New Style Employment and Support Allowance and Universal Credit dual claims

Introduction

A dual claim is where Universal Credit and contribution-based New Style ESA are claimed and paid alongside each other. This includes cases where the award of New Style ESA is nil.

Key Features of a Dual Claim:

- payments of New Style ESA are taken into account as unearned income in the Universal Credit assessment. The system automatically calculates the amended Universal Credit payments from the details held in ‘Other Benefits’
- Claimants will be awarded a Class 1 National Insurance credit even if the award of New Style ESA is nil.
- Universal Credit conditionality applies and the work-related requirements are managed through a Universal Credit claimant commitment. Failure to comply with the claimant commitment could result in only the claimant’s Universal Credit being sanctioned.
- The claimant must accept a claimant commitment relating to New Style ESA and Universal Credit as this remains a condition of entitlement. A claimant commitment is required for both the Universal Credit claim that is held on the Universal Credit system and the New Style ESA claimant commitment is saved in a local shared folder. As no conditionality or sanctions can be imposed through the New Style ESA claim, Universal Credit sanctions will apply instead for these claimants.
- When both Universal Credit and New Style ESA are in payment, the same Work Capability Assessment is used.

Claimants who work

Universal Credit will receive earnings information for the claimant through a Real Time Information data feed unless the claimant is informed that they must self-report.

Claimants must self-report any earnings in respect of their New Style ESA to Jobcentre Plus.

New Style ESA claimants may undertake permitted work for up to 16 hours per week and receive earnings up to £140.00 per week. However, this must be reported and agreed in advance. The Permitted Work earnings up to the £140 limit will be completely disregarded from New Style ESA but will be taken into account on Universal Credit as earnings. See ‘Claimants who work and receive New Style ESA’ guidance for more information.

Effect of New Style Employment and Support Allowance on Universal Credit

To avoid duplication of benefit payments, New ESA is taken into account as unearned income in Universal Credit.

The amount taken into account is the ‘adjusted gross award’ of New Style ESA. This is the amount of the New Style ESA awarded after earnings, occupational pensions and private health insurance have been taken into account but before any other deductions, for example overpayments.

When payment of New Style ESA starts or ends in a Universal Credit assessment period, the actual number of days of New Style ESA paid is taken into account. Other changes to the amount of New Style ESA paid are taken into account using the ‘whole month approach’. This means that the Universal Credit award is adjusted by taking into account the New Style ESA in payment at the end of the assessment period and applying that to the whole of that assessment period.

Dual claims – effect on waiting days

Seven waiting days may be applied at the start of an award of New Style ESA unless the claim is made within 12 weeks of the termination of a prescribed working-age benefit, or if no other exceptions apply. NS ESA claims made because of COVID-19 do not serve waiting days.

Any past or current entitlement to Universal Credit has no effect on the application of waiting days in New Style ESA.

Waiting days do not apply in Universal Credit.

Successful New Style Employment and Support Allowance appeals

For dual claims only, if a claimant appeals against a New Style ESA outcome and that appeal is successful, a DWP appeal or Mandatory Reconsideration Outcome notification will be sent to Universal Credit
colleagues inbox: ucfull.service@dwp.gov.uk (link sends e-mail).
Appropriate action will be taken depending on the type of appeal outcome received.

New Style ESA processing staff will record on JSAPS that the notification has been sent to Universal Credit.