



## Changes to the welfare benefits system during the COVID-19 outbreak

**23<sup>rd</sup> March 2020**

### **About this briefing**

This briefing is designed to summarise the recent changes that the UK Government has made to the welfare system, in response to the impact of Coronavirus (Covid-19). It will be updated on a regular basis as new announcements and changes to operational practice are made.

To access up to the minute information direct from the DWP, please visit the **Understanding Universal Credit** website.

Community Housing Cymru (CHC) will continue to raise your queries with the DWP in order to address specific concerns that relate to housing associations and their tenants. Please send all queries to Laura Courtney at [Laura-Courtney@chcymru.org.uk](mailto:Laura-Courtney@chcymru.org.uk)



## Changes to welfare benefits

To date, the UK Government has announced the following changes to welfare benefits that are of particular relevance to Housing Associations:

- The Universal Credit standard allowance will be increased by £1000 per year over the next 12 months, starting from April 6<sup>th</sup> 2020. This equates to an additional £83 per month for claimants.
- Working Tax Credits (WTC) will also be increased by £1000 per year over the next 12 months, starting from April 6<sup>th</sup> 2020. This equates to an extra £20 per month for WTC claimants.
- Local Housing Allowance Rates, which cap the amount of Housing Benefit or Universal Credit housing element that can be awarded to tenants in the private rented sector, will be aligned to the 30<sup>th</sup> percentile of local rents from April 2020.
- The Minimum Income Floor in Universal Credit is suspended from April 2020. This means that self-employed claimants will no longer need to earn more than £16000 per year to be exempt from the need to search for employment. This change will apply to all Universal Credit claimants and will last for the duration of the outbreak. New claimants will not need to attend the jobcentre to demonstrate gainful self-employment.

## Increase in demand for Universal Credit

Due to this crisis, it is likely that there will be a large number of new applications for Universal Credit. CHC will work closely with members and the DWP to seek to mitigate the impact of this through policy and operational changes.

## Changes to the process of claiming welfare benefits

Those who are not eligible for sick pay, or who are prevented from working because of a risk to public health, are being encouraged to apply for **apply for Universal Credit** and/or **apply for New Style Employment and Support Allowance**.

## New claimants

**Applications for Universal Credit** can be made online. Jobcentres remain open, and will continue to support people who are not able to use phones and/or the internet, including homeless people.

Those who need to claim Universal Credit or **Employment and Support Allowance (ESA)** because of coronavirus will not be required to produce a Fit Note.



### Current claimants

Those already claiming Universal Credit who think they may have been affected by coronavirus are required to contact their work coach as soon as possible by:

- using their [online journal](#), or
- calling the Universal Credit [helpline](#)

### Changes to jobcentre appointments

People who are currently receiving benefits do not have to attend jobcentre appointments for three months, starting from Thursday 19 March 2020. They will continue to receive their benefits as normal, but all requirements to attend the jobcentre in person are suspended.

### Changes to health assessments

In light of the current coronavirus outbreak, the Department for Work and Pensions has taken the precautionary decision to temporarily suspend all face-to-face assessments for health and disability-related benefits. This is aimed at reducing the risk of exposure to coronavirus and safeguarding the health of individuals claiming health and disability benefits, many of whom are likely to be at greater risk due to their pre-existing health conditions.

Those who already have an assessment appointment arranged do not need to attend. The assessment provider will contact them to explain the next steps.

Those who have applied for Universal Credit, Personal Independence Payment (PIP), Employment and Support Allowance (ESA) or Industrial Injuries Disablement Benefit (IIDB) but have not been given an appointment do not need to take any action. They will be contacted shortly by telephone or letter to let them know what will happen next.

### Statutory Sick Pay

Employees that are eligible for [Statutory Sick Pay](#) can now get it from the first day of their illness, rather than from the fourth.

Statutory Sick Pay is payable if you are staying at home on Government advice, not just if you are infected by coronavirus.



Those who need to provide evidence to their employer that they need to stay at home due to having symptoms of coronavirus, or if someone they live with has symptoms, can obtain an Isolation Note from **NHS 111 online** or the **NHS website**.

### **Coronavirus Job Retention Scheme**

All UK employers will be able to access support to continue paying part of their employees' salary, if they would otherwise have been laid off during this crisis. HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

In order to access this, employers need to:

- designate affected employees as 'furloughed workers';
- notify your employees of this change (changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation)
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required).

Further announcements with regards to financial support for self-employed people are expected shortly, after wide spread criticism about the disparity in the amount of support offered between employees and the self-employed.

### **For further information, please contact:**

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