

Benefits Bulletin

Benefits: The Budget and Coronavirus (COVID-19)...

23rd March 2020

Issue **1** 2020

1. Introduction

This Benefits Bulletin brings news of the changes to benefits introduced in the Budget (11.3.2020) and as a result of the Coronavirus (Covid-19). In brief, the key changes include:

- reform to **Statutory Sick Pay** to enable people affected by COVID-19 to claim from the first day of sickness
- reform to **New Style ESA** to enable those who are affected by COVID-19 who are not entitled to Statutory Sick Pay to be able to claim from the first day of sickness
- scrapping of the **Universal Credit 'Minimum Income Floor'** which applies to self-employed people for the duration of the outbreak.

If you work or volunteer for an organisation delivering services to people living or working in Cannock Chase District and you have a query arising from any of the information contained in this Benefits Bulletin or any other Social Security benefits matter then you may email our Specialist Support Team (counciltax@cannockchasedc.gov.uk). If the matter is urgent you can contact the team on (01543) 464292.



Please note that the figures in brackets are the benefit amounts with effect from 6th April 2020.

2. Statutory Sick Pay (SSP)

SSP is a sickness benefit paid by employers to an employee. SSP is worth £94.25 per week (£95.85 per week) and may be paid for a maximum period of 28 weeks.

Historically, it has only been paid:

- to employees who are unable to work due to sickness/ill-health; and

- from the 4th day of sickness; and
- to employees who have average earnings above £118.00 per week (£120.00 per week).

As a response to COVID-19, the SSP rules have been temporarily changed (for a period of eight months) as from **13th March 2020** meaning that people can now claim SSP from the first day where they:

- have COVID-19; or
- are self-isolating; or
- are staying at home to care for someone in their household who displays COVID-19 symptoms or who has been advised to self-isolate.

The Statutory Sick Pay (General) (Coronavirus Amendment) Regulations 2020
Budget 2020 Paragraph 1.93 / 1.94

How to Claim: People must claim SSP from their employer by notifying them that they are off work sick/have been affected by COVID-19. Normally people 'self-certificate' their sickness for the first 7 days. Thereafter, a person would continue to evidence their sickness by submitting a Fit Note (sick note) from their GP. The Budget announced that a temporary alternative to the Fit Note would be introduced in an attempt to relieve pressure on GP surgeries. The Budget confirmed that new guidance had been issued to employers, advising them to use their discretion and not to require a Fit Note for COVID-19 related absences.

Note: To qualify for SSP an employee must still have average earnings of £118.00 per week (£120.00 per week) - being affected by COVID-19 is not enough in itself.

SSP is only worth £94.25 per week (£95.85 per week). It is certainly worth checking to see if someone qualifies for Universal Credit in addition to any SSP. See Section 4. Universal Credit.

Occupational Sick Pay: Some companies may have their own sick pay scheme meaning that people can get some sick pay in addition to any Statutory Sick Pay. Therefore, anyone affected by COVID-19 should check with their employer / trade union if they are eligible for any company related sick pay.

Anyone who does not qualify for SSP (for example because their earnings are below £118.00 per week) or who has exhausted their entitlement to SSP should seek to apply for New Style ESA (See Section 3. New Style ESA) and/or Universal Credit (See Section 4. Universal Credit).

If someone is self-employed then they will not have entitlement to SSP. This is because they will not have an employer to pay them SSP.



Those who are self-employed and affected by COVID-19 should seek to claim New Style ESA (See Section 3. New Style ESA) and/or Universal Credit (See Section 4. Universal Credit).

3. New Style ESA

New Style Employment and Support Allowance (New Style ESA) is a sickness benefit that may be claimed by:

- those who are unable to work due to sickness/ill-health; and
- those who have paid (or paid and been credited with) sufficient National Insurance contributions to qualify.

When we say ‘**unable to work due to sickness/ill-health**’, that is to say they have been assessed as having ‘limited capability for work’ or that they may be treated as though they have ‘limited capability for work’.

Those who are diagnosed with COVID-19 or are self-isolating will be treated as though they have ‘limited capability for work’ and so may be entitled to New Style ESA. What is more, they will be able to apply from the first day of sickness.

Budget 2020 Paragraph 1.96



How much New Style ESA is paid is dependent on a person’s age. The basic amounts paid are:

- aged under 25 - £57.90 per week (£58.90 per week)
- aged 25 or over - £73.10 per week (£74.35 per week)

In addition to the above amounts, an extra £38.55 per week (£39.20 per week) may be paid to those assessed as having ‘limited capability for work-related activity’ because they may be considered to be severely disabled.

An extra £29.05 per week (£29.55 per week) can be paid on claims made prior to 3.4.2017 where a person had been assessed as having ‘limited capability for work’.

How to Claim: A claim for New Style ESA may be made on the NSESAF1 claim form which is available from the following link:

[ESA Claim Form](#)

Alternatively, a claim may be made through the Universal Credit Helpline. Telephone: 0800 328 5644. The line is open from 8.00 am to 6.00 pm.

Normally people have needed a sick note (known formally as a ‘Fit Note’ and available from a person’s GP). However, those who are self-isolating due to COVID-19 should not be required to submit a Fit Note to apply.

Note: The contributions conditions for New Style ESA entitlement are complicated. If someone has not recently worked then it is unlikely that they will qualify. However, if in doubt, the best advice would be to claim and allow the Department for Work and Pensions to check a person’s National Insurance contributions record.

4. Universal Credit

Universal Credit is a benefit designed to provide people with a minimum amount of money for day-to-day living, including money to help people pay for their rent.

It may be claimed by people of working age (aged from 16 to State Retirement Age) in a wide variety of situations, including where someone is working or unable to work due to sickness/ill-health.



When we say ‘**unable to work due to sickness/ill-health**’, that is to say they have been assessed as having ‘limited capability for work’ or that they may be treated as though they have ‘limited capability for work’.

If a person is affected by COVID-19 and they are not entitled to Statutory Sick Pay (see Section 2. Statutory Sick Pay) or New Style ESA (see Section 3. New Style ESA) then they should seek to apply for Universal Credit. Even if someone is entitled to Statutory Sick Pay or New Style ESA then they may still have an entitlement to Universal Credit.

How much Universal Credit is actually paid is dependent upon individual circumstances. Different amounts are awarded for single people and couples, depending upon age. Extra money can be included in an award to families with dependent children and in circumstances where there is sickness and ill-health or a caring responsibility. If a person is renting their home, then extra money can be included to help them with their rent payments.



The amount of actual entitlement is worked out by calculating the maximum award and deducting from this an amount the person (and/or their partner) has in income. However, when calculating a person’s ‘income’ some forms of income made be counted in full, in part or fully disregarded. For example, any New Style ESA in payment would be fully taken into account. Whereas, only a proportion of any Statutory Sick Pay (SSP) would count. Then, any Child Benefit, child maintenance payments, Disability Living Allowance or Personal Independence Payment would be fully disregarded.



When calculating how much SSP to take into account, if a person has children or they have (or may be treated as having) ‘limited capability for work’ then they would be entitled to a ‘work allowance’, whereby a proportion of their SSP would be fully disregarded. Then with or without any ‘work allowance’ only 63% of any remaining SSP would be taken into account.

Example 1: Steve and Denise live together. They have a two-year-old daughter. They live in a Wolverhampton Homes rented property. Steve normally works full-time but is presently self-isolating following NHS advice. Denise is a stay at home mother. Steve gets Statutory Sick Pay of £94.25 per week (£95.85 per week) from his employer. The couple’s only other income is Child Benefit. Steve and Denise can apply for Universal Credit. They would be entitled to £654.06 per month (£665.49 per month) Universal Credit plus some money towards their rent payments.

Example 2: Salima is a lone parent. She has a 12-year-old son. She lives in privately rented accommodation. She has been advised to self-isolate and has had to refrain from working. She gets Statutory Sick Pay of £94.25 per week (£95.85 per week) from her employer. Her only other income is Child Benefit and child maintenance. Salima can apply for Universal Credit. She would be entitled to £518.40 per month (£526.76 per month) Universal Credit plus some money towards her rent payments.

Example 3: Peter is aged 24. He lives with his parents. He has had to refrain from work due to being affected by COVID-19. He is not entitled to Statutory Sick Pay as his earnings are too low. Peter would be entitled to Universal Credit of £251.77 per month (£256.05 per month) on grounds that he has ‘limited capability for work’. If he lived in rented accommodation, then his Universal Credit assessment would include money towards his rent.

The DWP announced that everyone that who claims Universal Credit and who is infected with COVID-19 or who is self-isolating will be treated as though they have 'limited capability for work' without the requirement for medical evidence or undergoing a Work Capability Assessment.

Minister for Disabled People
Health and Work, Justin Tomlinson 11.3.2020

How to claim: Universal Credit must normally be applied for online. See link below:

[Apply for Universal Credit](#)

If a person is unable to apply online then they should visit their local Job Centre for advice and assistance on the matter. If they are unable to travel (perhaps because they are self-isolating) then they may be allowed to make a telephone claim through the Universal Credit Helpline. Telephone: 0800 328 5644. The line is open from 8am to 6pm.

People applying for Universal Credit will be able to access an Advance Payment up to 100% of their overall entitlement where they are directly affected by COVID-19 (or self-isolating), without the current requirement to attend a Job Centre.

Minimum Income Floor: The Budget 2020 announced that for the 'duration of the outbreak' the requirements of the minimum income floor for the self-employed would be 'temporarily relaxed' for those 'directly affected by COVID-19 or self-isolating'. The 'Minimum Income Floor' enables the DWP to treat self-employed people as having notional earnings normally equal to 35 x National Minimum Wage (NMW) per week (35 x £8.21* = £287.35) once the business has been trading for 12 months or longer.

*NMW from 1.4.2020 will be £8.72 per hour.

Budget 2020 Paragraph 1.96

The Claimant Commitment: When a person tells the Job Centre in 'good time' that they are self-isolating or have been diagnosed with COVID-19, they should not be sanctioned for e.g. failing to attend a meeting with their Work Coach or for failing to adhere to other relevant actions relating to their Claimant Commitment. Such claimants should have any mandatory work search and/or work availability requirements removed. The terms of their Claimant Commitment should be reviewed to ensure that the demands are reasonable.

DWP: Coronavirus Touchbase Special

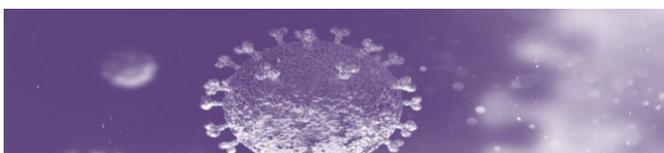
Help with Rent and Council Tax: If a person is in financial hardship and finding it difficult to pay their rent and/or council tax, they can find out more about what help may be available them from the following link:

[Housing Benefit and Council Tax Support](#)

It may be that they can get help with their rent through either the Universal Credit or Housing Benefit scheme. Those who do get Universal Credit and Housing Benefit may be entitled to a Discretionary Housing Payment (additional financial assistance) if all their rent is not covered.

5. PIP and WCA Medicals...

The DWP has announced that with effect from Tuesday 17th March 2020, the requirement for people to attend face-to-face assessments with Healthcare Professionals will be suspended for three months.



This rule will apply to those claiming Personal Independence Payment, Employment and Support Allowance and Universal Credit on grounds that they are too sick to work (i.e. they have 'limited capability for work'). It will also apply to recipients of Industrial Injuries Disablement Benefit.

Thérèse Coffey (Secretary of State for the Department for Work and Pensions) announced:

“As we move into the next phase of our response to coronavirus, it is right we take steps to protect those with health problems. Temporarily suspending face-to-face assessments for sickness and disability benefits will allow us to ensure we continue to provide a safety net for those in need, while removing unnecessary risk of exposure to this disease.

Anyone who has a face-to-face assessment appointment scheduled from Tuesday 17 March onwards does not need to attend and will be contacted to discuss next steps and alternative arrangements, which could involve either telephone or paper-based assessments. We expect this measure will be in effect for the next 3 months but we will be regularly reviewing the position in line with Public Health advice.”

Thérèse Coffey (Secretary of State for the Department for Work and Pensions) confirmed that no further action was required by any claimant as a result of this change. They will be contacted with advice on next steps.

DWP Press Release 16.3.2020

Also announced in DWP: Coronavirus Touchbase Special



6. Other Budget Announcements in Brief...

1. The government will support small and medium-sized businesses and employers to cope with the extra costs of paying COVID-19 related Statutory Sick Pay (SSP) to employers by refunding two weeks SSP per employee. To qualify the company must have less than 250 employees (as at 28th February 2020).

Budget 2020 Paragraph 1.99

2. The minimum award period/review period for Personal Independence Payment will be 18 months for those whose condition is unlikely to change. It was viewed that this would give people with disabilities 'greater certainty' over their financial future.

Budget 2020 Paragraphs 2.8 / 1.181

3. A new entitlement to Neonatal Leave and Pay will be created for employees whose babies spend an extended period of time in neonatal care, providing up to 12 weeks paid leave so that parents do not have to choose between returning to work and taking care of their vulnerable newborn child.

Budget 2020 Paragraphs 2.7 / 1.182

4. The benefit freeze to be lifted. Working age benefits will increase by 1.7% from April 2020.

Budget 2020 Paragraph 1.180

5. From October 2021 the DWP will seek to ensure that claimants can repay debts in a more sustainable and manageable way by reducing the maximum rate at which deductions can be made from Universal Credit from 30% to 25% of the standard allowance and giving claimants up to 24 months to repay Advance Payments.

Budget 2020 Paragraphs 2.9 / 1.180

6. The implementation schedule of Universal Credit 'managed migration' has been updated to ensure its delivery by September 2024.

Budget 2020 Paragraph 2.13

7. The DWP is to introduce additional exemptions from the Shared Accommodation Rate for Universal Credit and Housing Benefit claimants to protect those at risk of homelessness. This will enable rough sleepers aged 16-24, care leavers up to the age of 25, and victims of domestic abuse and human trafficking to live on their own, supporting their recovery from homelessness.

Budget 2020 Paragraphs 2.20 / 1.190

8. The National Living Wage will apply to workers aged 23 and over from April 2021, with a target for it to apply to workers aged 21 and over by 2024.

Budget 2020 Paragraph 2.5

9. Funding will be provided to ensure claimants do not experience a gap in their benefit entitlement when moving from Universal Credit to Pension Credit.

Budget 2020 Paragraph 2.11

10. Extra funding will be given to increase the rate of transitional payments for claimants in receipt of legacy benefits with the 'Severe Disability Premium' when they move to Universal Credit.

Budget 2020 Paragraph 2.12

11. New rules to be introduced to remove the three-year sanction from Universal Credit (and Jobseeker's Allowance), bringing high-level sanctions to 13 weeks for the first failure to comply with conditionality or work search requirements and 26 weeks for each subsequent failure, making 26 weeks the duration of the longest single sanction in Universal Credit and Job Seekers Allowance.

Budget 2020 Paragraph 2.15

12. The payment of Child Benefit in respect of children living overseas will stop. This will apply to EEA migrants arriving in the UK under the new immigration system, from January 2021.

Budget 2020 Paragraph 2.18

Local Welfare Assistance

Please be aware that where someone has insufficient means they may be able to access:

- a Crisis Loan of up to £200 to meet an 'urgent need' that otherwise would pose an immediate and substantial risk to their (or a family members) health or safety; or
- a Welfare Assistance Loan (Starter Loan) of up to £400 to relieve exceptional pressure on a family or prevent homelessness or prevent the need for someone to enter hospital or residential care.

A Crisis Loan would normally be expected to be repaid over a 20-week period whereas a Welfare Assistance Loan (Starter Loan) will be expected to be repaid within 52 weeks.

Do note that only people living in Cannock Chase District are eligible to apply for a loan.

For more information and applications please contact us by email (counciltax@cannockchasedc.gov.uk) or telephone (01543) 464292, if urgent. In normal circumstances loan applications would be turned around within a few days. However, given the Coronavirus outbreak and potential impact on services, this could