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Sanctions

A sanction is a financial reduction that is imposed on a Universal Credit claimant who doesn't comply with the work related requirement without good reason.

Work related requirements must be tailored to the claimant's circumstances, making sure they fully understand both the requirement and the 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 reduce.

Claimants must understand that subsequent failures to meet requirements will result in an increased sanction length. Information about sanctions is available via the journal and is agreed by the claimant when they accept their claimant commitment.

When a Universal Credit claimant is sanctioned they will receive Universal Credit at a reduced rate. Their payment may be reduced to zero, depending on entitlement.

A claimant who is subject to a sanction may apply for a Recoverable Hardship payment.

In Universal Credit there are four levels of sanction:

- [higher](#)
- [medium](#)
- [low](#)
- [lowest](#)

The duration of the sanction depends on the level applied.

Higher level sanctions

Higher level sanctions apply to claimants subject to all work-related requirements (light touch or intensive work search) who:

- leave paid work or lose pay through misconduct
- leave paid work or lose pay voluntarily without good reason
- fail to apply for a particular vacancy without good reason
- fail to take up an offer of paid work without good reason

For claimants aged 18 and over, higher level sanctions will be for a fixed duration. See [escalation of sanctions](#).

For eligible claimants aged 16-17, each higher level sanction will be for a fixed duration of:

- 14 days if there has been no previous higher level failure date in the 364 days prior to the current failure date; or
- 28 days if there has been a 14 or 28 day higher level failure in the 364 days prior to the current failure date.

Loss of work or loss of earnings

A sanction may apply when a claimant moves from the working enough regime to the intensive work search or light touch regime because they lost, or reduced, their earnings.

A sanction doesn't apply if:

- the loss of earnings or work is not their fault
- they have good reason for the loss of work or earnings
- the claimant remains in the working enough regime.

Sanctions don't apply to claimants who are gainfully self-employed and give up paid work or lose pay; they lose their self-employed status instead.

Pre-claim failures

A pre-claim failure happens when the date of failure is before the date of the Universal Credit claim.

They apply to higher level failures only, for example, loss of a job because of misconduct or failure to take up an offer of a job prior to claiming Universal Credit.

The sanction length reduces for each day between the date of failure and the

date of claim.

A pre-claim failure cannot be used to escalate any later higher level sanction. See [escalation of sanctions](#).

A pre-claim failure can only escalate if there is a previous higher level sanction:

- within 365 days of this failure
- but not within 14 days; and
- was not a pre-claim failure

Medium level sanctions

Medium level sanctions apply to claimants subject to all work-related requirements (light touch or intensive work search) and who without good reason:

- fail to undertake all reasonable work search action
- fail to be available and willing to take up paid work immediately (or more paid work, or better paid work)

For claimants aged 18 and over, medium level sanctions will be for a fixed duration. See [escalation of sanctions](#).

For eligible claimants aged 16-17, each medium level sanction will be for a fixed duration of:

- 7 days if there is no previous medium level failure in the 364 days prior to the current failure date; or,
- 14 days if there has already been a 7 or 14 day medium level sanction applied for a failure within the 364 days prior to the current failure date.

Low level sanctions

Low level sanctions apply to claimants subject to all work-related requirements (light touch or intensive work search) and those in the work preparation regime. Sanctions apply where the claimant fails, with no good reason, to:

- undertake specified work search action
- comply with a work preparation requirement
- comply with a work-focused/work search interview requirement.

There will be two parts to a low level sanction; an open ended part and a fixed period.

This fixed period makes certain the sanction has an impact, even when the claimant complies straightaway.

For eligible 16 and 17 year olds a fixed period will not apply for the first failure. However, subsequent failures within 364 days of the most recent failure a fixed period of 7 days will be applied.

For claimants aged 18 and over, see [escalation of sanctions](#).

Lowest level sanctions

Lowest level sanctions apply to claimants subject to the work-focused interview group, who without good reason fail to attend or participate in a work-focused interview.

Lowest level sanctions are open ended only i.e. no fixed period.

Compliance condition

A compliance condition is the action a claimant must take to stop the open-ended part of the sanction ([low](#) and [lowest](#)).

It will usually be the original requirement agreed by the claimant or a new requirement where the original is no longer appropriate. These may include:

- meeting the actual requirement agreed, such as updating a CV or registering with an employment agency
- booking and attending an appointment for a WFI or an interview
- any reasonable, appropriate and achievable work-related activity as specified.

The open-ended part of a sanction is ended when the claimant meets the compliance condition by undertaking the activity.

It is important that the compliance condition is clearly explained at the time the requirement is set so that if the claimant fails to comply with the requirement they know immediately what to do to stop the open-ended part of a sanction building.

If the sanction failure was a fail to attend, the compliance condition is to rebook and attend the appointment. Where a claimant cannot be seen on the same day the open ended period ends the day before they contact the service provided they attend the rearranged appointment on the correct day.

How open ended sanctions are calculated

Open ended sanctions run for a period equal to the number of days from the date of the 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 (NWRR) regime
- the day before the date the claimant is no longer required to undertake a particular work-related requirement
- the date the award is terminated (other than by reason of the claimant ceasing to be or becoming a member of a couple)
- date of death if a claimant dies

Good reason

A claimant is given the chance to explain why they have not complied with the requirements set that can lead to a sanction.

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

Good reason is not considered when a claimant ceases paid work or loses pay through their misconduct. However, the claimant will have the opportunity to provide facts and evidence which will be considered by the Decision Maker, along with any evidence provided by the employer (if provided), in determining whether there has been a failure and therefore whether a sanction is appropriate.

Escalation of Sanctions

Escalation is an increase in the length of a sanction.

Sanctions only escalate when there is a previous sanction at the same level (higher, medium or low).

The date the claimant failed to take the required action is used to work out whether a sanction escalates. The current sanction escalates when the earlier sanction:

- has a date of failure in the previous 364 days of the date of the current failure; and
- is not within 13 days prior to the date of the current failure; and
- is not a pre-claim failure

Escalation table for sanctions

	Higher	Medium	Low
1st failure	91 days	28 days	Open ended period (ending the day before compliance met) + 7 days

2nd failure	182 days	91 days	Open ended period (ending the day before compliance met) + 14 days
3rd or following failure	1,095 days	91 days Capped at 1,095 days	Open ended period (ending the day before compliance met) + 28 days Capped at 1,095 days
<p>Notes: The total outstanding reduction period (TORP) is capped at 1,095 days. The sanction durations for 16-17 year olds are different from the above. See each sanction level section for details.</p>			

Total outstanding reduction period (TORP)

When a claimant has more than one sanction, the sanction periods run one after the other to a maximum 1,095 days. If a new sanction is added and it takes the TORP over 1,095 days, the sanction period is reduced to the 1,095 day limit.

The Universal Credit award is reduced until all sanction days imposed on the claimant are served.

Where a new claim is made and the TORP is incomplete, it will continue to countdown in the new award. This ensures claimants cannot avoid a sanction by ending their award and then re-claiming. This also applies if new style JSA or ESA is claimed.

The TORP is reduced by one day for each day in every Assessment Period that is covered by sanction. If the claim terminates and the TORP is greater than nil then the TORP continues to count down for each day after the claim termination date. This means if the claimant subsequently reclaims before the TORP has expired they will serve that unexpired sanction in the new award.

Each member of a couple has their own TORP – sanctions are applied for the appropriate duration and level against half of the standard allowance payable to the couple.

Ending unexpired sanctions

Sanctions remain in place until exhausted, unless one of the exceptions applies then the sanction will be terminated and the TORP reduced to nil, when:

- the claimant (based on individual not joint claimant earnings) can prove they have been in employment at or above their Conditionality Earnings Threshold (CET) i.e. in NWRR group or would be if single, for at least 6 assessment periods since their last sanctionable failure. However, the period in employment above the CET need not be continuous
- a claimant in the NWRR conditionality group for reasons other than earnings can prove they have had personal earnings from employment at or above an amount equivalent to 16 hours at the National Minimum Wage for at least 6 assessment periods since their last sanctionable failure. However, the period in employment above the fixed level need not be continuous
- the claimant is assessed as or treated as having both a limited capability for work and a limited capability for work related activity (LCWRA). Sanctions will remain in place whilst claimants await the WCA determination.
- the claimant dies.

Daily reduction amount

The daily reduction amount for claimants is based on the Standard Allowance for each category of claimant using the following formula:

(standard allowance x 12 divided by 365) x percentage rate (see table below) with the result round down to the nearest 10p

Percentage rates depend on a claimant circumstances and are as follows:

Higher, medium or low level sanctions	Single claimant aged 18 or over	100%
	Joint claimants where both are 18 or over and both are sanctioned	100%
	Joint claimants where both are 18 or over and one is sanctioned	50%
Lowest level	Single claimant aged 18 or over	40%
	Joint claimants where both are 18 or over and both are sanctioned	40%
	Joint claimants where both are 18 or over and one is sanctioned	20%
16/17 year olds	Single claimant	40%
	Joint claimants where both	40%

	are sanctioned	
	Joint claimants where one is sanctioned	20%

The reduction will take effect from the first day of the assessment period in which the adverse decision is made.

See monthly rates for sanction amounts.

Change to daily amount when claimant moves conditionality regime

Claimants who move into the no work related requirements regime and have an outstanding sanction, the amount will be reduced to 40% of the standard allowance. In the case of a joint claim it will be 20% for each claimant with a sanction.

Earnings taper

If a claimant receives less than the standard allowance the daily sanction amount is still calculated as if they were in receipt of the full standard allowance. The reduction amount may reduce the Universal Credit award to nil but the claim will not be closed.

Migration of legacy sanctions to Universal Credit

Any current or outstanding sanctions on ESA or JSA are taken into account on a claim for Universal Credit. Sanctions applied to the legacy award may count towards the escalation of Universal Credit sanctions if within 364 days of the date of the new failure.

Fraud sanctions

Where a fraud loss of benefit (LOB) penalty is reducing the standard allowance, the conditionality sanction is suspended until the day after the fraud penalty ends.

A fraud LOB penalty is disregarded in the calculation of escalating sanctions and for the TORP.