

Labour Market regimes and overrides

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Overview

Every claimant is allocated to a labour market regime based on their individual and household information, circumstances, and where applicable earnings. The claimants' circumstances need to be established and understood for the appropriate regime to be allocated. There are six labour market regimes, and each regime falls into one of four conditionality groups as follows.

Labour Market regimes:

- Working enough
- No work-related requirements
- Work focused interview
- Work preparation
- Light touch
- Intensive work search

Conditionality groups:

- All Work-Related Requirements
- Work Preparation
- Work Focused Interview
- No Work-Related Requirements

The conditionality group and allocated labour market regime explain the level of support the claimant can expect to receive, and the framework of what is expected of them.

This information is within an individual claimant commitment (CC) which the claimant is required to accept.

Allocation to a labour market regime

The allocation to a regime is based on information supplied by the claimant at the point the information is received, such as an estimate of their expected earnings for the assessment period if they are not sure exactly how much they will earn.

Once the information is verified their allocated regime may change and an override may be appropriate.

If a claimant's circumstances fall into more than one regime, the regime with the lowest conditionality will apply.

Examples: Where more than one regime applies

1. A claimant has limited capability for work and would normally fall into the work preparation regime but is also the nominated/responsible carer of a child under 1.

They will be placed into the no work related requirements regime until the child turns 1 when they will then be placed in the work focused interview regime.

2. A claimant is unemployed and has a partner who is working above the household AET but below the household CET and would normally fall into the light touch regime, but they are also the nominated/responsible carer of a child aged 1.

They will be placed into the work focussed interview regime. The light touch regime is part of the all-work related requirements conditionality group therefore the work focussed interview regime has the lowest conditionality for the claimant's current circumstances.

If their circumstances remain the same, they will move into the work preparation regime when the child turns 2, and the light touch regime when the child turns 3.

3. Claimant is working and earns £200 per month from work. They have a disability and are the nominated/responsible carer of a child aged 1.

They will be placed in the work focused interview regime.

Based on their earnings they would be expected to look for work but have a limited capability for work so would be expected to do work preparation. As they are the main carer for a child aged 1, they will have to take part in work focused interviews as this is the lowest conditionality group.

Individuals in a couple will be allocated to a regime independently, based on their own individual circumstances meaning they may be in different regimes.

Claimants need to be clear on what they need to do to meet their new responsibilities and their immediate next steps in return for Universal Credit and the consequences of any failure to comply with requirements without good reason.

Where a change of circumstances is reported the claimant's regime (work group) and / or commitments are reviewed and updated.

There are household as well as individual earnings thresholds for couples, the conditionality earnings threshold (CET) and administrative earnings threshold (AET). The earnings of both partners are combined, and the threshold is used to assess the regime allocation for both. This means the earnings of one partner can affect the regime allocation of another.

Where a couple exists and one is ineligible to claim Universal Credit, household earnings thresholds must still be applied, and the earnings of that partner used when determining whether that threshold has been met and the eligible claimant's regime is correctly allocated.

Conditionality groups

The conditionality groups determine what the claimant needs to do to find work (where applicable) and what is required of them in relation to their Universal Credit payment. Also, the type of work-related activities the claimant can be set as part of their commitment.

This table shows the four conditionality groups and the 6 labour market regimes with a descriptor

Legal group (conditionality)	Labour Market regime	Descriptor
No work related requirements	Working enough	A claimant whose earnings are over the individual or household Conditionality Earnings Threshold or, gainfully self-employed and the Minimum Income Floor applies.
	No Work Related Requirements	Applies to claimants who are: <ul style="list-style-type: none"> • too sick to work with LCWRA following the WCA • over State Pension Age • in full time education (non-advanced or advanced) but eligible for UC whilst undertaking the course during term time and receiving student income • without parental support (young people) and in full-time non-advanced education or training. • a lone parent or lead carer in a couple with a child under the age of one • adopters in the first year • pregnant and it is 11 weeks or less before their expected week of confinement or within 15 weeks of child's birth • providing care for at least 35 hours a week for a severely disabled person in receipt of: <ul style="list-style-type: none"> ○ DLA care component at middle or highest rate ○ Constant Attendance Allowance ○ Attendance Allowance ○ PIP daily living component ○ Armed Forces Independence Payment
Work focused Interview only	Work Focused Interview	A claimant who is expected to work in the future but are currently nominated lead carers for children. This includes:

		<ul style="list-style-type: none"> • lead carers where the youngest child is aged one • lead foster carers and in some cases their partner carer
Work Preparation	Work Preparation	<p>A claimant who is expected to work in the future, but not expected to look for work at this stage. This includes:</p> <ul style="list-style-type: none"> • those assessed as having limited capability for work following the Work Capability Assessment • lead carer where the youngest child is aged 2
All Work Related Requirements	Light touch	Claimants with individual or household earnings above the Administrative Earnings Threshold but earnings are not enough to take them above the relevant individual or household Conditionality Earnings Threshold
	Intensive Work Search	<p>A claimant who is not working and those working but are earning very low amounts and expected to take intensive action to secure work or work more. This includes:</p> <ul style="list-style-type: none"> • claimants with a health condition and a current fit note who have not yet been assessed by the Work Capability Assessment process. • claimants gainfully self-employed and in the Start-up Period • lead carers whose youngest child is aged 3 - 4 will be moved to the Intensive Work Search regime

Labour Market regime override

It is important that a claimant is placed in the correct Labour Market regime for their circumstances so that they are not asked to do anything that would be unreasonable for them.

The claimant's Labour Market regime is automatically re-assessed and updated each time a change of circumstance is reported. Currently, the service does not recognise the whole range of personal circumstances which might change the claimant's allocation to a particular regime. For this reason, the regime can be changed manually.

A manual override is required in the following circumstances:

- apprentices - hourly wage rate less than the National Minimum Wage
- tailoring the Conditionality Earnings Threshold

- over State Pension Credit age
- friends and family care in the first year - only for a child age 1 or above (if the child is aged under 1 details should be recorded to trigger No Work Related Requirements)
- adoption in the first year - only for a child age 1 or above (if the child is aged under 1 details should be recorded to trigger No Work Related Requirements)
- self-employed - gainfully self-employed, in the Start-up Period or where the Minimum Income Floor is applied
- pregnancy - 11 weeks before the expected date and 15 weeks after the date of confinement
- earnings - temporary changes to earnings
- the claimant does not qualify for the carers additional amount after declaring that they are caring for 35 hours or more for a severely disabled person(s). See Carers for more information
- foster carer - in all cases
- partner foster carer in exceptional circumstances – see Foster carers
- student Income - full time students (see Students: eligibility, conditionality and student income)
- where an additional payment of earnings (such as a bonus payment) would change the regime and the work coach has used discretion to disregard the earnings
- where earnings from a job that has ended are disregarded

Overrides must always be checked whenever there has been a change in circumstances to ensure it still applies, if not it is removed, and the claimant commitments is updated.