

# Labour Market regimes and overrides

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## Introduction

Every claimant is allocated to a Labour Market regime based on their individual circumstances, household information and where applicable, earnings.

The claimant's circumstances must be established and understood for the appropriate regime to be allocated. There are six Labour Market regimes and each regime falls into one of 4 conditionality groups:

## 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 explains the level of support the claimant can expect to receive and the framework of what is expected of them.

This information is included within an individual Claimant Commitment which the claimant is required to accept.

For information about additional support, see Labour Market - additional support.

## Allocation to a Labour Market regime

The allocation to a Labour Market regime is based on information supplied by the claimant made at the point the information is received (for example, an estimate of

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 the claimant's circumstances means that they 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 they are 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 Administrative Earnings Threshold (AET) but below the household Conditionality Earnings Threshold (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 Focused Interview regime. The Light Touch regime is part of the AI Work-related Requirements conditionality group therefore the Work Focused 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 receives earnings of £200 per month. They have a disability and is 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.

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

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

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

There are household as well as individual earnings thresholds for couples, these are 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.

In the case of a couple where 1 partner ineligible for 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 correctly allocated.

### Conditionality groups

Conditionality groups determine what the claimant must do to find work (where applicable), what is required of them in relation to their Universal Credit payment and the type of work-related activities they can be set as part of their Claimant Commitment.

This table shows the 4 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 Minimum Income Floor applies.
	No Work-related Requirements	Applies to claimants who are: <ul style="list-style-type: none"> <li>• too sick to work with LCWRA following the WCA</li> <li>• over State Pension Age</li> <li>• in full time education (non-advanced or advanced) but eligible for Universal Credit whilst undertaking the course during term time and receiving student income</li> <li>• without parental support (young people) and in full-time non-advanced education or training.</li> <li>• a lone parent or lead carer in a couple with a child under the age of one</li> <li>• adopters in the first year</li> <li>• pregnant and it is 11 weeks or less before their expected week of confinement or within 15 weeks of child's birth</li> <li>• providing care for at least 35 hours a week for a severely disabled person in receipt of:</li> </ul>

		<ul style="list-style-type: none"> <li>• <ul style="list-style-type: none"> <li>○ DLA care component at middle or highest rate</li> <li>○ Constant Attendance Allowance</li> <li>○ Attendance Allowance</li> <li>○ PIP daily living component</li> <li>○ Armed Forces Independence Payment</li> </ul> </li> </ul>
Work Focused Interview only	Work Focused Interview	<p>A claimant who is expected to work in the future but currently are nominated lead carers for children. This includes:</p> <ul style="list-style-type: none"> <li>• lead carers where the youngest child is aged 1</li> <li>• A single foster carer or nominated carer in a fostering couple where: A foster child aged between 1 to 15 is placed with them (except respite and short breaks)</li> <li>• In exceptional circumstances, there is evidence that a foster child aged 16-17 has proven care needs such that they require full-time care</li> </ul>
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"> <li>• those assessed as having limited capability for work following the Work Capability Assessment</li> <li>• lead carer where the youngest child is aged 2</li> </ul>
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"> <li>• claimants with a health condition and a current fit note who have not yet been assessed by the Work Capability Assessment process.</li> <li>• claimants gainfully self-employed and in the Start-up Period</li> <li>• lead carers whose youngest child is aged 3 - 4 will be moved to the Intensive Work Search regime</li> </ul>

For self-employed claimants and the Labour Market regimes, see Self-employment.

## **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.

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 aged 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 aged 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 (see Carers for more information)
- foster carer for a child under 16 except respite and short breaks (see Easements)
- partner foster carer in exceptional circumstances (see Foster carers)
- student Income for 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
- where a claimant has started work and earnings are expected to be above the AET or CET (this ensures that the claimant remains in the Light Touch or Working Enough regime until the earnings information is received)

Overrides must always be checked whenever there has been a change of circumstances to ensure that it still applies. If not, it is removed and the Claimant Commitments is updated.

## **Easements**

Where the claimant has short term caring responsibilities such as respite or short break foster care, the Labour Market regime would not be manually overridden and would remain the same.

The claimant commitment and work plan must be tailored to incorporate the days that the claimant cares for the child. Any work search requirements will not apply and easements must be used to switch off requirements during the time the claimant cares for the child.