

Chapter D2: Third party deductions Universal Credit, Jobseeker's Allowance and Employment and Support Allowance

Contents

Introduction	D2001
Definitions	
Assessment period	D2009
Child element	D2011
Standard allowance	D2012
Percentage of the standard allowance	D2013
Water charges	D2014
Work Allowance	D2015
General	D2019
Limitations applicable to deductions	D2024
Liability for debt	D2026
Consent required	D2031
Consent not required	D2032
Maximum amount	
Insufficient Universal Credit	D2038
Priority between debts	D2042
Superseding a third party deduction decision	D2050
Third party deductions for housing costs	
Meaning of housing costs	D2090
Rules for third party deductions	D2091
Criteria to consider before deductions commence	D2093
Amount of deduction	D2094

Third party deductions for rent and service charges included in rent**Definitions**

Meaning of rent payments.....	D2111
Meaning of exempt accommodation	D2112
Meaning of service charges	D2113
Rules for third party deductions.....	D2116
Criteria to consider before deductions commence.....	D2120
Amount to be deducted	D2121
Cessation of deductions	D2124

Third party deductions for fuel costs

Definition of fuel item.....	D2130
Rules for third party deductions	D2131
Amount to be deducted	D2133
Fuel - current consumption	D2137
Exception to general rules.....	D2141
When deductions should cease	D2143
Joint tenants	D2145
Priority between fuel debts	D2147
Consent required.....	D2152
Superseding the third party deduction decision	D2153

Third party deductions for water charges**Definitions**

Meaning of water charges.....	D2165
Meaning of water undertaker	D2166
Methods of charging.....	D2167

Rules for third party deductions

Original debt.....	D2169
When deductions should cease	D2174

Amount to be deducted	D2175	
Original debt recovered	D2181	
Joint tenants	D2182	
Consent required	D2185	
Third party deduction in place of Child Support Maintenance - Contribution to Maintenance deductions		
Introduction	D2225	
Meaning of non-resident parent	D2227	
Sufficient Universal Credit in payment	D2228	
Number of deductions	D2229	
Amount to be deducted	D2230	
Third party deductions for integration loan scheme		
Introduction	fD2311	
Definitions		
Integration loan - recoverable by deductions from Universal Credit	D2321	
Rules for deductions from benefit		D2322
Amount of deduction	D2324	
Maximum number of deductions	D2404	
More than one application	D2405	

Chapter D2: Third party deductions Universal Credit, Jobseeker's Allowance and Employment and Support Allowance

Introduction

D2001 The guidance in this chapter covers deductions (where appropriate) from

1. Universal Credit **or**
2. new style Jobseeker's Allowance (hereafter referred to as Jobseeker's Allowance) **or**
3. new style Employment and Support Allowance (hereafter referred to as Employment and Support Allowance).

Note: ADM Chapter M5 contains guidance on the meaning of new style Jobseeker's Allowance and new style Employment and Support Allowance.

D2002 This chapter covers third party deductions for

1. housing costs (see D2090)
2. rent and service charges included in rent (see D2111)
3. fuel costs (see D2130)
4. water charges (see D2165)
5. Contribution to Maintenance (see D2225)
6. integration loans (see D2311).

Note: Guidance about deductions from benefit in respect of flat rate maintenance & child maintenance deduction can be found in ADM Chapter D3. Guidance in respect of deductions for loan interest payments paid direct to a qualifying lender can be found in ADM Chapter D4.

D2003 When a decision is made to

1. start **or**
2. stop **or**
3. change

a deduction, this will be by way of a supersession of an earlier decision (see ADM Chapter A4).

D2004 – D2008

Definitions

Assessment period

D2009 Assessment period¹ has the same meaning as defined at ADM E2110.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 1(1); UC Regs (NI) 16, reg 22

D2010

Child element

D2011 Child element¹ means in relation to any claimant, any amount included in the award of Universal Credit under specified legislation².

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 1(1); 2 UC Regs (NI) 16, reg 25

Standard allowance

D2012 Standard allowance¹ means in relation to any claimant, any amount included in the claimant's award of Universal Credit under specified legislation².

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 1(1); 2 WR (NI) Order 2015, art 14(1)

Percentage of the standard allowance

D2013 Where the relevant percentage of the claimant's standard allowance results in the fraction of a penny, that fraction is disregarded if it is less than half a penny. Otherwise it is to be treated as a penny¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 1(2)

Water charges

D2014 Water charges¹ means charges for any water and sewerage as prescribed in legislation¹ Chapter 1 of Part V11 of the Water and Sewerage Services (Northern Ireland) Order.

*1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 1(1);
Water and Sewerage Services (Northern Ireland) Order 2006, Part V11*

Work allowance

D2015 In relation to any claimant, work allowance¹ means the amount applicable to that claimant under specified legislation².

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5 para 1(1); 2 UC Regs (NI) 16, reg 23(2)

D2016 – D2018

General

D2019 The decision maker may make deductions from an amount of the claimant's award of Universal Credit and pay that amount to a third party¹, in accordance with specified legislation² to discharge (in whole or part) a liability of the claimant to that third party.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 2(1); 2 Sch 5

D2020 A payment made to a third party¹, in accordance with specified legislation², may be made at such intervals as the decision maker may direct.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 2(2); 2 Sch 5

D2021 – D2023

Limitations applicable to deductions

D2024 The decision maker may not deduct an amount from a claimant's award of Universal Credit and pay that amount to a third party if, in any assessment period, that would

1. reduce the amount payable to the claimant to less than 1 penny¹ **or**
2. result in more than 3 deductions being made, in relation to that assessment period, under one or more of the items listed in D2025².

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(1)(a); 2 Sch 5, para 3(1)(b)

D2025 In accordance with D2024 **2.**, there can be no more than 3 deductions made from the claimant's award of Universal Credit at any one time¹, for one or more of the following²

1. housing costs
2. rent arrears and service charges included in rent
3. fuel costs
4. communitiy charges or Council Tax
5. fines
6. water charges
7. Contribution to Maintenance
8. integration loans
9. eligible loans.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(1)(b); 2 Sch 5, para 3(2)

Liability for debt

D2026 A debt may be disputed by the claimant. This is a factor for the decision maker to consider when deciding whether they are liable to pay the debt. Although the Department cannot get involved in the dispute, enquiries should be made of the third party.

D2027 Give the claimant the opportunity to provide evidence to support any claim that the debt is not liable to be paid.

D2028 Deductions should only be made where there is evidence that the claimant is liable to pay the debt. This may be provided by the creditor when a dispute has been resolved or not upheld by any independent Regulatory body.

D2029 – D2030

Consent required

D2031 Unless the claimant consents, third party deductions cannot be made from a claimant's award of Universal Credit in relation to any assessment period for

1. fuel costs (including arrears and current consumption) **and**
2. water charges (including arrears and current consumption)

where the total deduction for that item or any combination of those items exceeds 25% of the aggregate of the standard allowance and any child element¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(3)

Consent not required

D2032 The claimant's consent is not required, where a deduction, or a combination of deductions are made for

1. housing costs
2. rent and service charges
3. community charges or Council Tax
4. fines
5. payments in place of Child Support Maintenance
6. integration loans
7. eligible loans.

D2033 – D2037

Maximum amount

Insufficient Universal Credit

D2038 With the exception of D2041, the decision maker may not deduct an amount from a claimant's award of Universal Credit under one or more of the items within the priority list in D2043 if, in relation to any assessment period, that would result in deducting an amount in excess of 40% of the standard allowance (the maximum amount) from the claimant's Universal Credit award¹.

Note: Although the legislation allows deductions of up to 40% of the standard allowance, the current policy is to limit deductions to a maximum of 15% of the standard allowance.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 4(1)

D2039 For the purposes of D2038, this includes awards where deductions have been made in respect of¹

1. those mentioned in the priority order listed at D2043²
2. higher-level sanctions and other sanctions, under specified legislation³
3. recovery of payments on account under specified legislation⁴
4. restrictions of payment of Universal Credit following conviction for a first or repeated benefit fraud offence⁵.

*1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 4(2); 2 Sch 5, para 5(2);
3 WR (NI) Order 15, art 31 & 32; 4 SSA (NI) Act 92, sec 69ZG; 5 SS Fraud Act (NI) 01, sec 5, 6 & 8*

D2040 When determining whether the maximum amount of Universal Credit would be exceeded, no account should be taken of any liability for continued consumption¹ of

1. fuel costs² (see D2130) **or**
2. water charges³ (see D2165).

*1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 4(3);
2 Sch 5, para 8(8)(a); 3 Sch 5, para 10(6)(b) or 10(7)(b)*

D2041 Subject to guidance given in D2024, D2025 and D2031, where the decision maker considers it to be in the claimant's best interest, and even though the deduction would result in the maximum amount being exceeded, the decision maker may deduct an amount from the claimant's Universal Credit award under

1. housing costs (see D2090) **or**
2. fuel costs (see D2130) **or**

3. the minimum amount which may be deducted for rent and service charges included in rent (see D2111)

and pay that amount to a third party¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 4(4)

Priority between debts

D2042 The priority order (see D2043) applies to a claimant where, in relation to any assessment period¹

1. a deduction could otherwise be made from the claimant's award of Universal Credit under one or more of the deductions mentioned in D2043² **and**
2. the amount of Universal Credit payable to the claimant
 - 2.1 is insufficient to enable the decision maker to make deductions to meet all the claimant's liabilities **or**
 - 2.2 would exceed the 40% maximum (see D2038), were the required deduction to be made³.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 5(1); 2 Sch 5, para 5(1)(a); 3 Sch 5, para 5(1)(b)

D2043 The priority order for deductions is¹

1. payments in respect of Child Support Maintenance² (see ADM Chapter D3)
2. housing costs (see D2090)³
3. rent and service charges included with rent where the amount of the deduction equals 5% of the standard allowance⁴ (see D2121)
4. fuel costs⁵ (see D2130)
5. rates
6. fines or compensation orders⁶
7. water charges⁷ (see D2165)
8. recovery of Social Fund awards⁸
9. recoverable hardship payments⁹
10. Housing Benefit and administrative penalties¹⁰
11. Housing Benefit, tax credit and fraud overpayments¹¹
12. Housing Benefit, tax credit and non-fraud overpayments¹²
13. integration loans¹³ (see D2311).

Note: Conditionality Sanctions, Fraud Penalties and Advances of benefit will be recovered before the priority order is applied.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 5(2); 2 Sch 6; 3 Sch 5, para 6; 4 Sch 5, para 7; 5 Sch 5, para 8; 6 SS (Fines) (Deduction from Benefits) Regs (NI) 2021; 7 Sch 5, para 10; 8 SS A (NI) Act 92, sec 74(2); 9 WR Act 12, s 69ZH(1)(a) or (b); 10 SS A (NI) Act 92, sec 109A; 11 sec 73, sec 69ZC & sec 73(4); 12 sec 69, sec 69ZC & sec 73(4); 13 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 12

D2044 Where the priority of deductions between debts applies to the claimant, the decision maker must make a deduction under the items listed in the priority order, by having regard to the circumstances in D2045 to D2046¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5 para 5(3)

D2045 The decision maker must give priority to any such deductions in the order in which they are listed in D2043, with Child Support Maintenance costs having priority¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 5(4)

D2046 Unless the decision maker directs otherwise, where items are grouped together within the priority order list and more than one deduction within that group applies to the claimant

1. those deductions have equal priority with each other **and**
2. the amount of such deductions are to be apportioned accordingly¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 5(5)

Example

Vanessa requires deductions in respect of a Working Tax Credit overpayment and Department non-fraud overpayment. Overpayment deductions attract a maximum recovery rate of 15% of the claimant's Universal Credit standard allowance. However as these two items are grouped together within one of the listed items in the priority order (D2043 **12.**), the deduction amount must be divided between the two organisations.

D2047 An overpayment is the result of fraud, for the purposes of D2043 **11.** and D2043 **12.** if, in relation to that overpayment or that part of it, the claimant has¹

1. been found guilty of an offence whether under statute or otherwise² **or**
2. made an admission after caution of deception or fraud for the purpose of obtaining³
 - 2.1 benefit under specified legislation⁴ **or**
 - 2.2 tax credit under specified legislation⁵ **or**

3. agreed to pay an administrative penalty⁶ under specified legislation⁷ and the agreement has not been withdrawn.

*1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 5(6); 2 Sch 5, para 5(6)(a); 3 Sch 5, para 5(6)(b);
4 SSA (NI) Act 92; 5 Tax Credits Act 2002; 6 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 5(6)(c);
7 SSA (NI) Act 92, sec 109A*

D2048 – D2049

Superseding a third party deduction decision

D2050 When a relevant change of circumstances occurs¹ the decision maker may supersede the outcome decision which includes the third party deduction decision, for example where the

1. fuel charges or water charges change **or**
2. rent arrears are cleared **or**
3. entitlement to Universal Credit is reduced below the amount of the deduction plus 1p **or**
4. claimant changes address.

Note: This list is not exhaustive. For effective dates of supersession see ADM Chapter A4.

1 SS (NI) Order 98, art 11; UC, PIP, JSA & ESA (D&A) Regs (NI) 16, reg 18

D2051 – D2089

Third party deductions for housing costs

Meaning of housing costs

D2090 For third party deduction purposes, housing costs mean service charge payments¹ (see ADM Chapter F2050 et seq).

Note: Ground rent payments are not met under Universal Credit.

1 UC Regs (NI) 16, Sch 5

Rules for third party deductions

D2091 Third party deductions may be deducted from Universal Credit and paid direct, where in any assessment period, the claimant is in debt for service charges that are included in the claimant's award of Universal Credit under specified legislation¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 6(2)

D2092

Criteria to consider before deductions commence

D2093 The decision maker should refer to operational guidance for further criteria related to the amount of the debt when deciding if deductions are appropriate in respect of housing costs.

Amount of deduction

D2094 Subject to D2095, in respect of any debt mentioned in D2092 and in relation to that assessment period, the decision maker may¹

1. deduct an amount equal to 5% of the standard allowance from the claimant's award **and**
2. pay that amount to the person to whom any such debt is owed.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 6(3)

D2095 Before the decision maker may commence (or re-commence) deductions in respect of any such debt, the claimant's earned income (or in the case of joint claimants their combined earned income), in relation to the previous assessment period, must not exceed the work allowance¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 6(4)

D2096 Deductions should only be made where the decision maker is satisfied that there are in fact arrears¹ of housing costs. In cases of dispute the decision maker should give the claimant the opportunity to provide evidence to support any claim that they are not in arrears.

1 R(IS) 14/95

D2097 – D2110

Third party deductions for rent and service charges included in rent

Definitions

Meaning of rent payments

D2111 For the purposes of making deductions in respect of rent and services charges, rent payments includes¹ any elements included in the claimant's rent which would not fall to be treated as

1. rent under specified legislation² **or**
2. rent payments under specified legislation³.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5 para 7(8); 2 HB Regs (NI) 06; 3 UC Regs (NI) 16, Sch 1

Meaning of exempt accommodation

D2112 Exempt accommodation¹ has the same meaning as that given in specified legislation². That meaning is defined in full at ADM Chapter F2033.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(8); 2 UC Regs (NI) 16, Sch 1, para 1

Meaning of service charges

D2113 For the purposes of third party deductions, service charges include¹ any items in a charge for services in respect of accommodation occupied by the claimant, which would not be treated as service charges under specified legislation². Service charge payments under that specified legislation are defined at ADM Chapter F2050 - F2053.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5 para 7(8); 2 UC Regs (NI) 16, Sch 1

D2114 – D2115

Rules for third party deductions

D2116 Deductions for rent and service charges can be made and paid direct to the person to whom the debt is owed, where the claimant satisfies all the conditions in D2117 to D2119¹.

Note: When considering third party deductions for rent arrears, the decision maker should also refer to operational guidance for criteria when payment exceptions are appropriate in respect of rent payments.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(1)

D2117 The first condition¹ is that in any assessment period, the claimant

1. has an award of Universal Credit which includes² an amount for the housing element for renters made under specified legislation³ **or**
2. occupies exempt accommodation⁴ and has an award of Housing Benefit made under specified legislation⁵.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(2); 2 Sch 5, para 7(2)(a); 3 UC Regs (NI) 16, Sch 4;

4 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(2)(b); 5 SS C&B (NI) Act 92, sec 130

D2118 The second condition¹ is that in any assessment period the claimant is in debt for any

1. rent payments² **or**
2. service charges which are paid with, or as part of the claimant's rent³.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(3); 2 Sch 5, para 7(3)(a); 3 Sch 5, para 7(3)(b)

D2119 The third condition is that the claimant occupies the accommodation to which the debt relates¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(4)

Criteria to consider before deductions commence

D2120 The decision maker should refer to operational guidance for further criteria related to the amount of the debt when deciding if deductions are appropriate in respect of rent payments.

Amount to be deducted

D2121 Where deductions for rent payments and service charge payments apply, subject to D2122 and D2124, the decision maker may deduct, in relation to that assessment period, an amount from the claimant's award, equal to 5% of the standard allowance and pay that amount to the person to whom the debt is owed¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(5)

D2122 Before the decision maker commences or re-commences making deductions¹ in respect of such a debt

1. the claimant's earned income **or**
2. in the case of joint claimants, their combined earned income

in relation to the previous assessment period, must not exceed the work allowance.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(6)

D2123 Deductions should only be made where the decision maker is satisfied that the claimant does have arrears¹. In cases of dispute the decision maker should give the claimant the opportunity to provide evidence to support any claim that they do not have arrears.

1 R(IS) 14/95

Cessation of deductions

D2124 Deductions for rent and service charge payments included in the rent must be stopped¹ if

1. the claimant's earned income **or**
2. in the case of joint claimants, their combined earned income

equals or exceeds the work allowance for three assessment periods immediately preceding the date on which the next deduction could be made.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 7(7)

D2125 – D2129

Third party deductions for fuel costs

Definition of fuel item

D2130 Fuel item means¹ any charge for

1. mains gas, including the reconnection of mains gas **and**
2. any charge for mains electricity; including any charge for the disconnection or reconnection of mains electricity.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(8)

Rules for third party deductions

D2131 Third party deductions may be made and paid direct to the fuel company for any fuel item¹ where the claimant is in debt in respect of that fuel item².

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(1); 2 Sch 5 para 8(2)

D2132

Amount to be deducted

D2133 Where deductions for fuel costs apply, subject to D2135 and D2144, the decision maker may

1. deduct the amount set out in D2134 from the claimant's award, in relation to that assessment period **and**
2. pay that amount to the person to whom the debt is owed¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(3)

D2134 The amount which may be deducted in respect of any fuel item is¹

1. an amount equal to 5% of the standard allowance **and**
2. an additional amount, which the decision maker estimates is equal to the average monthly cost necessary to meet the claimant's continuing need for the fuel in respect of which the debt arose

except where current consumption is paid for by other means such as a pre-paid meter.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(4)

D2135 Before any deduction commences or re-commences in respect of such a debt¹

1. the claimant's earned income **or**

2. in the case of joint claimants, their combined earned income in relation to the previous assessment period, must not exceed the work allowance.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(5)

D2136

Fuel - current consumption

D2137 Where the circumstances in D2134 2. apply and deductions begin, the fuel company will provide an estimate of the average monthly cost of continuing consumption. If the estimate is unreasonable or inaccurate the decision maker should ask for details of the calculation.

D2138 Periodically the fuel company will

1. recalculate the monthly amount needed to meet continuing consumption **and**
2. notify the decision maker of any added credit or debit.

D2139 The original debt must not be adjusted to take account of additional credit or debit.

D2140 Where there is a genuine increase in fuel costs, and this increase results in a request for an increased deduction for continued consumption, the decision maker must see evidence of the increase from the fuel company, in order to calculate the new monthly amount.

Exception to general rules

D2141 A prepayment meter may have been installed or other arrangements made with the fuel board to pay for current consumption. The amount deducted should then be limited to the amount for arrears. See D2142 where the meter is calibrated to recover arrears.

D2142 The claimant may ask for a prepayment meter as an alternative to third party deductions. The fuel company may be willing to install a meter calibrated to recover the arrears. The decision maker should consider which arrangement would best suit the interests of the claimant or any child or adult dependant. Only one of these arrangements can be in operation at any time.

When deductions should cease

D2143 Deductions for normal consumption must cease when deductions for arrears ceases. This may be because the arrears are fully repaid.

D2144 In relation to three assessment periods immediately preceding the date on which the next deduction could be made, deductions for fuel costs must stop¹, if

1. the claimant's earned income **or**
2. in the case of joint claimants, their combined earned income

equals or exceeds the work allowance.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(6)

Joint tenants

D2145 A claimant asking for third party deductions for a fuel item may be a joint tenant. If the claimant is liable for the debt, the deduction should be

1. the consumption figure (see D2137) divided by the number of people named on the bill (whether they are claimants or not) **and**
2. the fixed amount to pay off any arrears (see D2133).

D2146 It is unusual to have more than one name on a fuel bill. If the claimant is the only person named, the other tenants should pay their share of the bill to the claimant. If the claimant is not named on the bill, the claimant is not liable. The claimant should pay a share to the tenant who is named on the bill.

Priority between fuel debts

D2147 The criteria may be met for deductions for both gas and electricity debts. But it may not be possible to implement both deductions, where for example, the requested deductions exceed the 40% maximum (an amount equal to 40% of the Universal Credit standard allowance).

D2148 Where D2147 applies, the decision maker must decide which fuel debt takes priority, taking into account¹

1. all the circumstances **and**
2. any requests of the claimant.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 8(7)

D2149 Priority should be given to whichever fuel is most needed to ensure the health and safety of the claimant or family.

Example 1

Ai Ling lives in a household where heating and cooking are by gas. The decision maker gives priority to gas.

Example 2

Stanley lives with his wife and young child. The decision maker gives priority to electricity, so that the home is properly lit.

Example 3

Maria lives with her elderly disabled mother. Cooking is by electric and heating is by gas. The house has open fireplaces which can be used to provide heating. The decision maker gives priority to electricity.

D2150 Where debts other than fuel are involved see D2043.

D2151

Consent required

D2152 Unless the claimant consents, third party deductions cannot be made from a claimant's award of Universal Credit in relation to any assessment period for

1. fuel costs (arrears plus ongoing consumption) **and**
2. water charges (arrears plus ongoing consumption)

where the total deduction for that item or any combination of those items, exceeds 25% of the aggregate of the standard allowance and any child element¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(3)

Superseding the third party deduction decision

D2153 The decision to implement deductions should not be superseded where the only reason to do so is that the claimant wishes to take control of the budgeting. This is because the claimant's desire to take control of the budgeting is not, in itself, a relevant change of circumstances.

D2154 The decision maker should supersede the outcome decision which includes the third party deduction decision for fuel costs, when a relevant change of circumstances occurs¹. For example where

1. the average cost estimated for the continuing need was not enough or was too much
2. the original debt has been cleared and deductions stop (see D2143)
3. the claimant changes fuel company and the debt is not transferable
4. the deduction for arrears and ongoing consumption would leave the claimant with less than 1p

5. the claimant withdraws the agreement permitting deductions in excess of 25% of the standard allowance applicable in the claimant's case (see D2152)
6. the claimant stops receiving a supply of fuel from the fuel company to whom payment is being made, for example where the supply has been disconnected due to meter interference. Or a claimant with deductions for gas may move to a house which is all electric
7. it is no longer in the interests of the family for deductions to continue.

Note: See ADM Chapter A4 for rules about effective date of supersession.

1 SS (NI) Order 98, art 11; UC, PIP, JSA & ESA (D&A) Regs (NI) 16, reg 22

D2155 – D2164

Third party deductions for water charges

Definitions

Meaning of water charges

D2165 Water charges means¹ charges for water or sewerage under prescribed legislation.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 1

Meaning of water undertaker

D2166 Water undertaker means¹ means a company appointed as a water undertaker or a sewerage undertaker under specified legislation.

*1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(9);
Water and Sewerage Services (NI) 2006, art 13(1)*

Methods of charging

D2167 Water charges can be made

1. with rent (see D2111 et seq)
2. by a meter
3. by means other than a water meter.

D2168

Rules for third party deductions

Original debt

D2169 Deductions may be made for water charges and paid direct¹, if the claimant is in debt for water charges, including any charges for reconnection (the original debt)².

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(1); 2 Sch 5, para 10(2)

D2170 Where deductions for water charges apply, subject to D2171 and D2174, the decision maker may¹

1. deduct an amount from the claimant's award in accordance with D2175 to D2177 **and**
2. pay it to
 - 2.1 the water undertaker to whom the payment is due **or**
 - 2.2 to the person or body authorised to collect water charges for that undertaker.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(3)

D2171 Before the decision maker commences or re-commences deductions in respect of such a debt¹

1. the claimant's earned income **or**
2. in the case of joint claimants, their combined earned income

in relation to the previous assessment period, must not exceed the work allowance.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(4)

D2172 Debt in this context includes disconnection and reconnection costs and any legal or other costs arising from that debt.

D2173

When deductions should cease

D2174 In relation to three assessment periods immediately preceding the date on which the next deduction could be made, deductions for water charges must stop¹, if

1. the claimant's earned income **or**
2. in the case of joint claimants, their combined earned income

equals or exceeds the work allowance.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(5)

Amount to be deducted

D2175 Where water charges are determined by a water meter¹, the amount of the deduction, in relation to any assessment period, is

1. an amount equal to 5% of the standard allowance, until the original debt is discharged **and**
2. an additional amount which the decision maker estimates to be the average monthly cost necessary to meet the claimant's continuing need for water consumption.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(6)

D2176 Where water charges are determined by means other than a water meter¹, the amount of third party deduction, in relation to any assessment period, under this paragraph is

1. the amount referred to in D2175 **1. and**
2. an additional amount equal to the cost necessary to meet the continuing need for water consumption in that assessment period.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 10(7)

D2177 Where the claimant is in debt to two water undertakers¹

1. only one amount under D2175 **1. or** D2176 **1.** may be deducted **and**
2. a deduction in respect of the original debt for sewerage charges may only be made after the whole of the original debt for water has been paid **and**
3. deductions for continuing charges for both water and sewerage charges may be made at the same time.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 6, para 10(8)

D2178 The decision maker should always use the amount in D2175 **1.** to clear the arrears, even where

1. there is a court order for a greater amount **or**
2. the claimant asks that a higher amount be paid direct.

D2179 – D2180

Original debt recovered

D2181 Deductions for normal water consumption must cease when deductions for arrears of water charges ceases, for example when the arrears have been fully repaid.

Joint tenants

D2182 A claimant asking for third party deductions for water charges may be a joint tenant. If the claimant is liable for the debt the deduction should be

1. the actual or estimated monthly cost for consumption divided by the number of people named on the bill, whether they are claimants or not **and**
2. the amount to be deducted to pay off any arrears (see D2175).

D2183 It is unusual to have more than one name on a bill. If the claimant is the only person named, the other tenants should pay their share of the bill to the claimant. If the claimant is not named on the bill, the claimant is not liable. The claimant should pay a share to the tenant who is named on the bill.

D2184

Consent required

D2185 Unless the claimant consents, third party deductions cannot be made from a claimant's award of Universal Credit in relation to any assessment period for

1. fuel costs (arrears plus ongoing consumption) **and**
2. water charges (arrears plus ongoing consumption)

where the total deduction for that item or any combination of those items, exceeds 25% of the aggregate of the standard allowance and any child element¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(3)

D2186 The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in D2185. Where the claimant has already consented to a total above that level, any increase will require the claimant's further consent.

D2187 – D2224

Third party deduction in place of Child Support Maintenance - Contribution to Maintenance deductions

Introduction

D2225 When an application for Child Support Maintenance is made, a Child Maintenance Service decision maker must make a maintenance assessment. If the non-resident parent receives Universal Credit, that maintenance assessment is nil. In such a case, the non-resident parent does not have to pay any maintenance. The non-resident parent may instead be liable for payments in place of payments of Child Support Maintenance (Contribution to Maintenance)¹.

1 CS (NI) Order 91, art 40; CS (MASC) Regs (NI) 92, reg 28

D2226 Where the circumstances in D2225 apply in relation to the claimant, the Universal Credit decision maker may make deductions for Contribution to Maintenance¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 11(1)

Meaning of non-resident parent

D2227 Non-resident parent¹ means

1. that parent which is not living in the same household with the child **and**
2. the child has his home with a person who is, in relation to him, a person with care.

1 CS (NI) Order 91, art 4(2)

Sufficient Universal Credit in payment

D2228 Where the non-resident parent is liable for deductions for payments of Contribution to Maintenance and there is sufficient Universal Credit in payment¹, the Universal Credit decision maker must (subject to specified legislation²) determine that an amount is to be deducted from the claimant's award and paid to the parent with care.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 11(2); 2 Sch 5, para 1, para 4 & para 5

Number of deductions

D2229 Only one deduction for payments in respect of Contribution to Maintenance can be made in relation to any assessment period¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 11(3)

Amount to be deducted

D2230 The amount of Universal Credit which may be deducted in relation to any assessment period and paid to a third party is an amount equal to 5% of the standard allowance¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 11(4)

D2231 – D2310

Third party deductions for integration loan scheme

Introduction

D2311 The Integration Loan Scheme is a Home Office designed initiative to help individuals and their dependants settle into the community following a decision to grant them refugee status or humanitarian protection in the UK. The initiative is intended to provide interest free loans¹ to buy goods and services which will assist integration (e.g. essential household items, training) to certain groups.

1 The Integration Loans for Refugees and Others Regulations 2007, SI 2007 No. 1598

D2312 The Integration Loan Scheme replaces the refugee back payment scheme which ceased on 14.6.07. The new scheme commenced on 11.6.07.

D2313 The Home Office will deal with loan applications and decide who is eligible and the amount to be awarded. Payment of the loan and subsequent recovery action will be undertaken by Debt Management.

D2314 Deductions for the Integration Loan Scheme will be subject to normal third party deduction rules on maximum number of deductions (see D2025) and are included in the priority order (see D2043).

D2315 – D2320

Definitions

Integration loan - recoverable by deductions from Universal Credit

D2321 Integration loan which is recoverable by deductions means¹ an integration loan made under specified legislation² which is recoverable from the claimant by deductions from Universal Credit under that specified legislation.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 12(2);

2 The Integration Loans for Refugees and Others Regulations 2007, reg 9

Rules for deductions from benefit

- D2322 Deductions for Integration loans may be applied where the claimant has an integration loan which is recoverable by deductions¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 12(1)

D2323

Amount of deduction

- D2324 The rate of deduction for the Integration Loan Scheme, in any assessment period, is an amount equal to 5% of the standard allowance¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 12(2)

- D2325 Couples may take out a joint loan and so have joint liability for repayment of the debt¹. If the couple separate, deductions can be taken from either partner. The Home Office will be responsible for deciding the liability of joint loan applicants who separate.

1 The Integration Loans for Refugees and Others Regulations 2007, SI 2007 No. 1598

- D2326 The claimant should be left with at least 1p Universal Credit after third party deductions have been made¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(1)(a)

D2327 – D2403

Maximum number of deductions

- D2404 No more than 3 third party deductions from Universal Credit may be in effect at any one time¹.

1 UC, PIP, JSA & ESA (C&P) Regs (NI) 16, Sch 5, para 3(1)(b)

More than one application

- D2405 Only one application for deductions of Council Tax can be dealt with at any one time¹. Only one application may be received for the same debtor. Further referrals would be returned to the council. Further deductions can be made only when deductions on any earlier application have ceased.

1 Council Tax (Deductions from Benefit) Regs 93, reg 8(1)(b)

D2406 – D2999