Chapter 46 - Employment and Support Allowance - Payment questions

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Chapter 46 - Employment and Support Allowance - Payment questions

Statutes commonly referred to in Chapter 46

|  |  |
| --- | --- |
| **Full Title**  | **Abbreviation**  |
| Social Security (Northern Ireland) Order 1998 | SS (NI) Order 98 |
| Social Security Administration (Northern Ireland) Act 1992 | SS A Act (NI) 92 |
| Welfare Reform Act (Northern Ireland) 2007 | WR Act (NI) 07 |

Statutory Rules commonly referred to in Chapter 46

|  |  |  |
| --- | --- | --- |
| **Short Title**  | **Long Title**  | **Abbreviation**  |
| Decisions and Appeals Regulations  | The Social Security and Child Support (Decisions and Appeals) Regulations (Northern Ireland) 1999 No. 162 | SS CS (D&A) Regs (NI) |
| Claims and Payments Regulations  | The Social Security (Claims and Payments) Regulations (Northern Ireland) 1987 No. 465 | SS (C&P) Regs (NI) |
| Employment and Support Allowance Regulations | The Employment and Support Allowance Regulations (Northern Ireland) 2008 No. 280 | ESA Regs (NI) |

General rules

Introduction

46001 There are some payment questions that apply only to claims for Employment and Support Allowance. This Chapter deals with those questions.

46002 Guidance on the other general rules that also apply can be found in other Chapters. For example those governing the

**1.** period of an award (see DMG Chapter 2)

**2.** time and manner of payment (see DMG Chapter 8)

**3.** payment of small amounts of benefit (see DMG Chapter 8)

**4.** question of revision or supersession (see DMG Chapter 4)

**5.** usual effects of a change in circumstance (see DMG Chapter 4).

 46003 - 46010

When entitlement begins

46011 Employment and Support Allowance is a weekly benefit that is normally paid for complete weeks (benefit weeks). See DMG 46041 et seq for guidance on when payment may be made for part-weeks.

Meaning of benefit week

46012 Benefit week means a period of 7 days ending on any such day as the decision maker may direct1.

1 ESA Regs (NI), reg 2(1)

46013 DMG 46012 applies but for the purposes of calculating any payment of income where benefit week will mean

**1.** on the day before the first day of the first benefit week following the date of claim **or**

**2.** on the last day on which an Employment and Support Allowance is paid if it is in payment for less than a week1.

1 ESA Regs (NI), reg 2(1)

 46014 - 46020

Period for which benefit is calculated

46021 Employment and Support Allowance must be paid fortnightly in arrears1 on the day of the week determined in accordance with DMG 46023. However the Department may in any particular case or class of cases, arrange for payment to be made other than fortnightly2.

1 SS (C&P) Regs (NI), reg 26C(1); 2 reg 26C(3)

46022 When benefit is paid in arrears, the period up to and including the benefit week ending is used. That is the seven days ending on the last day of the benefit week.

46023 The day is determined by the last 2 numbers of the National Insurance number as follows1

 00 to 19 Monday

 20 to 39 Tuesday

 40 to 59 Wednesday

 60 to 79 Thursday

 80 to 99 Friday.

 However the Department can arrange in any particular case or class of cases for payment to be made on any day of the week2.

1 SS (C&P) Regs (NI), reg 26C(2); 2 reg 26C(3)

Date entitlement begins

46024 A person is not normally entitled to Employment and Support Allowance for the first 7 days (waiting days) at the beginning of a period of limited capability for work1. This means that entitlement to Employment and Support Allowance does not start until the day after those 7 waiting days.

**Note :** Please see guidance in Chapter 41 on waiting days and linking rules2.

1 ESA Regs (NI), reg 144; 2 reg 145

Change of circumstances

46025 A change in the claimant's circumstances can give grounds to supersede the award1 in Employment and Support Allowance. The normal rules on supersession are in DMG Chapter 4.

1 SS (NI) Order 98, art 11

 46026 - 46030

When entitlement ends

46031 The date a supersession takes effect is usually the first day of a benefit week1.

1 SS & CS (D&A) Regs (NI), reg 7 & Sch 2A, paras 1 & 7

46032 DMG Chapter 4 gives guidance on the rules that apply and the exceptions to those rules. The date entitlement ends is such an exception.

46033 Entitlement may end or be expected to end for a reason other than a change in income or applicable amount. For example the claimant may start remunerative work. See DMG Chapter 4 for full guidance on the date supersession takes effect when entitlement ends.

 46034 - 46040

Part-week payments Employment and Support Allowance

Part-week payments - general

Introduction

46041 This section gives guidance on how to calculate part-week payments of Employment and Support Allowance.

Definitions

Meaning of notional entitlement

46042 In this guidance notional entitlement means

**1.** in contribution-based Employment and Support Allowance, the claimant's personal rate

**2.** in income-related Employment and Support Allowance, the amount by which the applicable amount exceeds income.

What is the relevant week

46043 Part-week payment calculations are based on the claimant's notional entitlement during the relevant week1 (sometimes known as the notional benefit week). The period covered by the relevant week depends on when the need for a part-week payment arises. For a part-week payment

**1.** at the beginning of an award, the relevant week is defined in DMG 46052

**2.** at the end of an award, the relevant week is defined in DMG 46082

**3.** on a change of benefit week , the relevant week is defined in DMG 46103.

1 ESA Regs (NI), reg 166

Who can get a part-week payment

46044 Most Employment and Support Allowance claimants will be able to get part-week payments.

Reductions in certain cases

Applications for hardship payments - income-related Employment and Support Allowance only

 **[See DMG Memo Vol 1/101, 2/40, 3/89, 4/117, 5/94, 6/81, 8/51, 9/24, 13/54 & 14/52]**

46045The amount of Employment and Support Allowance payable1 in respect of a part-week, where a disqualification is made under specified legislation2 is

**1.** one seventh of the Employment and Support Allowance which would have been paid for the part-week if

 **1.1** there was no disqualification **and**

 **1.2** it was not a part-week

 **multiplied by**

**2.** the number of days in the part-week in respect of which no disqualification is to be made.

1 ESA Regs (NI), reg 168; 2 reg 157

 **Example**

 Paul is disqualified from Employment and Support Allowance because he failed to attend a medical recommended by his doctor and had no good cause for not attending. His weekly entitlement is £71.70. Paul needs a part-week payment for three days. The calculation is

|  |  |
| --- | --- |
| **1.** £71.70 divided by 7 |  |
| **multiplied by** |   |
| **2.** 3 (number of days of the part-week) |  |
| The part-week payment is | £30.73 |

Payment of contribution-based Employment and Support Allowance for days of regular treatment

46046 Where a claimant entitled to contribution-based Employment and Support Allowance is treated as having limited capability for work because they receive or are recovering from regular treatment (see DMG Chapter 42) any part week payment will be the

**1.** claimants entitlement to contribution-based Employment and Support Allowance divided by 7 multiplied by

**2.** number of days in that week on which the claimant was receiving or recovering from that treatment, but that does not include any day during which the claimant does work1.

1 ESA Regs (NI), reg 169

 **Example**

 If a claimant has 1 day of treatment, that claimant would receive 1 day of contribution-based Employment and Support Allowance. Where a claimant has 1 day of treatment and 2 days recovery, that claimant would receive 3 days contribution-based Employment and Support Allowance.

 46047 - 46050

Part-week payments at the beginning of an award

Period covered

46051 A part-week payment will be made at the beginning of an award if

**1.** the day when entitlement begins is not the first day of the claimant's benefit week **or**

**2.** benefit is awarded for a fixed definite period of less than a week.

 Where **1.** applies the part-week payment begins on the first day of entitlement and ends on the day before the start of the first complete benefit week.

 Where **2.** applies the part-week payment covers the period of the award.

The relevant week

46052 For part-week payments at the beginning of an award, the relevant week is the period of 7 days **ending** on the last day of the part-week period1.

1 ESA Regs (NI), reg 166(1)(a)

 **Example 1**

 Noel's entitlement to Employment and Support Allowance begins on Monday 24 November. His benefit week runs from Friday to Thursday. A part-week payment is needed for the period Monday 24 to Thursday 27. The relevant week is Friday 21 to Thursday 27.

 **Example 2**

 Employment and Support Allowance is awarded to Harry for the definite period Monday 10 November to Saturday 15 November. A part-week payment is needed for that period. The relevant week is Sunday 9 to Saturday 15.

Personal rate in the relevant week - contribution-based Employment and Support Allowance

46053 Calculate the claimant's personal rate in the relevant week in the normal way.

46054 Where the applicable amount includes a fraction of a penny treat that fraction as a penny1.

1 ESA Regs (NI), reg 3(b)

Applicable amount in the relevant week - income-related Employment and Support Allowance

46055 Calculate the claimant's applicable amount in the relevant week in the normal way (see DMG Chapter 44).

46056 Where the applicable amount includes a fraction of a penny treat that fraction as a penny1.

1 ESA Regs (NI), reg 3(b)

 46057 - 46060

Income in the relevant week

46061Calculate the claimant's income in the normal way **but**

**1.** treat any income due to be paid in the relevant week as paid on the first day of that week1 **and**

**2.** when only part of the weekly income is taken into account in the relevant week, disregard the balance2.

1 ESA Regs (NI), reg 167(a); 2 reg 167(f)

46062 **[See DMG Memo Vol 1/109, 3/97, 5/106, 6/91, 7/45, 8/83, 9/35, 10/73, 12/23, 13/69 & 14/63]** In addition, to decide the amount of

**1.** contribution-based Employment and Support Allowance payable, disregard in full any

**1.1** Widow’s Benefit

**1.2** Carer’s Allowance

**1.3** training allowance

**1.4** Unemployability Supplement

**1.5** Widowed Parent’s Allowance

**1.6** Bereavement Allowance

 payable in the relevant week but not for any day in the part-week1

**2.** income-related Employment and Support Allowance payable, disregard in full any

**2.1** Jobseeker’s Allowance

**2.2** Income Support

**2.3** Maternity Allowance

**2.4** Incapacity Benefit

**2.5** Severe Disablement Allowance

**2.6** Employment and Support Allowance

 payable to the claimant or member of the family in the relevant week, but not for any day in the part-week2.

**Note:** If Jobseeker’s Allowance, Employment and Support Allowance, Income Support, Maternity Allowance, Incapacity Benefit or Severe Disablement Allowance is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 46074).

1 ESA Regs (NI), reg 167(d); 2 reg 167(b)

 **Example**

 George is entitled to income-related Employment and Support Allowance. He needs a part-week payment for 2 days as his entitlement begins earlier than the first day of his benefit week. His first complete benefit week runs from Thursday 6th November to Wednesday 12th November. He is entitled to income-related Employment and Support Allowance from Tuesday 4th. A part-week payment is due for Tuesday 4th to Wednesday 5th. The relevant week is Thursday 30th October to Wednesday 5th November. His wife receives Incapacity Benefit in the relevant week (2nd to 3rd), but the payment does not cover any days in the part-week. The Incapacity Benefit is disregarded in full when calculating income.

46063 Disregard the amount of any

 **1.1** Employment and Support Allowance

 **1.2** Jobseeker’s Allowance

 **1.3** Income Support

 **1.4** Maternity Allowance

 **1.5** Incapacity Benefit

 **1.6** Severe Disablement Allowance

 payable to the claimant or partner in respect of any day in the part-week1.

1 ESA Regs (NI), reg 167(c)

 46064 - 46070

The part-week payment

46071 There are different rules to calculate the amount of a part-week payment depending on whether contribution-based Employment and Support Allowance or income-related Employment and Support Allowance is involved.

Contribution-based Employment and Support Allowance

46072 **[See DMG Memo Vol 1/109, 3/97, 5/106, 6/91, 7/45, 8/83, 9/35, 10/73, 12/23, 13/69 & 14/63]** The part-week payment is the claimant's notional entitlement in the relevant week multiplied by the number of days in the part-week divided by 7 **less** any

**1.** Widow’s Benefit

**2.** Carer’s Allowance

**3.** training allowance

**4.** Unemployability Supplement

**5.** Widowed Parent’s Allowance

**6.** Bereavement Allowance

 payable for any day in the part-week1.

1 ESA Regs (NI), reg 165(3)

 **Example**

 Ruth is entitled to contribution-based Employment and Support Allowance. Her notional entitlement in the relevant week is £50.35. She needs a part-week payment for 2 days. Widow’s Benefit is payable for both of those days. The weekly rate of Widow’s Benefit is £28.00. Her part-week payment is

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| £50.35 x 2 | = £14.386 | **less** | £28 x 2 | = £8.00 |
| 7 |  |  | 7 |  |
| £14.386 - £8.00 = £6.386 |

 the part-week payment is £6.39 (rounded up to the nearest penny).

46073 Where the part-week payment includes a fraction of a penny treat that fraction as a penny1.

1 ESA Regs (NI), reg 3(b)

Income-related Employment and Support Allowance

46074The part-week payment is

**1.** the claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by 7 (carry forward any fraction of a penny) **less**

**2.** any Jobseeker’s Allowance, Employment and Support Allowance, Income Support, Maternity Allowance, Incapacity Benefit or Severe Disablement Allowance payable to the claimant or partner for any day in the part-week1.

1 ESA Regs (NI), reg 165(2)

46075 The amount deducted under DMG 46074 **2.** depends on whether the payment of Jobseeker’s Allowance, Employment and Support Allowance, Income Support, Maternity Allowance, Incapacity Benefit or Severe Disablement Allowance is payable

**1.** solely for days in the part-week **or**

**2.** for a different period, but including all or part of the part-week period.

46076 Where DMG 46075 **1.** applies the amount deducted is the actual amount payable. Where DMG 46075 **2.** applies the amount deducted is1 in the case of a payment of Jobseeker’s Allowance, Employment and Support Allowance, Income Support, Incapacity Benefit, Maternity Allowance or Severe Disablement Allowance the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by 7.

1 ESA Regs (NI), reg 167

 **Example**

 Robert is entitled to income-related Employment and Support Allowance. His notional entitlement in the relevant week is £80.00. He needs a part-week payment for 3 days. His partner has been getting Maternity Allowance for several weeks. A weekly payment of Maternity Allowance, payable to her in the part-week, includes payment for 2 days in the part-week. The weekly rate of Maternity Allowance is £60.00. Robert's part-week payment is calculated.

£80 x 3 = £34.286 Less £60 x 2 = £17.143

 7 7

£34.286 - £17.143 = £17.143

 the part-week payment is £17.15 (rounded up to the nearest penny).

46077 Where the part-week payment includes a fraction of a penny treat that fraction as a penny1.

1 ESA Regs (NI), reg 3(b)

 46078 - 46080

Part-week payments at the end of a claim

Period covered

46081 A part-week payment is needed at the end of a claim if

**1.** the day when entitlement ends is not the last day of the claimant's benefit week **or**

**2.** benefit is awarded for a definite period of a week or more which ends on a day other than the last day of the claimant's benefit week.

 The part-week payment begins on the day after the last complete benefit week and ends on the last day of entitlement.

The relevant week

46082 For part-week payments at the end of a claim the relevant week is the period of seven days **beginning** on the first day of the part-week period1.

1 ESA Regs (NI), reg 166(1)(b)

 **Example**

 Katrina’s entitlement to Employment and Support Allowance ends on Saturday 15th November. Her benefit week runs from Thursday to Wednesday. A part-week payment is needed for the period Thursday 13th to Saturday 15th. The relevant week is Thursday 13th to Wednesday 19th.

Personal rate in the relevant week - contribution-based Employment and Support Allowance

46083 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - income-related Employment and Support Allowance

46084 Calculate the claimant's applicable amount in the relevant week as in DMG 46055 - 46056.

 46085 - 46090

Income in the relevant week

46091 Calculate the claimant's income in the relevant week in the normal way **but**

**1.** treat any income due to be paid in the relevant week as paid on the first day of that week1 **and**

**2.** disregard in full

**2.1** any new income first payable in the relevant week but not in the part-week2 **and**

**2.2** any change to an existing income which occurs in the relevant week but not in the part-week3.

1 ESA Regs (NI), reg 167(a); 2 reg 167(e)(i); 3 reg 167(e)(ii)

 **Example**

 David's last day of entitlement to income-related Employment and Support Allowance is Thursday 4th December. His benefit week runs from Tuesday to Monday. He therefore needs a part-week payment for Tuesday 2nd to Thursday 4th. The relevant week is Tuesday 2nd to Monday 8th. He will receive his first payment of Retirement Pension on Monday 8th. As this new income is payable in the relevant week but not in the part-week it is disregarded in full.

46092 **[See DMG Memo Vol 1/109, 3/97, 5/106, 6/91, 7/45, 8/83, 9/35, 10/73, 12/23, 13/69 & 14/63]** In addition, to decide the amount of

**1.** contribution-based Employment and Support Allowance payable, disregard in full any

**1.1** Widow’s Benefit

**1.2** Carer’s Allowance

**1.3** training allowance

**1.4** Unemployability Supplement

**1.5** Widowed Parent’s Allowance

**1.6** Bereavement Allowance

 payable in the relevant week, but not for any day in the part-week1.

**2.** income-related Employment and Support Allowance payable, disregard in full any

**2.1** Jobseeker’s Allowance

**2.2** Income Support

**2.3** Maternity Allowance

**2.4** Incapacity Benefit

**2.5** Severe Disablement Allowance

**2.6** Employment and Support Allowance

 payable to the claimant or member of the family in the relevant week but not for any day in the part-week2.

**Note:** If Jobseeker’s Allowance, Income Support, Maternity Allowance, Incapacity Benefit, Severe Disablement Allowance or Employment and Support Allowance is payable for any day in the part-week it should be taken into account when calculating the part-week payment (see DMG 46074).

1 ESA Regs (NI), reg 167(d); 2 reg 167(b)

The part-week payment

46093 Calculate the part-week payments for both contribution-based Employment and Support Allowance and income-related Employment and Support Allowance as in DMG 46072 - 46077.

 46094 - 46100

Part-week payments on change of benefit week

Reasons for change

46101 A change of Employment and Support Allowance benefit week is needed when the decision maker directs that the benefit week should change during an award.

Period covered

46102 A part-week payment is made to cover the period beginning on the day after the last complete **old** benefit week and ending on the day before the first complete new benefit week1.

1 ESA Regs (NI), reg 166(2)

The relevant week

46103 For part-week payments on a change of benefit week in Employment and Support Allowance, the relevant week is the period of seven days beginning on the day after the last complete benefit week1.

1 ESA Regs (NI), reg 166(2)

 **Example**

 Graham's benefit week runs from Tuesday to Monday. The Department directs that the benefit week should change to run from Saturday to Friday, with effect from Saturday 20th December. A part-week payment is due for the period Tuesday 16th to Friday 19th. The relevant week is Tuesday 16th to Monday 22nd.

Personal rate in the relevant week - contribution-based Employment and Support Allowance

46104 Calculate the claimant's personal rate in the relevant week in the normal way.

Applicable amount in the relevant week - income-related Employment and Support Allowance

46105 Calculate the claimant's applicable amount in the relevant week in the normal way.

46106 Any change in the applicable amount because of any change of circumstances (for example death or marriage), which takes place between the end of the last complete old benefit week and the beginning of the first complete new benefit week will take effect from the first day of the relevant week.

 46107 - 46110

Income in the relevant week

46111 Calculate the claimant's income in the relevant week in the normal way **but**

**1.** treat any income due to be paid in the relevant week as paid on the first day of that week1 **and**

**2.** when only part of the weekly income is taken into account in the relevant week, disregard the balance2.

1 ESA Regs (NI), reg 167(a); 2 reg 167(f)

46112 **[See DMG Memo Vol 1/109, 3/97, 5/106, 6/91, 7/45, 8/83, 9/35, 10/73, 12/23, 13/69 & 14/63]** In addition, to decide the amount of

**1.** contribution-based Employment and Support Allowance payable, disregard in full any

**1.1** Widow’s Benefit

**1.2** Carer’s Allowance

**1.3** training allowance

**1.4** Unemployability Supplement

**1.5** Widowed Parent’s Allowance

**1.6** Bereavement Allowance

payable in the relevant week, but not for any day in the part-week1

**2.** income-related Employment and Support Allowance payable, disregard in full any

**2.1** Jobseeker’s Allowance

**2.2** Income Support

**2.3** Maternity Allowance

**2.4** Incapacity Benefit

**2.5** Severe Disablement Allowance

**2.6** Employment and Support Allowance

 payable to the claimant or member of the family in the relevant week but not for any day in the part-week2.

 **Note :** If a payment of Jobseeker’s Allowance, Income Support, Maternity Allowance, Incapacity Benefit, Severe Disablement Allowance or Employment and Support Allowance is payable for any day in the part-week take it into account when calculating the part-week payment (see DMG 46121 - 46126).

1 ESA Regs (NI), reg 167(d); 2 reg 167(b)

 46113 - 46120

The part-week payment

Contribution-based Employment and Support Allowance

46121 **[See DMG Memo Vol 1/109, 3/97, 5/106, 6/91, 7/45, 8/83, 9/35, 10/73, 12/23, 13/69 & 14/63]** The part-week payment isthe claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week divided by 7 **less** any

**1.** Widow’s Benefit

**2.** Carer’s Allowance

**3.** training allowance

**4.** Unemployability Supplement

**5.** Widowed Parent’s Allowance

**6.** Bereavement Allowance

 payable for any day in the part-week1.

1 ESA Regs (NI), reg 165(3)

46122 Where the part-week payment includes a fraction of a penny treat that fraction as a penny1.

1 ESA Regs (NI), reg 3(b)

Income-related Employment and Support Allowance

46123 The part-week payment isthe claimant's notional entitlement for the relevant week multiplied by the number of days in the part-week and divided by 7 **less** any

**1.** Jobseeker’s Allowance

**2.** Income Support

**3.** Maternity Allowance

**4.** Incapacity Benefit

**5.** Severe Disablement Allowance **or**

**6.** Employment and Support Allowance

 payable to any member of the claimant's family for any day in the part-week1.

1 ESA Regs (NI), reg 165(2)

46124 The amount deducted under DMG 46123 depends on whether the payment of Jobseeker’s Allowance, Income Support, Maternity Allowance, Incapacity Benefit, Severe Disablement Allowance or Employment and Support Allowance was payable

**1.** solely within the part-week **or**

**2.** for a period different from, but including all or part of, the part-week period.

46125 Where DMG 46124 **1.** applies the amount deducted is the amount actually payable. Where DMG 46124 **2.** applies the amount deducted is1 in the case of a payment of Jobseeker’s Allowance, Income Support, Incapacity Benefit, Maternity Allowance, Severe Disablement Allowance or Employment and Support Allowance the weekly benefit rate multiplied by the number of days in the part-week actually covered by the payment and divided by 7.

 **Note :** See **Example** at DMG 46076.

1 ESA Regs (NI), reg 167

46126 Where the part-week payment includes a fraction of a penny treat that fraction as a penny1.

1 ESA Regs (NI), reg 3(b)

 46127 - 46130

Third party deductions

Third party deductions - general

Payment to discharge claimant's liabilities

46131 The decision maker has discretion to make deductions from benefit which are paid directly to third parties1.

1 SS (C&P) Regs (NI), reg 34(1)

46132 Deductions and payments to third parties can be made if the claimant or partner is liable to pay1

**1.** housing costs

**2.** miscellaneous accommodation costs

**3.** hostel payments

**4.** rent arrears and service charges for fuel and water

**5.** fuel costs

**6.** water charges

**7.** child support maintenance

**8.** integration loan scheme2.

1 SS (C&P) Regs (NI), Sch 8A, para 2(1); 2 para 7C

 **Note :** Deductions for child support maintenance can be made under the old or new schemes. See DMG 46421 - 46432 for guidance on deductions under the new scheme and DMG 46436 - 46455 for guidance on deductions under the old scheme.

 46133

46134 When a decision is made to

**1.** start **or**

**2.** stop **or**

**3.** change

 a third party deduction, this will be by way of a supersession of an earlier decision (see DMG Chapter 4).

 46135

Liability for debt

46136 Deductions and payments to third parties can only be made if the claimant or partner is liable to pay the debt1. A claimant or partner will normally be liable for a debt if named on the bill.

1 SS (C&P) Regs (NI), Sch 8A, para 2(1)

46137 A debt may be disputed by the claimant or partner. 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.

46138 Give the claimant the opportunity to provide evidence to support any claim that the debt is not liable to be paid.

46139 Deductions should only be made where there is evidence that the claimant or partner is liable to pay the debt.

Meaning of specified benefit

46140 Specified benefit means1

**1.** income-related Employment and Support Allowance **or**

**2.** contribution-based Employment and Support Allowance, where

 **2.1** both income-related Employment and Support Allowance and contribution-based Employment and Support Allowance are in payment and the income-related Employment and Support Allowance is insufficient for the purposes of making such deductions **or**

 **2.2** if there was no entitlement to contribution-based Employment and Support Allowance there would be entitlement to income-related Employment and Support Allowance at the same rate.

1 SS (C&P) Regs (NI), Sch 8A, para 1(1) & (2)

Income-related Employment and Support Allowance

46141 The full range of third party deductions is available in income-related Employment and Support Allowance.

Contribution-based Employment and Support Allowance - underlying entitlement to income-related Employment and Support Allowance

46142 With the exception of mortgage interest (see DMG 46172) the full range of third party deductions is available where, if there was no entitlement to contribution-based Employment and Support Allowance, there would be entitlement to income-related Employment and Support Allowance of at least the same rate.

Contribution-based Employment and Support Allowance

46143 Where income-related Employment and Support Allowance is not an issue, only 1 category of third party deductions is available, this is arrears of child support maintenance under the old scheme (see DMG 46436 - 46454).

 46144 - 46150

Amount of benefit to be left for claimant

Specified benefit

46151 The claimant should be left with at least 10p **specified benefit** after third party deductions have been made1. No deduction should be made if it would leave the claimant with less than 10p. But see DMG 46205 and DMG 46234 for when the deduction may be adjusted instead of not being made.

1 SS (C&P) Regs (NI), Sch 8A, para 8(1)

Contribution-based Employment and Support Allowance

46152 Where income-related Employment and Support Allowance is not an issue, the claimant need not be left with any contribution-based Employment and Support Allowance after a deduction has been made. A deduction can be made if the amount of contribution-based Employment and Support Allowance payable before the deduction is at least one third of the appropriate age-related amount. This is so even where the claimant would be left with nothing1.

1 SS (C&P) Regs (NI), Sch 8A, para 7B

Maximum amount for payment of debts (arrears only) income-related Employment and Support Allowance and contribution-based Employment and Support Allowance where underlying entitlement to income-related Employment and Support Allowance

46153 There is a maximum amount1 for payment of **arrears** to third parties. That is 3 x 5% of the personal allowance for a single claimant aged 25 or over (see DMG Chapter 44). The total amount deducted for arrears should not exceed this amount. Arrears deductions include

**1.** arrears of

**1.1** housing costs (not covered by the mortgage interest direct scheme)

**1.2** rent

**1.3** fuel

**1.4** water

**1.5** rates **and**

**2.** child support maintenance under the old scheme (see DMG 46436 - 46454) **and**

**3.** integration loan scheme.

1 SS (C&P) Regs (NI), Sch 8A, para 8(2)

Contribution-based Employment and Support Allowance

46154 Where contribution-based Employment and Support Allowance is in payment and income-related Employment and Support Allowance is not an issue (see DMG 46143), the maximum total amount deducted for arrears of child support maintenance under the old scheme (see DMG 46436 - 46454) cannot exceed one third of the appropriate age related amount payable.

Consent required

46155 Unless the claimant consents1, third party deductions cannot be made for

**1.** housing costs arrears (not covered by the mortgage interest direct scheme)

**2.** rent arrears and service charges for fuel and water

**3.** fuel costs (including arrears)

**4.** water charges (including arrears)

**5.** integration loan scheme2

 where the total deduction for that item, or any combination of those items, exceeds 25% of the family's applicable amount.

 **Note :** Any housing costs included in the applicable amount should not be taken into consideration when deciding whether third party deductions exceed 25% of the family’s applicable amount3.

1 SS (C&P) Regs (NI), Sch 8A, para 8(3); 2 para 7C; 3 para 8(3A)(a); ESA (TP, HB)(EA) Regs (NI), Sch 4, para 2

46156 The amount of Child Tax Credit and Child Benefit entitlement should be added1 to the applicable amount when deciding if deductions exceed 25% of the total.

*1 SS (C&P) Regs (NI), Sch 8A, para 8(3A)*

 46157 - 46160

Consent not required

46161 The claimant's consent is not required if a deduction, or a combination of deductions, for

**1.** rates **or**

**2.** child support maintenance under the old scheme **or**

**3.** current housing costs **or**

**4.** current mortgage interest **or**

**5.** residential care home, nursing home, Abbeyfield home or independent hospital charges **or**

**6.** hostel charges not included in Housing Benefit

 makes the total amount deducted exceed 25% of the applicable amount for the family1.

1 SS (C&P) Regs (NI), Sch 8A, para 8(3)

Priority between debts

46162 The claimant may satisfy the criteria for third party deduction of more than one debt. But the amount of benefit may not be enough to meet all those liabilities. The deductions should then be given a particular order of priority1.

1 SS (C&P) Regs (NI), Sch 8A, para 9

46163 For income-related Employment and Support Allowance and contribution-based Employment and Support Allowance with underlying entitlement to income-related Employment and Support Allowance, the order of priority is

**1.** housing costs

**2.** miscellaneous accommodation costs

**3.** hostel payments

**4.** rent arrears and service charges for fuel

**5.** fuel costs

**6.** water charges

**7.** rates

**8.** child support maintenance under the old scheme (see DMG 46436 - 46454)

**9.** integration loan schemes.

46164 Where contribution-based Employment and Support Allowance is in payment and income-related Employment and Support Allowance is not an issue deductions for arrears of child support maintenance under the old scheme (see DMG 46436 - 46454) should take priority over all those listed in DMG 46163.

Part-week payments

46165 Third party deductions from part week payments of specified benefit can be made for

**1.** hostel payments1 (see DMG 46241) **and**

**2.** miscellaneous accommodation costs2 (see DMG 46211).

1 SS (C&P) Regs (NI), Sch 8A, para 4A(5); 2 Sch 8A, para 4

46166 Third party deductions to discharge any other liability cannot be made from part-week payments.

 46167 - 46170

Third party deductions for mortgage interest and housing costs

46171 There are two schemes for third party deductions of housing costs

**1.** the mortgage interest direct scheme (see DMG 46172 et seq)1 **and**

**2.** the third party deductions scheme (see DMG 46191 et seq)2.

1 SS (C&P) Regs (NI), reg 34ZA & Sch 8B; 2 reg 34A & Sch 8A

Mortgage interest direct

46172 Mortgage interest payments must be made directly to a third party where

**1.** theloan is secured on the home1 **and**

**2.** the loan is payable to a qualifying lender2 **and**

**3.** the claimant is entitled to a relevant benefit3.

1 SS A (NI) Act 92, sec 13A(4); 2 SS (C&P) Regs (NI), Sch 8B, para 7; 3 Sch 8B, para 1

46173 The decision maker decides the amount of qualifying loan interest to be paid direct to a qualifying lender. This should

**1.** be calculated using1 the standard rate of interest **and**

**2.** include any addback (see DMG Chapter 44) which is appropriate to the specific loan2.

1 SS (C&P) Regs (NI), Sch 8B, para 2(a); 2 Sch 8B, para 2(a)

46174 The decision maker then pays the specified amount in arrears at 4 weekly intervals directly to the qualifying lender1.

1 SS (C&P) Regs (NI), Sch 8B, para 5

Qualifying lenders

46175 A qualifying lender is1

**1.** a deposit taker2

**2.** any body or person carrying on insurance business under certain law3

**3.** any district council

**4.** the Northern Ireland Housing Executive

**5.** any body incorporated under certain law4 whose main objectives include making loans secured by a mortgage or charge over land.

1 SS A (NI) Act 92, sec 13A(3); SS (C&P) Regs (NI), Sch 8B, para 7; 2 SS A (NI) Act 92, sec 13A(3)(a);
Financial Services and Markets Act 2000, Part 4; 3 SS A (NI) Act 92, sec 13A (3)(c);
Financial Services and Markets Act 2000, Part 4; 4 Companies (NI) Order 1986 & Companies Act 2006

Relevant benefits

46176 Relevant benefit1 means

 **1.** income-related Employment and Support Allowance **and**

 **2.** income-related and contribution-based Employment and Support Allowance where

 **2.1** both are in payment **and**

 **2.2** the income-related Employment and Support Allowance alone is insufficient for the purposes of the deductions.

1 SS (C&P) Regs (NI), Sch 8B, para 1

Amount of relevant benefit to be left for claimant

46177 The claimant should be left with a minimum of 10p after the mortgage interest third party deduction has been made1.

1 SS (C&P) Regs (NI), Sch 8B, para 3(8)

 46178 - 46180

Mortgage protection policies

46181 Claimants may have insured against the risk of being unable to meet mortgage interest repayments. The amount of mortgage interest to be paid direct should then be reduced1. The reduction will be the amount of income from the insurance policy which is taken into account.

1 SS (C&P) Regs (NI), Sch 8B, para 3(4)

Third party deductions - more than one loan

46182 The claimant may be liable to pay mortgage interest on more than one loan. The decision maker will then pay each qualifying lender the appropriate mortgage interest third party deduction for each loan.

46183 A claimant may have more than one loan, but there may not be enough relevant benefit in payment to meet them all. The decision maker should then pay the qualifying lender according to the priority of the loans1. This will usually be the order, by date, in which they have been charged on the home.

1 SS (C&P) Regs (NI), Sch 8B, para 4

46184 Where there is a non-dependant the amount of non-dependant deduction should be apportioned between the loans. The formula is1

C x B where

 A

 A is the total weekly eligible housing costs (including any addback that may be appropriate)

 B is the mortgage interest payable on a loan (including any addback)

 C is the amount of the non-dependant deduction.

1 SS (C&P) Regs (NI), Sch 8B, para 3(3)

 **Example**

 Gareth has weekly housing costs of £80 made up of

|  |  |
| --- | --- |
|  | **£** |
| mortgage  | 35.00 |
| addback for mortgage | 5.00 |
| home improvement loan  | 32.00 |
| addback for home improvement loan  | 3.00 |
| ground rent  | 5.00 |
| Total  | 80.00 |

 Gareth's son Ivor, who is 18 and in receipt of contribution-based Jobseeker’s Allowance lives with his father. The non-dependant deduction for him is £6. The portion of that deduction applicable to the mortgage is

|  |  |
| --- | --- |
| £6.00 (C) x £40.00 (B) | = £3.00 |
|  | £80.00 (A) |  |

 The amount of mortgage interest paid direct would be £37.00 (£40.00 - £3.00).

Mortgage Interest Excess Payments

46185 Any excess interest payment paid to a claimant’s mortgage account as a result of the standard interest rate being higher than the claimant’s actual mortgage interest rate is applied only to the claimant’s mortgage account and cannot be repaid to the claimant1.

1 SS (C&P) Regs (NI), Sch 8B, para 4A

46186 Where payments of Mortgage Interest Direct are deducted from income-related Employment and Support Allowance and are paid to a qualifying lender, any amount paid in excess of the borrower’s actual mortgage interest liability has to be applied

 by the qualifying lender in accordance with DMG 46187 or DMG 461881.

1 SS (C&P) Regs (NI), reg 34A(1)

Application of payment where it exceeds borrower’s actual mortgage interest

46187 Unless DMG 46188 applies, the amount paid in excess of the borrower’s actual mortgage interest liability has to be applied1

 **1.** **first** to pay off any arrears of mortgage interest **and**

 **2.** **second** to repay the principal sum (capital) of that mortgage or any other liability to the qualifying lender in respect of that mortgage.

1 SS (C&P) Regs (NI), Sch 8B, para 4A(1)

 **Example**

 Arthur has an ordinary mortgage account and an “overpayment credit reserve account” with the same lender. Arthur is able to make additional payments on his mortgage which are over and above the contractual mortgage sum. These additional payments are held by the lender in the “overpayment credit reserve account”. This allows Arthur to either make reduced payments or take a payment holiday.

 Arthur’s outstanding mortgage balance is £4858.54. However the amount held by lender in the “overpayment credit reserve account” is £5515.61.

 As there are no arrears outstanding in relation to Arthur’s mortgage interest, the lender should repay the excess payment to the principal sum of Arthur’s mortgage and payments of mortgage interest should cease.

46188 Where the borrower is liable to pay mortgage interest to the same qualifying lender in respect of two or more different loans and the sum paid to that lender in respect of one of those loans (“Loan A”) exceeds the borrower’s liability in respect of the mortgage interest payable on that loan the excess has to be applied by that lender1

 **1.** **first** to pay off any arrears of mortgage interest in respect of the first loan (“Loan A”) **and**

 **2.** **second** towards

 **2.1** the principal sum (capital) of that mortgage or any other sum payable by the borrower to that lender in respect of “Loan A” **or**

 **2.2** arrears and any other aspect of any of the other loans in respect of which mortgage interest2 is payable that is not already covered by standard interest rate payments on those other loans.

 **Note :** Decision makers should be aware that it is the qualifying lenders who will apply these priorities and not the decision maker. It is a matter between the lender and the claimant. Nothing in the regulations authorises repayment of any excess by the lender to the claimant.

1 SS (C&P) Regs (NI), Sch 8B, para 4A(2); 2 SS A Act (NI) 92, sec 15A(4)(b)

 46189 - 46190

Third party deductions for housing costs

46191 Housing costs for which the claimant has a liability may be deducted from the specified benefit and paid direct where1

**1.** the claimant or partner is in debt for a housing cost that is included in the applicable amount **and**

**2.** it is in the interests of the family to do so.

1 SS (C&P) Regs (NI), Sch 8A, para 3(1)

46192 Third party deductions for housing costs can include1

**1.** a deduction for current housing costs **and**

**2.** an arrears deduction.

1 SS (C&P) Regs (NI), Sch 8A, para 3(2)

46193 Third party deductions for loan interest cannot be made where1

**1.** payment is made to a qualifying lender under the mortgage interest direct scheme (see DMG 46172) **or**

**2.** payment would have been made under the mortgage interest direct scheme had the lender not opted out of it.

1 SS (C&P) Regs (NI), Sch 8A, para 3(4) & (5)

46194 Third party deductions should be considered for

**1.** mortgage payments, where claimants have paid less than the equivalent of 8 mortgage payments in the preceding 12 weeks1 **or**

**2.** other housing costs, if the debt is at least half the amount due yearly2.

 **Note :** Third party deductions should be considered earlier if it is in the interests of the claimant or their family.

1 SS (C&P) Regs (NI), Sch 8A, para 3(3)(a); 2 Sch 8A, para 3(3)(b)

 46195

Interests of the family

46196 It will normally be in the interests of the claimant or their family to introduce third party deductions if there is

**1.** a history of persistent mis-spending **and**

**2.** a threat of eviction or repossession **and**

**3.** no other suitable method of dealing with the debt.

46197 Third party deductions will not normally be in the interests of the claimant or their family if they

**1.** show evidence of determination to clear the debt **or**

**2.** undertake to clear the debt themselves.

Definition of housing costs

46198 For third party deductions purposes housing costs are1

**1.** mortgage payments

**2.** ground rent, but only when paid with service charges

**3.** service charges

**4.** rent charges, but only when paid with service charges.

 **Note :** Ground rent should only be paid direct when paid with service charges.

1 SS (C&P) Regs (NI), Sch 8A, para 1

Mortgage payments

46199 Mortgage payments1 means the amount of eligible housing costs allowable towards the interest on a loan taken out and used to

**1.** acquire an interest in the home

**2.** undertake repairs or improvements to the home

**3.** pay for service charges for repairs and improvements to the home.

1 SS (C&P) Regs (NI), Sch 8A, para 1

46200 This includes any addback (see DMG Chapter 44) awarded specifically for that loan. It excludes amounts which are not allowable because of restriction and deductions for non-dependants.

Service charges

46201 Service charges can be made for many items including fuel and water. But not all such charges are housing costs for the purposes of third party deductions.

46202 A service charge for communal water charges is a housing cost for these purposes1. For example a charge to cover the communal supply of water for central heating. But water charges for the claimant's home which are paid with rent are not housing costs for these purposes. They are covered by separate provisions (see DMG 46261).

1 SS (C&P) Regs (NI), Sch 8A, para 1 & 3; ESA Regs (NI), Sch 6, para 1(1)

46203 A service charge for fuel paid with rent is also not a housing cost for the purposes of deductions (see DMG 46198 **3.**)1. Deductions for water and fuel charges paid with rent are covered by separate provisions (see DMG 46261 et seq)2.

1 SS (C&P) Regs (NI), Sch 8A, para 1 & 3; ESA Regs (NI), Sch 6, para 18(2);
2 SS (C&P) Regs (NI), Sch 8A, para 5

Amount of benefit to be left for claimant

46204 The decision maker determines

**1.** whether there is enough benefit in payment to make a deduction **and**

**2.** the specified amount to be deducted **and**

**3.** the priority of deductions (see DMG 46207).

46205 The amount deducted for housing costs may leave the claimant with less than the minimum amount (see DMG 46151). The amount of the deduction should then be adjusted so that 10p of the award is payable to the claimant1.

1 SS (C&P) Regs (NI), Sch 8A, para 8(1)

Housing costs payments in arrears

46206 If claimants are in arrears with their housing costs payments, a standard deduction should be made and paid direct with the housing costs. The standard deduction is 5% of the personal allowance for a single person aged not less than 251. But deductions should only be made where the decision maker is satisfied that there are in fact arrears2 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 SS (C&P) Regs (NI), Sch 8A, para 3(2); 2 R(IS) 14/95

Priority between housing costs debts

46207 The criteria may be met for deductions for several items of housing costs. Mortgage interest payments should then be given priority over all other items1.

1 SS (C&P) Regs (NI), Sch 8A, para 9(1)(a); Sch 8B, para 3

 46208 - 46210

Third party deductions for miscellaneous accommodation costs

Meaning of miscellaneous accommodation costs

46211 Third party deductions for miscellaneous accommodation costs can be made1 where the claimant has an award of Employment and Support Allowance and is living in2

**1.** a residential care home **or**

**2.** a nursing home **or**

**3.** an Abbeyfield Home **or**

**4.** an independent hospital.

1 SS (C&P) Regs (NI), Sch 8A, para 4(1)(b); 2 ESA Regs (NI), reg 2(1)

Rules for third party deductions

46212 Where the claimant is living in accommodation mentioned at DMG 46211, part of the specified benefit (see DMG 46140) may then be deducted and paid to a third party. This can happen where1

**1.** the claimant has failed to budget for the charges **and**

**2.** it is in the interests of the claimant or the family that third party deductions be made.

1 SS (C&P) Regs (NI), Sch 8A, para 4(1)

46213 Where a person enters a private home without any Health and Social Services Board involvement any payment of third party deductions must be made to the home. Where the accommodation has been provided by the Health and Social Services Board any third party deduction should be paid to the Health and Social Services Board. This is so whether the person is in Health and Social Services Board or non Health and Social Services Board premises. However if the Health and Social Services Board requests it, third party deductions can be paid to the home.

46214 Apart from the cases mentioned in DMG 46216, third party deductions can be considered **only** where the claimant has failed to budget for the accommodation charges. They cannot be made because of an expected debt. They also cannot be made where the landlord or claimant requests them simply for administrative convenience.

46215 A claimant may change address and be in debt to the former landlord. If so, any direct payments for that debt must stop. Third party deductions at the new address cannot be considered unless the claimant fails to pay the new weekly charge.

Homes run by voluntary organisations

46216 The claimant may be living in accommodation

**1.** which is run by a voluntary organisation

**1.1** for purposes similar to those for which resettlement units are provided **or**

**1.2** which provides facilities for alcoholics or drug addicts.

46217 Part of the specified benefit (see DMG 46140) may then be deducted and paid direct. In this type of accommodation failure to budget and the family’s interests need not be considered.

46218 The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 46151)1.

1 SS (C&P) Regs (NI), Sch 8A, para 8(1)

 46219 - 46220

Amount deducted - complete weeks

46221 The amount to be deducted from the specified benefit and paid direct in respect of miscellaneous accommodation costs1 is the award of Employment and Support Allowance less either

**1.** where the claimant is **not** living in an independent hospital (see DMG 46211 **4.)** an amount which, when added to any other income of the claimant equals the personal expenses rate (see DMG 46223) **or**

**2.** in any other case, an amount in respect of the personal expenses rate.

 **Note :** Any other income is net income, for example after any disregards.

1 SS (C&P) Regs (NI), Sch 8A, para 4(2)

46222 The claimant should be left with a minimum of 10p after the deduction has been made1.

1 SS (C&P) Regs (NI), para 8(1)

Personal expenses

 **[See DMG Memo Vol 3/92, 4/128, 5/100, 6/88, 8/68, 9/29, 10/63, 13/61 & 14/57]**

46223 The amount in respect of personal expenses1, referred to in DMG 46221 is, for a

**1.** single person £23.75

**2.** couple where both members are in such accommodation, £23.75 each

**3.** polygamous marriage where more than one member is in such accommodation, £23.75 for each member who is in such accommodation.

1 SS (C&P) Regs (NI), Sch 8A, para 4(2A)

 **Example 1**

Dorothy lives in a residential care home, has an applicable amount of £106.50 and has no income.

 She must be left with the amount of personal expenses at the personal rate (£23.75). The amount to be paid direct is £82.75 (£106.50 - £23.75).

 **Example 2**

 William lives in a residential care home, has an applicable amount of £106.50 and net income of £6. The amount to be paid direct is

|  |  |
| --- | --- |
| applicable amount | £106.50 |
| less William's income | £6.00 |
| Employment and Support Allowance award | £100.50 |
| less payment to William (personal expenses minus income) | £17.75 |
| amount to be paid direct | £82.75 |

 William has a total of £23.75 (£6.00 + £17.75), the amount of the personal expenses.

 **Example 3**

 Mildred, lives in a nursing home, has an applicable amount of £106.50 and income of £6.00. The Employment and Support Allowance award is £100.50 (£106.50 applicable amount less income of £6.00). £87.00 is deducted and paid direct to the third party (Employment and Support Allowance of £100.50 - £23.75 personal expenses). Mildred retains £23.75 of her Employment and Support Allowance for personal expenses.

 46224 - 46230

Amount deducted - part-weeks

46231 Third party deductions for part-weeks (see DMG 46041 - 46125) can be made for miscellaneous accommodation costs1. The amount deducted and paid direct for a part-week depends upon

**1.** whether the accommodation in which the claimant lives is described at DMG 46221 **1.** or **2.** **and**

**2.** whether the claimant has any income.

1 SS (C&P) Regs (NI), Sch 8A, para 4(3)

46232 In order to calculate the amount to pay direct to the third party for a part-week, the decision maker should calculate the amount of Employment and Support Allowance due for the part-week and deduct1

**1.** an amount which equals the appropriate proportion of the personal expenses **or**

**2.** an amount equal to the difference between the appropriate proportion of the claimant’s income if any and an appropriate proportion of the amount allowed for personal expenses.

 This will result in the claimant retaining a proportion of the weekly personal expenses amount.

1 SS (C&P) Regs (NI), Sch 8A, para 4(3A)

 **Example 1**

 Dilys lives in a residential care home. Her Employment and Support Allowance is £106.50 and she has an income of £11.50 per week. She is due a part-week payment for 6 days.

 The decision maker first calculates the part-week payment as follows.

Employment and Support Allowance £106.50 less £11.50 = £95.00, divided by 7 and multiplied by 6 = £81.43 due for the part week.

The amount of the third party deduction is then calculated as follows.

£81.43 (the Employment and Support Allowance due for the part-week) - £10.50 (the difference between 6/7ths of £11.50 and 6/7ths of £23.75) = £70.93. This is the amount paid to the third party.

Personal expenses of £10.50 are paid to the claimant.

 **Example 2**

Morris lives in a residential care home which is provided, owned and managed by the Health and Social Services Board. His Employment and Support Allowance is £106.50 and he has a weekly income of £15.00. A part-week payment of 4 days is due.

The decision maker first calculates the amount of Employment and Support Allowance due for the part-week.

Employment and Support Allowance £106.50 less £15.00 = £91.50, divided by 7 and multiplied by 4 (the number of days in the part-week) = £52.29 Employment and Support Allowance due for the part-week.

The decision maker then calculates the amount to pay to the third party as follows.

£52.29 (the amount of Employment and Support Allowance due for the part-week) - £13.57 (4/7ths of £23.75) = £38.72.

£38.72 is the amount paid to the third party. Morris retains personal expenses of £13.57.

46233 No deduction will be made for a part-week period if the decision maker certifies that it would be impracticable to do so. See DMG 46041 for full guidance on part-week payments.

Amount of benefit to be left for claimant

46234 It may be that if the full amount is deducted for miscellaneous accommodation costs the claimant would be left with less than 10p. This can happen where the deduction is being taken for a complete week or for a part-week and the claimant has income equal to or greater than the weekly personal expenses amount.

46235 Under the normal rules (see DMG 46151) no deduction should then be taken. But there is a special rule that applies in such circumstances. The amount of the deduction can be adjusted so that 10p of the award is payable to the claimant1.

1 SS (C&P) Regs (NI), Sch 8A, para 8(1)

 46236 - 46240

Third party deductions for hostel service charges

Meaning of hostel

46241 A hostel1 is a building other than a residential care home, nursing home, independent hospital or Abbeyfield home which

**1.** is

**1.1** managed or owned by a housing association registered with the Department of the Environment2 **or**

**1.2** operated other than on a commercial basis and funded wholly or partly by a government department or a public body **or**

**1.3** managed by a voluntary organisation or charity and provides care, support or supervision for the purpose of

**1.3.a** rehabilitation **or**

**1.3.b** resettlement within the community **and**

**2.** provides accommodation not in separate and self-contained premises and facilities adequate for the needs of those living in the hostel including

**2.1** board **or**

**2.2** water **or**

**2.3** a service charge for fuel **or**

**2.4** meals **or**

**2.5** laundry **or**

**2.6** cleaning (other than communal areas).

1 SS (C&P) Regs (NI), Sch 8A, para 1; 2 Housing (NI) Order 81, art 124

46242 For the purposes of DMG 46241 **1.3** voluntary organisation1 means any association carrying on or proposing to carry on any activities otherwise than for the purpose of gain by the association or by individual members of the association, but shall not include any public body.

1 SS (C&P) Regs (NI), Sch 8A, para 1

46243 In deciding if the hostel is managed the decision maker may find it useful to know

**1.** the terms of the lease (if available)

**2.** details of how the hostel is staffed

**3.** who has responsibility for major and minor repairs

**4.** who does the accounts for the hostel.

46244 Staffing levels may be flexible but should be appropriate to the claimant's needs. Some hostels may be run with few staff. Others may need to be fully staffed with a great deal of administration. The time spent managing the hostel and the quality of care provided is also important.

Rules for third party deductions

46245 Part of the claimant's specified benefit (see DMG 46140) may be deducted and paid direct for hostel charges. This can include a deduction for

**1.** current hostel service charges1 **and**

**2.** arrears of hostel charges2.

1 SS (C&P) Regs (NI), Sch 8A, para 4A; 2 Sch 8A, para 5

Current charges

46246 Current hostel service charges can be deducted and paid direct if the claimant or partner1

**1.** is resident in a hostel and has claimed Housing Benefit **or**

**2.** is resident in a probation hostel or other establishment for use in connection with the supervision and assistance of offenders, or bail hostel provided and maintained under specified legislation2 **and**

**3.** the charge for the hostel or approved premises includes a payment for services3 as listed in DMG 46241 **2.**.

1 SS (C&P) Regs (NI), Sch 8A, para 4A(1); 2 Probation Board (NI) Order 1982, art 4(2);
3 SS (C&P) Regs (NI), Sch 8A, para 4A(1)(d)

46247 In DMG 46246, probation hostel1 means premises for the reception and care of persons who may be required to reside there by a probation order. Bail hostel2 means premises for the accommodation of persons remanded on bail.

1 Probation Board (NI) Order 1982, art 2(2); 2 art 2(2)

46248 The amount to be paid direct is

**1.** decided by1

**1.1** the Northern Ireland Housing Executive **or**

**1.2** the decision maker, where the Northern Ireland Housing Executive has not made a determination

**2.** the total of the amounts deducted (or likely to be deducted) by the Northern Ireland Housing Executive when determining the eligible rent, for2

**2.1** water

**2.2** laundry

**2.3** cleaning (other than communal areas)

**2.4** meals

**2.5** service charge for fuel.

1 SS (C&P) Regs (NI), Sch 8A, para 4A(3); 2 para 4A(1)(d)

46249 Deductions can be made for part-weeks at the beginning and end of an award of Employment and Support Allowance1. But no deduction will be made if the decision maker certifies that it is impracticable to do so. See DMG 46041 et seq for full guidance on part-week payments.

1 SS (C&P) Regs (NI), Sch 8A, para 4A(5)

Arrears of hostel charges

46250 Arrears of hostel charges can be paid direct1 for both

**1.** arrears of the housing benefit element of the charge **and**

**2.** arrears of those charges mentioned in DMG 46248 **2.**.

1 SS (C&P) Regs (NI), Sch 8A, para 5

46251 Deductions should only be made where the decision maker is satisfied that there are in fact arrears1 of hostel charges. 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 with the hostel charges.

1 R(IS) 14/95

46252 A deduction can be made and paid direct if

**1.** the claimant is awarded a specified benefit **and**

**2.** the claimant is entitled to Housing Benefit **and**

**3.** the claimant or partner has arrears of hostel charges that exceed £100.001.

1 SS (C&P) Regs (NI), Sch 8A, para 5(1A)

46253 The amount deducted for arrears and paid direct is fixed at 5% of the personal allowance for a single person aged 25 or over. The claimant should be left with a minimum of 10p after the deduction has been made (see DMG 46151).

 46254 - 46260

Third party deductions for rent and service charges for fuel

Definitions

46261 For third party deduction purposes rent1 includes

**1.** eligible rent for Housing Benefit

**2.** water charges

**3.** fuel service charges for heating, hot water, lighting or cooking

**4.** furniture charges

**5.** garage charges

**6.** service charges

**7.** ground rent not paid with service charges

**8.** rates

 as long as they are paid with, or as part of, the rent for the dwelling occupied as the home.

1 SS (C&P) Regs (NI), Sch 8A, para 1

 46262

Rules for third party deductions

46263 Part of the specified benefit (see DMG 46140) may be deducted and paid direct to the landlord for

**1.** rent arrears

**2.** fuel service charges

**3.** water charges

 paid with or as part of the rent on the dwelling occupied as the home.

46264 This can happen if1

**1.** the claimant or partner has a current liability to the landlord making the application or is resident in premises maintained by virtue of Article 4(2) of the Probation Board (Northern Ireland) Order 1982 **and**

**2.** they have rent arrears of at least 50% of the personal allowance for a single claimant aged 25 or over and there are arrears of rent in respect of at least

**2.1** 6 weeks or more and the landlord has requested third party deductions **or**

**2.2** less than 6 weeks and it is in the overriding interests of the claimant or family (see DMG 46271) to arrange third party deductions.

1 SS (C&P) Regs (NI), Sch 8A, para 5(1)

46265 Deductions should only be made where the decision maker is satisfied that the claimant or partner do have rent 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 rent arrears.

1 R(IS) 14/95

 46266 - 46270

Interests of the family

46271 It will normally be in the interests of the claimant or their family to introduce third party deductions if there is

**1.** a threat of

**1.1** eviction **or**

**1.2** repossession **or**

**1.3** disconnection of fuel **or**

**1.4** a court summons **and**

**2.** no other suitable method of dealing with the debt.

46272 Third party deductions will not normally be in the interests of the claimant or their family if they have

**1.** shown evidence of a determination to clear the debt **and**

**2.** undertaken to clear the debt themselves.

46273 Third party deductions should not be considered

**1.** simply because the tenant or landlord has asked for it **or**

**2.** when rent is being withheld or is not being accepted because of a dispute between the claimant and landlord (unless DMG 46265 applies).

46274 Where there is a reluctance to seek eviction, third party deductions may still be considered if the other criteria are met. For example where housing associations specialise in providing accommodation for low income groups who are liable to have budgeting problems.

 46275 - 46280

Amount deducted for arrears

46281 The amount deducted for arrears and paid direct is fixed1 at 5% of the personal allowance for a single person aged 25 or over rounded up to the next 5p.

1 SS (C&P) Regs (NI), Sch 8A, para 5

Amount deducted for current charges

46282 The following charges can be paid direct where they are paid with the rent1

**1.** fuel service charges **or**

**2.** water charges.

1 SS (C&P) Regs (NI), Sch 8A, para 5(2)

46283 The amount to be paid direct is the amount deducted by the Northern Ireland Housing Executive when determining the eligible rent for Housing Benefit. If rent is payable for 50 weeks each year, the amount deducted should be paid direct for 50 weeks. No third party deduction should be made for the weeks when rent is not payable.

46284 But the claimant should be left with a minimum of 10p after the deduction has been made (see DMG 46151).

46285 Unless the claimant consents1, third party deductions cannot be made for both arrears and current charges where the total exceeds 25% of the family’s applicable amount. The amount of Child Tax Credit and Child Benefit entitlement should be added2 to the applicable amount when deciding if deductions exceed 25% of the total.

 **Note :** Any housing costs included in the applicable amount should not be taken into consideration when deciding whether third party deductions exceed 25% of the family’s applicable amount3 (see DMG 46155).

1 SS (C&P) Regs (NI), Sch 8A, para 8(3); 2 Sch 8A, para 8(3A); 3 Sch 8A, para 8(3A)(a);
ESA (TP & HB) (EA) Regs (NI), Sch 2, para 5(e)

Joint tenants

46286 If the claimant is a joint tenant calculate the deduction by following DMG 46282 and DMG 46287 et seq.

46287 The deduction for weekly fuel service charges depends on information held by the Northern Ireland Housing Executive. The decision maker should find out whether the Northern Ireland Housing Executive has worked out the actual fuel cost for the property. The deduction is where the Northern Ireland Housing Executive has

**1.** worked out the actual fuel cost - that figure divided by the number of tenants

**2.** estimated the claimant’s fuel costs - the amount of the Northern Ireland Housing Executive standard deduction from Housing Benefit.

46288 Where fuel costs have been estimated the amount of the deduction from Housing Benefit may change if the claimant gives details of their actual costs. The decision maker should then revise the deduction for weekly fuel service charge.

46289 The deduction may be for current weekly water charges. The deduction is then the charge for the property divided by the number of tenants.

Superseding the third party deduction decision

46290 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 service charge or water charge changes **or**

**2.** fuel service charge stops being made by the landlord **or**

**3.** rent arrears are cleared (see DMG 46291) **or**

**4.** entitlement to specified benefit is reduced below the amount of the deduction plus 10p **or**

**5.** claimant changes address.

 **Note :** See DMG Chapter 4 for the rules about the effective date of supersession.

1 SS (NI) Order 98, art 11; SS & CS (D&A) Regs (NI), reg 6(2)(a)

46291 The decision maker may decide that deductions for continuing charges only should continue

 where1

**1.** the rent arrears are cleared **and**

**2.** it is in the interests of the family to do so.

1 SS (C&P) Regs (NI), Sch 8A, para 5(6)

 46292 - 46300

Third party deductions for fuel costs

Rules for third party deductions

46301 Part of the specified benefit (see DMG 46140) may be deducted and paid direct to the fuel company for gas and electricity. This can happen if1

**1.** there is a debt (the original debt) for mains gas or electricity and the claimant still needs that fuel **and**

**2.** the debt is for an amount not less than the rate of personal allowance for a single person aged 25 or over **and**

**3.** it is in the interests of the claimant or family that third party deductions be made.

1 SS (C&P) Regs (NI), Sch 8A, para 6(1)

46302 Debt in this context includes disconnection and reconnection costs and any legal costs arising from that debt.

46303 Third party deductions for fuel should not be made where

 **1.** the debt is less than the rate of personal allowance for a single claimant aged 25 or over

 **2.** the size of the deduction (including any deduction for arrears)

 **2.1** is more than the award of specified benefit **or**

 **2.2** would leave the claimant with specified benefit of less than 10p (see DMG 46151)

 **3.** the claim will only last a short time, for example where the claimant is due an income which will exceed Employment and Support Allowance

 **4.** the debt is the responsibility of a person who has deserted a partner (unless the deserted partner satisfies the criteria for third party deductions).

Interests of the family

46304 It will normally be in the interests of the claimant or their family to introduce third party deductions where

**1.** the debt

**1.1** is unlikely to be paid before disconnection is threatened **or**

**1.2** has resulted in the threat of disconnection **or**

**1.3** has resulted in disconnection **and**

**2.** no other source of fuel is available for the same purpose **and**

**3.** there is no other suitable way of dealing with the debt.

46305 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example there may be a risk where the family includes

**1.** children under 11

**2.** people over 70

**3.** people who are disabled

**4.** people who are long term sick.

 **Note :** This list is not exhaustive.

46306 Do not assume that third party deductions would not be in their interests just because the claimant is single or a member of a couple without young children.

46307 Third party deductions will not normally be in the interests of the claimant or their family if

**1.** they have

**1.1.** shown evidence of a determination to clear the debt **and**

**1.2.** undertaken to clear the debt themselves **or**

**2.** there are other options available to deal with the debt.

46308 The decision maker must consider

**1.** the alternative means of cooking and heating available to the family

**2.** the availability and value of budget payment arrangements **and**

**3.** seasonal factors.

46309 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 family. Only one of these arrangements can be in operation at any time.

Amount to be deducted and paid direct

46310 The amount of the weekly deduction should be

**1.** **before the debt is cleared** - an amount to pay off the arrears (see DMG 46321) plus an amount to cover current consumption (see DMG 46325)1

**2.** **after the debt is cleared** - an amount to cover current consumption (see DMG 46330) where appropriate2.

1 SS (C&P) Regs (NI), Sch 8A, para 6(2); 2 Sch 8A, para 6(4)(b)

Exception to general rules

46311 A prepayment meter may have been installed or other arrangements made with the fuel board to pay for current consumption1. The amount deducted should then be limited to the amount for arrears. See DMG 46309 where the meter is calibrated to recover arrears.

1 SS (C&P) Regs (NI), Sch 8A, para 6(2)(b)

Amount of benefit left for claimant

46312 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 46151). Do not make a deduction if less than 10p would be left.

 46313 - 46320

Arrears of fuel - original debt

46321 There is only one original debt during any period of deductions for an item of fuel1. That original debt cannot normally be increased. The exception is where the figure originally given by the fuel company was wrong. The figure used may then be changed and the decision which included the third party deduction superseded2 (or revised if the new deduction is determined within one month of the previous decision3) because the decision maker’s decision will have been given in ignorance of a material fact.

1 SS (C&P) Regs (NI), Sch 8A, para 6(1) & (2)(a); 2 SS (NI) Order 98, art 11;
SS & CS (D&A) Regs (NI), reg 6(2)(b)(i); 3 reg 3(1)(a)

46322 Do not revise the figure used where further debt builds up during a period of deductions. The amount of the original debt can never be revised on the grounds of such a change in circumstances. An adjustment to the continuing consumption is made instead (see DMG 46328).

46323 The weekly deduction to recover the original debt is fixed at 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p1.

1 SS (C&P) Regs (NI), Sch 8A, para 6(2)(a)

46324 Third party deductions for a second fuel item may have to be introduced. The deduction is then 5% for each fuel item (see DMG 46343) subject to the overall limit on deductions for arrears of fuel, that is 2 x 5% of the personal allowance for a single claimant aged 25 or over1.

1 SS (C&P) Regs (NI), Sch 8A, para 6(2)(a)

Fuel - current consumption

46325 When deductions begin the fuel company will provide an estimate of the average weekly cost of continuing consumption1. If the estimate is unreasonable or inaccurate the decision maker should ask for details of the calculation.

1 SS (C&P) Regs (NI), Sch 8A, para 6(2)(b)

46326 Periodically the fuel company will

**1.** recalculate the weekly amount needed to meet continuing consumption **and**

**2.** notify the decision maker of any added credit or debit.

46327 The recalculation should be based on the actual cost of past consumption1. A customer’s own reading may be used but a calculation based on estimated past consumption is not acceptable.

1 SS (C&P) Regs (NI), Sch 8A, para 6(4)

46328 Where DMG 46326 applies, the decision maker may adjust1

**1.** the weekly deduction to a new weekly amount for continuing consumption **and**

**2.** the new weekly amount to take into account any added credit or debit over a

**2.1** period of 26 weeks **or**

**2.2** longer period if that is reasonable.

 **Note :** The claimant’s agreement should be obtained if the new total deductions exceed the level mentioned in DMG 46155.

1 SS (C&P) Regs (NI), Sch 8A, para 6(4)(a)

46329 The original debt must not be adjusted to take account of additional credit or debit.

 **Example**

 The original debt has been recovered. The weekly deduction for consumption is £5. In April the fuel company reports that the amount for continuing consumption is £7 and arrears of £60 have accrued.

 The decision maker supersedes the third party deduction decision and decides it is reasonable to recover the accrued arrears over 52 weeks. The new weekly deduction is

|  |  |
| --- | --- |
| continuing consumption | £7.00 |
| plus adjustment for arrears £60 over 52 weeks | £1.15 |
| total | £8.15 |

 In December the fuel company reports that the amount for continuing consumption is £6.50 and there is a credit of £20. The new weekly deduction is

|  |  |
| --- | --- |
| continuing consumption | £6.50 |
| less adjustment for credit £20 over 26 weeks | £0.77 |
| total | £5.73 |

Original debt recovered

46330 When the original debt has been cleared the decision maker may decide to make deductions for continuing consumption1. Such deductions are not compulsory.

1 SS (C&P) Regs (NI), Sch 8A, para 6(1) & (4)(b)

46331 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 46271). The decision maker should consider

**1.** whether there are other budgeting methods which might be more appropriate

**2.** the reasons for the failure to budget - if the debt arose because of persistent bad management and nothing has changed, third party deductions should normally continue

**3.** any seasonal factors likely to affect the claimant’s ability to budget for the next bill if third party deductions stop

**4.** any representations made by the fuel company.

 46332 - 46340

Joint tenants

46341 A claimant asking for third party deductions for fuel costs may be a joint tenant. If the claimant is liable for the debt (see DMG 46136) the deduction should be

**1.** the weekly consumption figure (see DMG 46325) 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 DMG 46323).

46342 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

46343 The criteria may be met for deductions for both gas and electricity debts. But it may not be possible to implement both deductions. This may happen where, for example, there is not enough specified benefit in payment.

46344 The decision maker should decide which debt takes priority, taking into account1

**1.** all the circumstances **and**

**2.** any requests of the claimant.

1 SS (C&P) Regs (NI), Sch 8A, para 9(3)

46345 Priority should be given to whichever fuel is most needed to ensure the health and safety of the claimant or family.

 **Example 1**

 Ashling 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.

46346 Where debts other than fuel are involved see DMG 46162.

 46347 - 46350

Consent of claimant required

46351 Unless the claimant consents1, third party deductions cannot be made where the total deductions exceed 25% of the family’s applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 46155). The amount of Child Tax Credit and Child Benefit entitlement should be added to the applicable amount when deciding if deductions exceed 25% of the total.

1 SS (C&P) Regs (NI), Sch 8A, para 6(5) & 8(3A)

Superseding the third party deduction decision

46352 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.

46353 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 weekly cost estimated for the continuing need was not enough or was too much

 **Note :** The claimant’s agreement must be obtained if the deduction required stays at or would increase to the level mentioned in DMG 46351

**2.** the original debt has been cleared and deductions stop, or carry on for current consumption only (see DMG 46330)

**3.** the claimant changes address from one fuel company area to another and the debt is not transferable

**4.** the weekly deduction (including arrears) would leave the claimant with less than 10p

**5.** the claimant withdraws the agreement permitting deductions in excess of 25% of the applicable amount (see DMG 46351)

**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 DMG Chapter 4 for the rules about the effective date of supersession.

1 SS (NI) Order 98, art 11; SS & CS (D&A) Regs (NI), reg 6(2)(a)

 46354 - 46360

Third party deductions for water charges - Northern Ireland

[The guidance relating to water charges will come into effect upon the ending of the period of their deferral by the Northern Ireland Executive]

Meaning of water charges

46361 Water charges include charges for water supply and sewerage. Where these are charged separately or by different water authorities see DMG 46393.

Methods of charging

46362 Water charges can be made

**1.** with rent (see DMG 46261 et seq)

**2.** by a meter (see DMG 46382)

**3.** unmetered (see DMG 46377).

Rules for third party deductions

46363 Part of the specified benefit (see DMG 46140) may be deducted for water charges and paid direct if1

**1.** the claimant or partner is in debt (the original debt) for water charges **and**

**2.** the decision maker is satisfied that the claimant or partner has failed to budget for the charges **and**

**3.** it is in the interests of the claimant or family that third party deductions be made.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(1) & (2)

46364 Debt in this context includes disconnection and reconnection costs and any legal or other costs arising from that debt.

Interests of the family

46365 Third party deductions will normally be in the interests of the claimant or the family where there is

**1.** a threat of a court summons **and**

**2.** no other suitable method of dealing with the debt.

46366 Third party deductions will not normally be in the interests of the claimant or their family if

**1.** they have

**1.1.** shown evidence of a determination to clear the debt **and**

**1.2.** undertaken to clear the debt themselves **or**

**2.** there are other options available to deal with the debt.

46367 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example where the family includes

**1.** children under 11

**2.** people over 70

**3.** people who are disabled

**4.** people who are long-term sick.

 Do not assume that third party deductions would not be in their interests just because the claimant is single or a member of a couple.

Amount to be deducted and paid direct

46368 The amount to be deducted and paid direct

**1.** before the original debt is cleared is1

**1.1** the actual or estimated amount for current consumption **and**

**1.2** a fixed amount to clear the original debt equal to 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p

**2.** after the original debt is cleared is2

**2.1** the actual amount for current consumption (unmetered water) **or**

**2.2** an estimated amount for current consumption (metered water).

1 SS (C&P) Regs (NI), Sch 8A, para 6A(3) & (5); 2 Sch 8A, para 6A(6)

46369 The decision maker should always use the fixed amount in DMG 46368 **1.2** 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.

Amount of benefit to be left for claimant

46370 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 46151). Do not make a deduction if less than 10p would be left.

 46371 - 46375

The original debt

46376 Before deductions for water charges can begin the claimant or partner must be in debt1. The amount of the debt is the original debt and includes

**1.** the amount of water and sewerage charges due

**2.** any disconnection or reconnection charge

**3.** any legal costs arising from the debt

**4.** any other costs arising from the debt.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(1) & (2)

Unmetered water

Original debt

46377 There is only one original debt during any period of deductions1. That original debt cannot be increased. If the whole of the current year's charge for unmetered water is due it may be included in the original debt. A deduction for current consumption may not then be necessary until the start of the next financial year.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(1) & (5)(a)

46378 The weekly deduction to recover the original debt is fixed at 5% of the personal allowance for a single person aged 25 or over.

Example 1

 In November the water company requests deductions and reports an original debt of £350. This includes the charge for the remaining months in the current financial year. The original debt is £350 and the fixed deduction is made until this amount is repaid. Deductions for current consumption will not start until April of the next year when the annual charge for the next year is billed.

 **Example 2**

 In December the water company requests deductions. They report that debt is accruing on a weekly basis. On the date the decision maker makes a decision a debt of £120 has accumulated. The original debt is £120 and the fixed deduction is made until this amount is repaid. Deductions for current consumption are also made.

Consumption

46379 The amount deducted for continuing consumption is the weekly cost necessary to meet the continuing need for water consumption1. This is not always the annual charge divided by 52 weeks.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(4)

Example

 Roisin is in receipt of Employment and Support Allowance. On 31 May the water company requests deductions. They report that there is an outstanding debt for the previous year of £100. The current year's charge is £210 and the water company confirms that none of that has become a debt.

 On 10 June the decision maker decides that deductions can be taken, determines the amount of the deduction and supersedes the previous decision in order to implement it.

 The original debt is £100 and the fixed deduction is made until this amount is repaid. Deductions for current consumption are also made at the rate of £5 per week (£210 current year's charge, divided by the 42 weeks left in the year from 10 June).

Annual increases

46380 Following the annual increase in unmetered water charges, the deduction for current consumption should be superseded from the date of the increase1. If the water authority or company notify the new annual charge late, or the decision maker cannot (for operational reasons) supersede on the due date

**1.** supersede the case from the date the charge increases (usually 1 April) **and**

**2.** change the weekly consumption figure by

**2.1** taking off the amount already deducted in the financial year from the new annual charge **and**

**2.2** working out the number of weeks left in the financial year (from the date of the supersession to the end of the year) **and**

**2.3** dividing the amount at **2.1** by the number of weeks at **2.2**.

1 SS (NI) Order 98, art 11; 2 SS & CS (D&A) Regs (NI), reg 6(2(a)

Example

 The weekly deduction for water is £3. In June the water authority notifies the decision maker that the annual cost from 1 April of that year is £200. On 3 July the decision maker supersedes from 1 April that year and changes the amount for continuing consumption as follows

|  |  |
| --- | --- |
| annual cost from 1 April | £200 |
| less amount already deducted £3 x 13 | £39 |
| annual amount outstanding | £161 |
| divided by the number of weeks left |  |
| in the year (3 July to 31 March) | 39 weeks |
| new weekly deduction (rounded up to the nearest penny) | £4.13 |

46381 It is not necessary to change the deduction to the original amount at the end of the year. The same formula can be used if the amount is notified late the following year.

Metered water

Original debt

46382 There is only one original debt during any period of deductions1. That original debt cannot be increased. The weekly deduction to recover the original debt is a fixed amount. That is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(1) & (3)(a)

46383 If arrears build up during a period of deductions an adjustment to the continuing consumption is made (see DMG 46387). The original debt must not be adjusted to reflect added credits and debits which have built up during a period of deductions.

Consumption

46384 When deductions begin the water company provides an estimate of the average weekly cost of continuing consumption1. Where this is unreasonable or inaccurate the decision maker should ask for details of the calculation.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(3)(b)

46385 Periodically the water company will

**1.** recalculate the weekly amount needed to meet continuing consumption **and**

**2.** notify any added credit or debit.

46386 The recalculation should be based on the actual cost of past consumption. A customer's own reading may be used. But a calculation based on estimated past consumption is not acceptable.

46387 The decision maker should1

**1.** supersede the weekly deduction to the new weekly amount for continuing consumption **and**

**2.** adjust that new weekly amount to recover any added credit or debit over

**2.1** a period of 26 weeks **or**

**2.2** a longer period if that is reasonable.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(4)

46388 The original debt must not be adjusted to take account of additional credit or debit.

 **Example**

 Matthew is in receipt of income-related Employment and Support Allowance. In June he requests deductions for a debt of £90 and continuing consumption. The water company estimate the average weekly cost of continuing consumption is £4. Deductions for current consumption should continue if it remains in the interests of the family (see DMG 46390).

|  |  |
| --- | --- |
| original debt | £2.50 |
| continuing consumption | £4.00 |
| total | £6.50 |

 In December the water company reports that the amount for continuing consumption is £4.50 and a further debt of £20 has built up. The decision maker supersedes the deductions and decides it is reasonable to recover the arrears over 26 weeks. The new weekly deduction is

|  |  |  |
| --- | --- | --- |
| original debt |  | £2.50 |
| continuing consumption | £4.50 |  |
| adjustment for accrued arrears |  |  |
| £20 over 26 weeks | £0.77 | £5.27 |
| total |  | £7.77 |

Original debt recovered

46389 When the original debt has been cleared the decision maker may decide to make deductions for continuing consumption1. Such deductions are discretionary and apply to both unmetered and metered water.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(6)

46390 Deductions for current consumption should continue if it remains in the interests of the family (see DMG 46271). The decision maker should consider

**1.** whether there are other budgeting methods which may be more appropriate

**2.** the reasons for the failure to budget - if the debt arose because of persistent bad management and nothing has changed, third party deductions should normally continue

**3.** any seasonal factors likely to affect the claimant’s ability to budget for the next bill if third party deductions stop.

Joint tenants

46391 A claimant asking for third party deductions for water charges may be a joint tenant. If the claimant is liable for the debt (see DMG 46136) the deduction should be

**1.** the actual or estimated weekly cost for consumption (see DMG 46379) 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 DMG 46368).

46392 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.

Priority between debts for water charges

46393 The claimant or partner may be in debt for water and sewerage charges to two water companies. In such a case only one weekly amount should be deducted, with priority being given to water1.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(7)(a) & (b)

46394 Deductions for sewerage debt can begin only when the whole of the original water debt has been cleared1. Deductions for current water and sewerage charges can be made at the same time2.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(7)(b); 2 Sch 8A, para 6A(7)(c)

Consent of claimant required

46395 Unless the claimant consents1, no third party deduction can be made for water charges where the total deductions exceed 25% of the family's applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 46155).

1 SS (C&P) Regs (NI), Sch 8A, para 6A(8)

46396 The amount of Child Tax Credit and Child Benefit entitlement should be added1 to the applicable amount when deciding if deductions exceed 25% of the total.

1 SS (C&P) Regs (NI), Sch 8A, para 6A(9)

Superseding the third party deduction decision

46397 The decision maker should supersede the third party deduction decision when a relevant change of circumstances occurs1. For example where

**1.** the original debt is cleared **or**

**2.** the claimant changes address **or**

**3.** in the case of a metered water supply, the estimated weekly cost of continuing consumption is not enough or is too much2 **or**

**4.** in the case of unmetered charges, the annual charge increases (usually in April).

 **Note :** See DMG Chapter 4 for the rules about the effective date of change.

1 SS (NI) Order 98, art 11; 2 SS & CS (D&A) Regs (NI), reg 6(2)(a); SS (C&P) Regs (NI), Sch 8A, para 6A(4)

46398 The claimant's agreement should be obtained if the new total deductions exceed the level mentioned in DMG 46153. Where the claimant has already consented to a total above that level, any increase will require the claimant's further consent.

 46399 - 46407

Deductions from benefit - flat rate maintenance and Child Maintenance deductions

Child support maintenance

46408Guidance within this section deals with deductions from income-related Employment and Support Allowance and contribution-based Employment and Support Allowance made under the 2003 child maintenance scheme and the 2012 child maintenance scheme. See DMG Chapter 33 for deductions from Income Support, income-based Jobseeker’s Allowance and contribution-based Jobseeker’s Allowance and DMG Chapter 79 for deductions from State Pension Credit. For guidance on third party deductions under the contribution to maintenance scheme see DMG 46438 et seq.

46409 Deductions from a specified benefit under the 2003 scheme are referred to as flat rate maintenance deductions. Deductions from a specified benefit under the 2012 scheme are referred to as a Child Maintenance deduction.

46410 Flat rate maintenance deductions and Child Maintenance deductions are not part of the third party deduction scheme. The order of priority for deductions does not apply to flat rate maintenance deductions or Child Maintenance deductions. Such deductions are the first deduction to be made from Employment and Support Allowance after a deduction for mortgage interest direct.

Meaning of Fee

46411 Fee1 means any collection fee under specified legislation2 which is payable by the non-resident parent.

1 SS (C&P) Regs (NI), Sch 8C; Child Support Fees Regulations (NI) 2014, part 2

Meaning of specified benefit

46412 For the purposes of making deductions for child support maintenance under the 2003 or 2012 scheme, specified benefit includes income-related Employment and Support Allowance1.

 **Note :** The term specified benefit has a different meaning under this section to that under the child support maintenance scheme detailed in DMG 46438.

1 SS (C&P) Regs (NI), Sch 8C, para 1

Meaning of beneficiary

46413 Beneficiary1 means a person who has been awarded a specified benefit.

1 SS (C&P) Regs (NI), Sch 8C, para 1

Meaning of maintenance

46414 Maintenance1 with the exception of DMG 46422 - 46425 means child support maintenance which a non-resident parent is liable to pay at a flat rate (or would be so liable but for a variation having been agreed to) and that rate applies (or would have applied) because the non-resident parent falls within specified legislation2.

1 SS (C&P) Regs (NI), Sch 8C, para 1; 2 CS (NI) Order 91, Sch 1, para 4(1)(b), 4(1)(c) or 4(2);
Child Support Pensions and Social Security Act 2000, sec 29(3)(A)

Meaning of person with care

46415 A person is a person with care1 in relation to any child, if that person is someone

 **1.** with whom the child has his home **and**

 **2.** who usually provides day to day care for the child (whether exclusively or in conjunction with another person) **and**

 **3.** who does not fall within a prescribed category2 of person.

1 CS (NI) Order 91, art 4(3); 2 art 4(4)

Deductions from specified benefit

46416 The Child Maintenance Group decision maker will decide under which scheme the child maintenance liability is to be assessed.

46417 Where it is determined that the non-resident parent is liable for a flat rate maintenance deduction or Child Maintenance deduction, the Child Maintenance Group decision maker will also determine whether the Child Maintenance deduction is at a standard or non-standard rate or whether the flat rate maintenance deduction is at a standard rate only.

46418 Requests for flat rate maintenance deductions or Child Maintenance deductions will be sent

 **1.** electronically, to the relevant Department IT system **or**

 **2.** manually, to the relevant ESA centre.

The request may be on behalf of the non-resident parent who is in receipt of a specified benefit, or is the partner of a claimant who is in receipt of a specified benefit, and paid to the person with care.

1 SS (C&P) Regs (NI), Sch 8C, para 2(1)

46419 In the case of a non-resident parent who is in receipt if income-related Employment and Support Allowance, the amount to deduct is known as flat rate maintenance or Child Maintenance deduction1. The standard rate deduction is £7.00, but could be more or less than that amount depending upon the circumstances.

1 Child Support (Maintenance Calculation and Special Cases) Regs (NI) 2000, reg 4;
SS (C&P) Regs (NI), Sch 8C, para 1

46420 Only one deduction of flat rate maintenance or Child Maintenance deductions can be made in any one benefit week1.

1 SS (C&P) Regs (NI), Sch 8C, para 2(2)

 46421

Amount of Employment and Support Allowance to be left after deduction of flat rate maintenance

46422 A deduction of flat rate maintenance can only be made where the amount of specified benefit which the claimant would be left with after the deduction is at least 10p1.

1 SS (C&P) Regs (NI), Sch 8C, para 2(3)

Arrears - flat rate maintenance deductions only

46423 **[See DMG Memo Vol 1/119, 6/94, 8/94 & 13/76]** No deduction will be made in respect of arrears of Child Maintenance under the 2012 scheme.

46424 Except where income-related Employment and Support Allowance is awarded to the beneficiary or his partner, the sum of £1.00 per week may be deducted from the relevant specified benefit which the beneficiary has been awarded and paid to the person with care, in discharge of the beneficiary’s liability to pay arrears of maintenance.

46425 Where deductions are made under DMG 46424, the deductions may be retained by the Department1 in circumstances set out in specified legislation2.

1 SS (C&P) Regs (NI), Sch 8C, para 3(2);
2 Child Support (Arrears, Interest and Adjustment of Maintenance Assessment) Regs (NI) 92, reg 8

45426 Within DMG 46423, the meaning of maintenance1 is periodical payments of Child Support Maintenance which are required to be paid in accordance with a maintenance calculation, as defined within specified legislation2.

1 SS (C&P) Regs (NI), Sch 8C, para 3(3); 2 CS (NI) Order 91, art 2(2)

Apportionment

46427 Where maintenance is payable to more than one parent with care1, the amount deducted must be apportioned between the persons with care in accordance with specified legislation2.

1 SS (C&P) Regs (NI), Sch 8C, para 4; 2 CS (NI) Order 91, Sch 1, paras 6,7 & 8

Claimant and partner both liable to pay flat rate maintenance

46428 Where the claimant and their partner are both liable to pay maintenance at a flat rate and either of them has been awarded Employment and Support Allowance, the amount of flat rate maintenance deducted must not exceed £2.50 each1.

1 SS (C&P) Regs (NI), Sch 8C, para 5

46429 An amount not exceeding an amount equal to the flat rate maintenance may be deducted1 from such an award in respect of the total liability of both partners to pay maintenance in the proportions described i specified legisation2 and must be paid to discharge the respective liabilities to pay maintenance.

1 SS (C&P) Regs (NI), Sch 8C, para 5(2); 2 Child Support (Maintenance Calculation and Special Cases)
Regs (NI), reg 4(3); Child Support Maintenance Calculations Regs (NI) 2012, reg 43(3)

Child Maintenance deductions

46430 In a case where the claimant and their partner are

 **1.** both non-resident parents **and**

 **2.** in receipt of a specified benefit **and**

 **3.** both liable for a standard or non-standard rate of Child Maintenance deductions

the total sum of the deductions from benefit for each non-resident parent must not exceed the flat rate of maintenance.

 **Note :** The amount of the standard rate deduction is £2.50 and the non-standard deduction is any amount up to and including £3.49 for each non-resident parent1.

1 SS (C&P) Regs (NI), Sch 8C, para 5(2); Child Support Maintenance Calculation Regs (NI) 2012, reg 43(3)

46431 In a case where the claimant and partner are both non-resident parents there could be a mix of Child Maintenance deductions at a standard or non-standard rate of deductions.

Claimant or partner liable to pay maintenance

Flat rate maintenance deductions

46432 Where the claimant or their partner is liable to pay maintenance at a flat rate and either of them has been awarded Employment and Support Allowance, the amount of the standard rate of deduction is £5.00.

1 SS (C&P) Regs (NI), Sch 8C, para 2(1)

Child Maintenance deductions

46433 In a case where the claimant or partner is

 **1.** a non-resident parent **and**

 **2.** in receipt of a specified benefit **and**

 **3.** liable for a standard or non-standard rate of Child Maintenance deductions

 the amount of the deduction from benefit must not exceed the flat rate of maintenance.

 **Note :** The amount of the standard rate deduction is £7.00 and the non-standard rate deduction is any amount up to £6.99.

1 SS (C&P) Regs (NI), Sch 8C, para 2(1)

Polygamous marriages

46434 Where two or more members of a polygamous marriage are each liable to pay flat rate maintenance or Child Maintenance deductions and any member of the marriage has been awarded Employment and Support Allowance, the total sum of the deductions from benefit being apportioned for each non-resident parent must not exceed the flat rate of maintenance.

1 SS (C&P) Regs (NI), Sch 8C, para 6

Cases exempt from Child Maintenance deductions or flat rate maintenance

46435 A non-resident parent is exempt from paying Child Maintenance deductions or flat rate maintenance if they are1

 **1.** a student **or**

 **2.** a prisoner **or**

 **3.** a person who is 16 or 17 years old **and**

 **3.1** in receipt of income-related Employment and Support Allowance **or**

 **3.2** a member of a couple whose partner is in receipt of income-related Employment and Support Allowance **or**

 **4.** a person receiving an allowance in respect of a relevant training scheme **or**

 **5.** a person in a residential care home or nursing home who

 **5.1** is in receipt of a pension, benefit or allowance specified in Appendix 2 to this Chapter **or**

 **5.2** has the whole or part of the cost of his accommodation met by a Health and Social Services Board or a Health and Social Services Trust **or**

 **6.** a person, under certain circumstances, with shared care2.

1 Child Support (Maintenance Calculation and Special Cases) Regs (NI), reg 5; 2 CS (NI) Order 91, Sch 1, para 9

46436 If the non-resident parent falls into a nil rate category, the officer acting on behalf of the Child Maintenance Group decision maker decides that the non-resident parent is not liable to pay flat rate maintenance or Child Maintenance deductions. Deductions are then not appropriate. But if the non-resident parent is liable for flat rate maintenance or Child Maintenance deductions, part of the specified benefit may be deducted1. It is then paid to the person with care of the child.

1 SS (C&P) Regs (NI), Sch 8C, para 2(1)

Notice

46437 When Child Maintenance deductions or flat rate maintenance deductions commence, the decision maker must notify the beneficiary in writing of the amount and frequency of the deduction and the benefit from which the deduction is made. Further notice must be given when there is a change to any of the particulars specified in the notice.

1 SS (C&P) Regs (NI), Sch 8C, para 7

Third party deductions for payments in place of payments of Child Support maintenance - contribution to maintenance deductions

Introduction

46438 When an application for Child Support maintenance is made a Child Maintenance Services decision maker must make a maintenance assessment. If the non-resident parent receives specified benefit (see DMG 46140) of if specified benefit is in payment for them (for example to their partner) 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 (contributions to maintenance)1.

1 Child Support (NI) Order 91, art 40(1); Child Support (Maintenance Calculation and Special Cases) Regs (NI), reg 28

46439 In such cases the Child Maintenance Services decision maker sends a maintenance assessment notification letter (CSA 55N) to the non-resident parent to advise them that

 **1.** there is no maintenance payable

 **2.** a contribution to child maintenance may be appropriate instead

 **3.** the Child Maintenance Services decision maker will contact the decision maker to ask if a contribution towards child maintenance can be made.

46440 The Child Maintenance Services decision maker also sends form CSA 670 to the Departmental decision maker asking for contribution to maintenance deductions to be made from benefit. The Departmental decision maker must then consider whether the non-resident parent is exempt from making a contribution to maintenance. The decision maker cannot make a decision on the request for deductions (see DMG 46438) until the exemption criteria have been considered.

46441 A non-resident parent is exempt from making a contribution to maintenance if

 **1.** the non-resident parent is under 18 **or**

 **2.** the non-resident parent has day to day care of a child, or shared care of the qualifying child for an average of 2 days a week1

 **3.** the non-resident parent

 **3.1** receives any payment mentioned in Appendix 1 to this Chapter **or**

 **3.2** would receive such a payment if

 **3.2.a** payment were not prevented because they receive another benefit at the same or a higher rate **or**

 **3.2.b** the contribution conditions were satisfied.

1 CS MASC (NI) 1992, reg 28

Deductions

Sufficient specified benefit in payment

46442 If there is sufficient specified benefit in payment1 and the non-resident parent is

 **1.** covered by the exemption criteria **and**

 **2.** liable for contributions to maintenance

the Departmental decision maker must (subject to specified legislation2) determine that an amount is to be deducted from the claimant’s award and paid to the person with care.

1 SS (C&P) Regs (NI), Sch 8A, para 7A(1); 2 CS (NI) Order, art 40(1); CS MASC (NI) 1992, reg 28

Number of deductions

46443 The contribution to maintenance is not an assessed amount. It is a deduction from personal benefit of a standard amount, made only in certain circumstances. That amount is normally 2 x the fixed amount (see DMG 46447).

46444 Only one deduction can be made in any one benefit week1.

1 SS (C&P) Regs (NI), Sch 8A, para 7A(2)

Decision maker’s action

46445 The decision maker decides

**1.** whether there is enough specified benefit for a deduction of twice the fixed amount (see DMG 46447) to be made1, leaving at least 10p a week2 (see DMG 46448 where other deductions apply)

**2.** where other deductions are being made - the total amount of specific deductions (see DMG 46448) is not more than three times the fixed amount3

**3.** the priority of deduction4 - where there is more than one deduction to be made to a third party and there is not enough specified benefit in payment to make them all (see DMG 46456).

1 SS (C&P) Regs (NI), Sch 8A, para 7A(1); 2 para 8(1); 3 para 8(2); 4 para 9

46446 The decision maker should also revise or supersede the case if a non-resident parent becomes liable for contributions to maintenance. A non-resident parent who reaches age 18 and so is no longer exempt from their liability (see DMG 46439 **1.**) would be an example of such a case.

The fixed amount

46447 The fixed amount is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

Specific deductions

 [The guidance relating to water charges will come into effect upon the ending of the period of their deferral by the Northern Ireland Executive].

46448 The specific deductions mentioned in DMG 46445 **2.** are

**1.** arrears of

**1.1** housing costs

**1.2** rent

**1.3** fuel

**1.4** water

**1.5** mortgage interest **and**

**2.** rates **and**

**3.** child support maintenance.

 **Example**

 Anita receives income-related Employment and Support Allowance and has a deduction for arrears of water charges at the fixed amount (5% of the personal allowance for a single claimant aged 25 or over). A request is made for deductions for child support maintenance.

 The child support maintenance deduction is twice the fixed amount (2 x 5% of the personal allowance for a single claimant aged 25 or over).

Exception to general rule

46449 The deduction for child support maintenance is the fixed amount if, after determining the

**1.** total amount for specific deductions other than child support maintenance **and**

**2.** priority of deductions

 the total amount is twice the fixed amount1.

1 SS (C&P) Regs (NI), Sch 8A, para 7A(3) & (3A)

46450 In these circumstances the normal amount (see DMG 46441) cannot be deducted. A deduction of just the fixed amount (see DMG 46447) should be made instead.

 **Example**

 Sean receives income-related Employment and Support Allowance and has deductions for arrears of rent and fuel. The total amount for deductions is twice the fixed amount (2 x 5% of the personal allowance for a single claimant aged 25 or over). A request is made for a deduction for child support maintenance.

 The deduction for child support maintenance is the fixed amount (5% of the personal allowance for a single claimant aged 25 or over).

Maximum amount of deduction

46451 The overriding rule is that the total deductions in DMG 46443 must not exceed three times the fixed amount1.

1 SS (C&P) Regs (NI), Sch 8A, para 8(2)

 **Example**

 Neil receives contribution-based Employment and Support Allowance but has underlying entitlement to income-related Employment and Support Allowance at the same rate. He has deductions for arrears of rent, rates and electricity. A request is made for a deduction for child support maintenance. The deduction cannot be made because the total amount for deductions has already reached the maximum amount of three times the fixed amount (3 x 5% of the personal allowance for a single claimant aged 25 or over).

Deductions from contribution-based Employment and Support Allowance

46452 A claimant may be entitled to contribution-based Employment and Support Allowance where income-related Employment and Support Allowance is not an issue. A deduction for arrears of child support maintenance may then be made for transfer to the person entitled to it1.

1 SS (C&P) Regs (NI), Sch 8A, para 7B

Rules for deduction of child support maintenance

46453 A deduction is made where1

**1.** the claimant is entitled to contribution-based Employment and Support Allowance **and**

**2.** payment of child support maintenance cannot be obtained by other conventional means, for example the claimant has refused to pay **and**

**3.** an arrears notice has been served on the claimant **and**

**4.** the decision maker has asked **in writing** for deductions to be made.

1 SS (C&P) Regs (NI), Sch 8A, para 7B(1) & (2)

Amount deducted

46454 The amount of the deduction is the weekly amount asked for by the decision maker up to the maximum amount (see DMG 46455). It is **not** the fixed contribution to maintenance that applies to specified benefits. This means that the amount of the deduction from contribution-based Employment and Support Allowance may vary.

Maximum amount of deduction

46455 There is an overriding rule where contribution-based Employment and Support Allowance is in payment and income-related Employment and Support Allowance is not an issue. That is that the total amount deducted for child support maintenance cannot exceed one third of the contribution-based Employment and Support Allowance payable (see DMG 46154)1. Where the amount specified by the Child Maintenance and Enforcement Division decision maker is more than that figure, the deduction should be restricted to one third of the appropriate personal rate.

1 SS (C&P) Regs (NI), Sch 8A, para 7B(3)

Order of priority

46456 When contribution-based Employment and Support Allowance is in payment, deductions for arrears of child support maintenance1 takes priority over all those listed in DMG 46163.

1 SS (C &P) Regs (NI), Sch 8A, para 7B(4)

 46457 - 46460

Third party deductions for rates

Definition

46461 For third party deduction purposes **unrebated rates** means the net amount of rates payable after deducting any Housing Benefit for rates granted to the claimant or partner1.

1 SS (C&P) Regs (NI), Sch 8A, para 1

 46462

Rules for third party deductions

46463 Part of the specified benefit (see DMG 46140) may be deducted and paid direct to Land and Property Services for unrebated rates and rates arrears.

46464 This can happen if1

**1.** the claimant or partner is liable for rates **and**

**2.** the claimant or partner has arrears of

**2.1** at least 50% of the personal allowance for a single claimant aged not less than 25 and Land and Property Services has requested third party deductions **or**

**2.2** less than 50% of the personal allowance for a single claimant aged not less than 25 and is in the interests of the claimant or family to arrange third party deductions.

1 SS (C&P) Regs (NI), Sch 8A, para 7(1)

Interests of the family

46465 Third party deductions will normally be in the interests of the claimant or the family where there is

**1.** a history of persistent mis-spending **or**

**2.** a threat of a court proceedings **or**

**3.** no other suitable method of dealing with the debt.

46466 Third party deductions will not normally be in the interests of the claimant or their family if they have

**1.** shown evidence of a determination to clear the debt **and**

**2.** undertaken to clear the debt themselves.

46467 Third party deductions will always be in the interests of the family where there is a risk to health or safety. For example where the family includes

**1.** children under 11

**2.** people over 70

**3.** people who are disabled

**4.** people who are long-term sick.

Amount to be deducted and paid direct

46468 The amount to be deducted and paid direct

**1.** **before the original debt is cleared** - a fixed amount to pay off the arrears plus an amount to cover the weekly unrebated rates

**2.** **after the original debt is cleared** - an amount to cover the weekly unrebated rates where appropriate1.

1 SS (C&P) Regs (NI), Sch 8A, para 7(4)

 46469

Amount of benefit to be left for claimant

46470 The claimant should be left with a minimum of 10p after deductions have been made (see DMG 46151).

The fixed amount

46471 The fixed amount is 5% of the personal allowance for a single person aged 25 or over, rounded up to the next 5p.

Debt cleared

46472 Deductions for unrebated rates should continue if it remains in the best interests of the family (see DMG 46196).

Superseding the third party deduction decision

46473 The decision maker should supersede the outcome decision which includes the third party deduction decision when a relevant change of circumstances occurs1. For example where

**1.** the original debt is cleared **and**

**2.** the claimant changes address and is no longer responsible for rates and becomes a non-householder

**3.** the unrebated rates changes.

1 SS (NI) Order 1998, art 11; SS & CS (D&A) Regs (NI), reg 6(2)(a)

 46474 - 46620

Third party deductions for integration loan scheme

Introduction

46621 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

46622 The integration loan scheme replaces the refugee back payment scheme which ceased on 14.6.07. The new scheme commenced on 11.6.07.

46623 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 Centre (Northern Ireland).

46624 Deductions from specified benefits for the integration loan scheme will be subject to normal third party deduction rules on individual and maximum amounts (see DMG 46151 and DMG 46153), and will be included in the priority order (see DMG 46163).

Definitions

Integration loan

46625 “Integration loan which is recoverable by deductions”1 means an integration loan made under specified legislation2 which is recoverable from the recipient by deductions from specified benefits3.

1 SS (C&P) Regs (NI), Sch 8A, para 1(1); 2 The Integration Loans for Refugees and Others Regs 2007;
3 reg 9; SS (C&P) Regs (NI), Sch 8A

Specified benefit

46626 Specified benefit1 has the meaning described in DMG 46140.

1 SS (C&P) Regs (NI), Sch 8A, para 1

 46627 - 46630

Deductions from benefit

46631 Deductions can be made from Employment and Support Allowance for integration loans.

Amount of the deduction

46632 The rate of deduction for the integration loan scheme is a fixed amount equal to 5% of the Employment and Support Allowance personal allowance for a single claimant aged over 251 rounded up to the nearest multiple of 5p, including where the loan is a joint loan.

1 SS (C&P) Regs (NI), Sch 8A, para 7C

46633 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

46634 The claimant should be left with at least 10p specified benefit after third party deductions have been made1. No deduction should be made if it would leave the claimant with less than 10p.

1 SS (C&P) Regs (NI), Sch 8A, para 8(1)

Consent

46635 Unless the claimant consents1, no third party deduction can be made for an integration loan where the total deductions exceed 25% of the family’s applicable amount. Any housing costs included in the applicable amount should not be taken into consideration (see DMG 46155).

1 SS (C&P) Regs (NI), Sch 8A, para 8(3)

Priority between debts

46636 The priority order1 listed at DMG 46163 should be followed.

1 SS (C&P) Regs (NI), Sch 8A, para 9(1)(f)

 46637 - 46999

Appendix 1

Payments or awards (see DMG 46441 3.1)

 Payments or awards which can affect whether an absent parent is liable for contributions to maintenance

**1.** Incapacity Benefit

**2.** Maternity Allowance

**3.** Attendance Allowance

**4.** Severe Disablement Allowance

**5.** Carer’s Allowance

**6.** Disability Living Allowance

**7.** Working Tax Credit

**8.** Statutory Sick Pay

**9.** Statutory Maternity Pay

**10.** Industrial Injuries Disablement Benefit

**11.** Constant attendance allowance

**12.** War Disablement Pension

**13.** Exceptionally Severe Disablement Allowance

**14.** Civilian War Injury Pension

**15.** Severe Disablement Occupational Allowance

**16.** Payments from the Independent Living Fund (2006)

**17.** contribution-based Employment and Support Allowance

**18.** income-related Employment and Support Allowance

**19.** Armed Forces Independence Payment

**20.** Personal Independence Payment

Appendix 2

Payments or awards which may affect liability for flat rate maintenance (see DMG 46434 5.1)

**1.** Bereavement Allowance

**2.** Carer’s Allowance

**3.** Incapacity Benefit

**4.** industrial injuries

**5.** Income Support

**6.** income-based Jobseeker’s Allowance

**7.** contribution-based Jobseeker’s Allowance

**8.** Maternity Allowance

**9.** Retirement Pension - all categories

**10.** Severe Disablement Allowance

**11.** Social Security benefits paid by a country other than the UK

**12.** training allowance

**13.** War Disablement Pension or War Widows Pension (or a similar pension paid by the Government of a country outside GB)

**14.** Widowed Mother’s Allowance

**15.** Widowed Parent’s Allowance

**16.** Widow’s Pension

**17.** contribution-based Employment and Support Allowance

**18.** income-related Employment and Support Allowance.