

New Style Benefits

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New Style benefits

Full guidance can be found here for New Style Employment and Support Allowance Only claims and New Style Jobseeker's Allowance Only claims.

These pages bring all the information relevant to the New Style benefits into one place.

Please use this page and the links out to specific websites / products to aid understanding of these benefits. This helps guide claimants to make the right decisions on claiming in respect to their circumstances.

These pages do not replace formal learning, please discuss with your line manager any additional learning that you feel is required.

Introduction

The Government supports the principle that people should be able to access financial help after paying into the National Insurance contributions scheme. Therefore, contribution-based Employment and Support Allowance (ESA) and contribution-based Jobseeker's Allowance (JSA) will remain following the introduction of Universal Credit.

In order to enable Universal Credit and contributory benefits to be paid together, a 'New Style' of ESA and JSA has been introduced.

A claimant cannot have entitlement to both Universal Credit and Legacy 'old style' versions of income related ESA or income-related JSA. It's because UC and new style benefits have replaced the old style versions.

The New Style benefits are contribution-based only, which means that they can be paid regardless of whether a claimant is also entitled to Universal Credit or not.

They can be paid at the same time as Universal Credit (See dual claims). If they get both, their Universal Credit will be reduced by the amount they get for New Style JSA or ESA.

Types of claims

There are three types of claim that can be made:

- Universal Credit only claims
- New Style contribution-based ESA or New Style Contribution-based JSA only claims

- dual claims, where both benefits are claimed simultaneously

Universal Credit only claims

A claimant is not required to claim New Style Employment and Support Allowance (ESA) or Jobseeker's Allowance (JSA), even if they may be entitled. However, claimants must be advised that they could lose entitlement to New Style ESA or JSA if they delay claiming them. If they delay making a claim until the next benefit year, they may then fail to satisfy the relevant contribution conditions. See Benefit Year guidance.

New Style JSA and New Style ESA Key Points:

- Claimants can get contributory benefits if they have worked and paid enough National Insurance contributions. This is usually in the 2 tax years before the current benefit year. (A benefit year starts on the first Sunday in January and ends on the first Saturday in the following year). For more information about this, see links to New Style JSA contributory conditions and New Style ESA contributory conditions. National Insurance Credits (link to gov.uk page) can count for part of this. Someone cannot get New Style JSA or New Style ESA if they have never worked.
- Contributory benefits are payable even where claimants do not qualify for Universal Credit, but satisfy the conditions of entitlement for these contributory benefits. For example, claimants who don't qualify for Universal Credit, because they have capital over £16,000 might still qualify for New Style ESA or JSA.
- If applying for a New Style benefit only, and no application to Universal Credit is made, existing Housing Benefit and Tax Credit awards can continue. This might be particularly important for Tax Credit claimants who have more than £16,000 in savings who would not be eligible for Universal Credit
- They are not entitled to new style benefits if they work over 16 hours a week.
- A claimant's earnings and any income from Pensions and Medical Insurance may impact the amount of New Style benefit the claimant receives.
- Unlike Universal Credit, New Style ESA and JSA count towards taxable income.
- Claimants who want to apply for New Style ESA only or JSA only, will have to do so separately to Universal Credit. Claimants don't need to have made a claim to Universal Credit in order to make a claim to New Style ESA or JSA.
- New Style ESA and JSA will not be treated as a source of income for Universal Credit purposes if it is not awarded and paid.

- Claimants will be credited with a Class 1 National Insurance (NI) credit. This is true even when they are entitled to Universal Credit (Dual Claim) for which a Class 3 NI credit is normally awarded. Class 1 NI credits count towards the State Pension, Bereavement Benefits and contributory benefits, whereas Class 3 NI credits only count towards the State Pension and Bereavement Benefits.
- Class 1 NI credits are also credited when a claimant meets the entitlement conditions for a New Style award but no benefit is being paid - for example, if an occupational pension has reduced their entitlement to nil. However, no NI contribution will be credited if the claimant's award of New Style benefit has been sanctioned.
- New Style benefits are delivered on the JSA Payment system (JSAPS), while Universal Credit is delivered on the Universal Credit system