

New Style Benefits

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Introduction

This guidance brings all information relevant to New Style benefits together in one place. It does not replace formal learning and agents should have a discussion with their line manager if they feel that additional learning is required.

The guidance includes links to specific websites and other related products to provide agents with a wider understanding of New Style benefits. This will enable them to help claimants make the right decision about which benefits they should claim and which best suits their particular circumstances.

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 allow 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. This is because Universal Credit and New Style benefits have replaced the Old Style versions.

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 the claimant receives both, their Universal Credit will be reduced by the amount of New Style JSA or ESA.

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

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

Universal Credit only claims

A claimant is not required to claim New Style ESA or JSA even if they may be entitled to it. However, they must be advised that they could lose their entitlement if they delay in claiming for them.

If they delay making a claim until the next benefit year, they may fail to satisfy the relevant contribution conditions. See Benefit Year guidance.

New Style JSA and New Style ESA key points

Qualifying conditions

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 (the benefit year starts on the first Sunday in January and ends on the first Saturday in the following year). For more information see [New Style JSA contributory conditions and conditions New Style ESA contributory](#). National Insurance Credits (link to gov.uk page) can count for part of this. A person cannot get New Style JSA or New Style ESA if they have never worked.

Entitlement to New Style JSA and New Style ESA is retained even when a claimant doesn't qualify for Universal Credit. For example, claimants who don't qualify for Universal Credit because they have capital over £16,000 may still qualify for New Style ESA or JSA.

Housing Benefit and Tax Credits in payment

If a claimant applies for a New Style benefit only and no application for 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.

Claimants who are working

If someone is working over 16 hours per week, they are not entitled to New Style benefits.

In certain circumstances, a claimant can work up to 16 hours per week without this affecting their entitlement but their earnings may affect the amount of New Style benefits they receive. See [Permitted Work](#).

Pensions and certain health insurances

Any income from pensions and certain health insurances may impact the amount of New Style benefit the claimant receives (for example, the first £85.00 may be disregarded).

Taxable income

Unlike Universal Credit, New Style ESA and New Style JSA count towards taxable income.

Applying for New Style JSA and New Style ESA

Claimants who want to apply for New Style JSA only or New style ESA only will have to do so separately to Universal Credit. A claimant does not need to have made a claim to Universal Credit in order to make a claim to New Style ESA or JSA.

Underlying entitlement to New Style JSA and New Style ESA

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.

National Insurance Credits

Claimants will be credited with a Class 1 National Insurance credit even when they are also entitled to Universal Credit (dual claim) for which a Class 3 credit is normally awarded. Class 1 National Insurance credits count towards the State Pension, Bereavement Benefits and contribution-based benefits, whereas Class 3 NI credits only count towards the State Pension and Bereavement Benefits.

Class 1 National Insurance credits are also awarded when a claimant meets the entitlement conditions for a New Style award but no benefit is being paid (for example, where an occupational pension has reduced entitlement to nil). In this case, the New Style ESA claim will not be closed as there is underlying entitlement. However, no National Insurance contribution will be credited if the claimant's award of New Style benefit has been sanctioned. Please note that these conditions do not apply in the case of dual claim.

JSA Payment System

New Style benefits are delivered on the JSA Payment System (JSAPS), while Universal Credit is delivered on the Universal Credit system