

Information about sanctions is provided to claimants via their online account following the claimant's commitments being set. It is available at any time in the claimant's account via their journal. Confirm the claimant has understood the information about sanctions.

How sanctions operate for Universal Credit

A sanction belongs to the individual claimant.

A claimant is responsible for their own sanction and the total outstanding reduction period (TORP) is reduced to zero where an eligible adult affected by a sanction dies.

Where a claimant has more than one sanction, the sanction periods run consecutively and the claimant's award amounts are reduced for the entire duration of all sanctions. If a claimant is subject to one sanction and receives another, the period of the second sanction will be added to their TORP.

Once a decision maker decides a sanction should apply, that sanction period will be added to the claimant's TORP. The TORP is the total of all sanction days imposed on a claimant which has not yet resulted in a reduction to the award, and is limited to 1095 days. A new sanction taking the TORP over 1095 days must be reduced in length to fit the limit.

General principle of sanction deductions

The daily reduction amount used to calculate the reduction for an assessment period should reflect the claimant's conditionality and circumstances on the last day of the assessment period for which the award is being reduced.

This approach is intended to avoid the situation whereby different daily reduction amounts apply in the same assessment period, because claimants move between conditionality regimes.

Application of a reduction to the claimant's award in Universal Credit

In cases where the TORP is less than the number of days in the given assessment period, then the reduction will be calculated by multiplying the number of days in the TORP by the daily sanction amount for the claimant.

In cases where the TORP exceeds the number of days in the given assessment period, the reduction will be calculated by multiplying the number of days in the assessment period by the daily reduction amount. This number of days is

deducted from the TORP and the residual sanction days are carried forward and applied to future assessment periods.

The reduction in an assessment period may exceed the monthly standard allowance, or 50% of the standard allowance for couple claimants. In these cases the reduction is limited to these amounts.

Sanctions reductions are applied after taking earnings and unearned income into account. If there is insufficient Universal Credit remaining after this, to take the full sanction amount, the sanction reduces the award to nil. The total number of outstanding days for the sanction is reduced by the number of days that would have been taken if the claimant's award had been reduced to nil.

The claimant remains entitled to passported benefits in the same way as they would have, if the sanction was not applied. However as some passported benefits are subject to an earnings threshold, some claimants in work will not be entitled to some passported benefits.

Failure to report the loss of work / earnings

All Claimants are required to report the loss of a job promptly. A sanction is not applied if a claimant is in the work preparation (WP) work focused interview (WFI) only or no work related requirement (NWRR) regimes.

However, in practice, initially a sanction will only be imposed if as a result of the loss of a job their pay has reduced so that they / their household are below the lower conditionality threshold, subject to full work search requirements..

A sanction isn't imposed on a claimant if the loss of earnings or work is not their fault.

A sanction is not imposed if the claimant remains in the working enough regime. A claimant who loses a job due to misconduct or leaves / reduces their earnings voluntarily if they move into the light touch or all work related intensive regimes is sanctioned

Daily sanction amounts

The daily sanction amount for claimants has been determined in accordance with a formula based on the Standard Allowance for each category of claimant.

Formula
$(\text{Standard Allowance} \times 12 \text{ divided by } 365) \times \text{percentage rate}(\text{see below})$ with the result rounded down to nearest 10p
Percentage rates depend on a claimants circumstances and are as

follows:

Single claimant in all work related requirements (AWRR) intensive work search, light touch, working enough and WP	100%
Claimant in a couple in AWRR intensive work search, light touch, working enough and WP	50%
Single claimant in WFI only regime or in NWRR on the grounds of childcare responsibilities, adoption or pregnancy	40%
Claimant in a couple in WFI only or in NWRR on the grounds of childcare responsibilities, adoption or pregnancy	20%
Claimant in NWRR with limited capability for work related activities	0%

In joint claimant cases the formula is based on half of the joint Standard Allowance paid to the couple.

Sanctions for all 16/17 year olds operate at the 40% rate. 20% for each claimant if a couple case

Lowest level sanctions

Lowest level sanctions apply to claimants subject to Work-Focused Interview only requirements, who fail to attend or participate in a Work-Focused Interview without good reason.

Lowest level sanctions will be open-ended for a period equal to the number of days:

- from the date of failure and runs to:
 - the day before the date the claimant meets a compliance condition
 - the day before the date the claimant moves to the No Work-Related Requirements regime
 - the date the award is terminated (other than by reason of the claimant ceasing to be or becoming a member of a couple)

Easement for missed appointments

The sanction continues accruing until the day before a claimant attends an appointment. If a claimant cannot be seen on the day they make contact, the

sanction stops accruing on the day before they make contact. This easement is dependent upon them attending their re-arranged appointment.

Low level sanctions

Low level sanctions will be applied to claimants who are subject to All Work-Related Requirements or are in the Work Preparation regime (subject to work-preparation and Work Focused Interview requirements) and who fail without good reason to meet any work-related requirement (or connected requirement) that is not sanctionable at the higher or medium level.

There are two components to a low level sanction for claimants aged 18+.

An open ended component which will run for a period equal to the number of days from the date of failure until:

- the day before the date the claimant meets a compliance condition
- the day before the date the claimant moves to the No Work-Related Requirements regime
- the day before the date the claimant is no longer required to undertake a particular action
- The last day of entitlement if the award is terminated, or date of death if a claimant dies.

plus:

- a fixed period of 7 days
- 14 days if there has been a lower level sanction with a fixed period of 7 days applied for a failure which occurred within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))
- 28 days if there has been a lower level sanction with a fixed period of 14 or 28 days applied for a failure occurred within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))

Easement for missed appointments

The open-ended part of the sanction continues accruing until the day before a claimant attends an appointment. If a claimant cannot be seen on the day they make contact, the open-ended part stops accruing on the day before they make contact. This easement is dependent upon them attending their re-arranged appointment

For claimants aged 16-17, low level sanctions will be for an open period which will run for a period equal to the number of days from the date of failure until:

- the day before the date the claimant meets a compliance condition

- the day before the date the claimant moves to the No Work-Related Requirements regime
- the day before the date the claimant is no longer required to undertake a particular action)

Plus for second and subsequent failures with a previous failure occurred within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#)), a fixed period of 7 days.

Medium level sanctions

Medium level sanctions will be applied to claimants subject to All Work-Related Requirements who without good reason:

- fail to undertake all reasonable work search action
- fail to be available and willing to immediately take up work

Medium level sanctions for claimants aged 18+ will be of a fixed duration of:

- 28 days for a first failure
- 91 days if there has already been one or more medium level sanctionable failures occurred within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))

Medium level sanctions for claimants aged 16-17 will be of a fixed duration of:

- 7 days for a first failure
- 14 days if there has been one or more medium level sanction applied for a failure occurring within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))

Work search and availability are tests applying on a week-by-week basis.

Higher level sanctions

Higher level sanctions will only be applied to claimants subject to All Work-Related Requirements who without good reason:

- fail to apply for a particular vacancy notified to the claimant by Universal Credit
- fail to take up an offer of paid work
- by reason of misconduct or voluntarily
 - cease paid work
 - lose pay

For claimants aged 18 and over, high level sanctions will usually be for a fixed duration of:

- 91 days for a first failure
- 182 days if there has been a 91 day higher level sanction applied for a failure which occurred
- within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))
- 1095 days if there has been a 182 or 1095 day higher level sanction applied for a failure within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))

For claimants aged 16-17 higher level sanctions will usually be for a fixed duration of:

- 14 days for a first failure
- 28 days if there has been a 14 or 28 day higher level sanction applied for a failure within the 365 days of the current failure or within 364 days prior to the date of the current failure (but not in preceding 13 days, see [Escalation of sanctions](#))

Escalation of Sanctions

Escalation is an increase in the length of a sanction.

This happens where a sanction is imposed and a claimant already has one or more sanctions of the same level imposed on their Universal Credit. This is provided that the earlier sanction:

- has a failure date in the 364 days immediately preceding the date of the current failure, and
- the date of the previous failure is not in the 13 days immediately preceding the date of the current failure
- was not a pre-claim failure

The date of failure is used to determine escalation. The date of the sanction decision is not relevant.

Any unspent legacy sanctions that have been applied to a claimant's Universal Credit may escalate any subsequent sanctionable failures at the same level. This is provided that the legacy sanction was not:

- a pre-claim failure (see [Pre-claim failures below](#))
- with a date of failure less than 13 days and more than 364 days before the date of the subsequent failure

A pre-claim failure cannot be used to escalate a subsequent sanction. The duration of a pre-claim failure escalates if there are previous higher level Universal Credit or legacy sanctions, but not pre-claim, for failures in the previous 365 days. For example where there has been a break in claiming Universal Credit.

Sanctions will only escalate when there is a previous sanction at the same level (higher, medium or low). Only previous sanctions with a date of failure in the 365 days prior to the current failure date are counted.

Escalation of sanctions does not apply to lowest level sanctions.

A previous sanctionable failure at the same level is disregarded for the purposes of escalation if it occurred in the 13 days immediately preceding the date of the current failure. In these circumstances, the sanction duration for the latest failure is the same duration as the previous failure.

See the table below:

Sanction	Applicable to	Duration (see notes 1 & 4)		
		1st failure no same-level sanctionable failure date in previous 364 days	2nd failure earlier same-level sanctionable failure date occurred in previous 364 days	3rd or subsequent failure (note1&2) – 2nd or more same-level sanctionable failure date occurred in previous 364 days

Higher Level e.g. failure to retain or take up paid work	Claimants subject to all work-related requirements	91 days (See notes 2 &3)	182 days (See notes 2 & 3)	1095 days (See notes 2 &3)
Medium Level e.g. failure to undertake all reasonable action to obtain work	Claimants subject to all work-related requirements	28 days	91 days	
Low Level e.g. failure to undertake particular, specified work preparation action, failure to attend interview	Claimants subject to 1. all work-related requirements, or 2. work preparation and work-focused interview requirements	Open-ended for number of days from failure to day before compliance plus:		
		7 days	14 days	28 days
Lowest Level Failure to participate in a work-focused interview	Claimants subject to work-focused interview requirements only	Open ended for number of days from failure to day before compliance		

Notes:

- 1 Period does not escalate if the failure date is in the 13 days following a previous same-level sanction
- 2 High level pre-claim failures (lose or leave work/pay or refusal to take up paid work do not escalate the duration of a following failure
- 3 High level pre-claim failures
 - are reduced by the number of days between the failure and the date of claim.
 - If the work the claimant failed to retain or failed to take up was due to last for a limited period, then the sanction is limited to the number of days between the failure and end of that limited period.
- 4 The maximum length of time for which a sanction can be outstanding is 1095 days (3 years)

Pre-claim failures – higher level sanctions

These are when, before applying for UC, a claimant:

- leaves employment voluntarily without good reason
- loses pay voluntarily without good reason
- loses employment or pay because of misconduct
- fails to take up an offer of employment without good reason

The applicable sanction period is reduced by the length of time between the failure and the date the claimant became entitled to Universal Credit.

If the pre-claim failure relates to employment which was expected to last for a limited period, the applicable sanction period is the shorter of the standard duration; or the length the employment was expected to last, minus the number of days between the failure and claim.

A subsequent higher level failure will not increase in length (escalate) if the preceding failure is pre-claim. However the length of a higher level sanction for a pre-claim failure will depend on any previous higher level sanctions for failures which occurred within the 364 days preceding the current failure (but not those occurring within the preceding 13 days).

16/17 year olds

The sanctions regime for 16 and 17 year olds mirrors the adult regime but has lower sanction amounts and shorter durations. The durations are set out alongside the over 18 year old periods previously stated

16 and 17 year olds are sanctioned at 40% of the Standard Allowance or 20% for a claimant in a couple.

Sanctions in place until exhausted

Where a claimant's award is terminated and they subsequently reclaim and receive a new award of Universal Credit, any unexpired TORP will apply to the new award.

The TORP is reduced by one day for each day a sanctioned individual does not have a Universal Credit award.

The reduction remains in place until exhausted.

Compliance condition

A compliance condition is the action a claimant must take to stop the open-ended element of the sanction building; it must be clear what is required of the claimant.

It can be the original requirement imposed on the claimant or a new requirement where the original is no longer appropriate, for example if the original requirement is time-limited, such as a training course on a specific day.

Change to sanction amount when claimant moves conditionality regime

For claimants who move into the No Work-Related Requirements regime on the grounds of childcare responsibilities, adoption or pregnancy, the sanction amount will change to 40% of the Standard Allowance. In the case of a couple claim it will be 20% for each claimant with a sanction.

This includes:

- a responsible carer for a child under 1
- a claimant who is pregnant and it is 11 weeks or less before her expected week of confinement (or within 15 weeks after the birth of their child, including births and still births)
- claimants who adopt a child and it is 52 weeks or less since the date the child was placed with the claimant

Claimants who adopt a child and have elected that the 52 weeks should run from a date within 14 days before the child was expected to be placed

If the claimant is found by a work capability assessment to have Limited Capability for Work and Work Related Activity (LCWRA) then the sanction rate reduces to 0%.

Claimants who move to Work Focused Interview only regime will have a sanction rate of 40% or 20%.

Termination of sanctions

Sanctions will remain in place until exhausted subject to one of the following exceptions.

All unexpired sanctions are terminated (the TORP reduced to zero) if the sanctioned claimant can prove they have been in employment earning at or above their earnings threshold for at least 6 assessment periods since their last sanctionable failure. The period in employment above the threshold need not be continuous

Claimants in the No Work Related requirements conditionality group do not have a Conditionality earnings threshold, as they are not required to undertake paid work. Sanctions terminate if the claimant, based on their individual not joint claimant earnings, prove they have been in employment earning at or above an amount equal to the formula:

- National Minimum Wage multiplied by 16 hours per week

Sanctions should also be cancelled if a failure occurs and the claimant becomes not entitled to Universal Credit within the same assessment period (AP). This is because requirements cannot be imposed when there is no entitlement to Universal Credit.

The claimant may cease to be entitled during the AP (for example if they report a Change of Circumstances) or at the end of the AP if their Universal Credit award is reduced to nil by earnings. Reduction to nil due to a sanction or fraud penalty does not cease entitlement.

This is the case except where final earnings reduce Universal Credit payable to zero in an AP after the claimant has finished work (claimant leaves work voluntarily without good reason so a higher level sanction applies). Their final earnings reduce their first Universal Credit payment to zero. No sanction reduction will be taken for that AP but the sanction is not cancelled, it will continue in the next AP.

The sanctionable amount is reduced to zero whilst a claimant has been assessed as, or treated as, having Limited Capability for Work and Work Related Activity. Sanctions remain in place whilst claimants await the Work Capability Assessment (WCA) determination.

Date termination applies

Open ended sanctions run from the date of failure up to the date before the day the claimant complies / the requirement is lifted. If the sanction failure was a fail to attend, the sanction is terminated the day before the claimant contacts the service to book a new appointment, but the sanction termination is lifted when the claimant attends the interview.

For example:

1/11 - claimant fails to attend

4/11 - claimant contacts to book new appointment

7/11 - actual appointment date and claimant attends.

The open ended period of the sanction will run for 3 days (1/11 to 3/11 - i.e. day before the claimant makes contact). When this is input into the system the claimant must also get a formal notification of the decision (as it is appealable). Depending on the nature of the failure, a claimant may be able to comply on the same day as the failure - e.g. fail to attend appointment at 9am, calls at 4pm - so the open ended period would actually be zero.

If the claimant fails to attend the new (second) appointment without good reason, the original sanction still applies, and the open ended period continues until they contact Universal Credit again to rebook and then attend or the requirement is lifted.

Fraud penalties

Work related sanctions are suspended when a fraud loss of benefit penalty is in effect. The work-related requirement sanction will resume once the fraud penalty has expired. This approach will ensure that claimants will serve the full duration of both reductions without both amounts being deducted at the same time. The TORP is not reduced by the period the sanction is suspended.

A previous fraud / loss of benefit penalty will not count towards escalation of sanctions.

The 1095 day cap on the TORP will only apply to work-related requirement sanctions. Fraud penalties may be over and above this.

Good reason

A claimant must be asked for reasons for failure to take an action that can lead to a sanction. The decision is made by a trained Decision Maker.

There is no definitive list as to what circumstances may amount to good reason when considering failure to meet a requirement and sanctions.

[Back to contents](#)