Draft Regulations laid before Parliament under section 43(4) and (6)(b) of the Welfare Reform Act 2012, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2015 No. 0000

SOCIAL SECURITY

The Universal Credit (Work-Related Requirements) In Work Pilot Scheme and Amendment Regulations 2015

Made - - - - ***

Coming into force in accordance with regulation 1

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 18(5), 22(2), 41(1)(a), (2)(b) and (4) and 42(2) and (3) of the Welfare Reform Act 2012(**a**) ("the Act").

Part 3 of these Regulations is made with a view to ascertaining the extent to which the provision made by that Part is likely to promote people already in paid work remaining in work, or obtaining or being able to obtain, more work or better-paid work.

In accordance with section 43(4) and (6)(b) of the Act, a draft of this instrument has been laid before, and approved by resolution of, each House of Parliament.

In accordance with section 173(1) of the Social Security Administration Act 1992(**b**), the Secretary of State has obtained the agreement of the Social Security Advisory Committee that proposals in respect of these Regulations should not be referred to it.

PART 1

INTRODUCTORY

Citation and commencement

1. These Regulations may be cited as the Universal Credit (Work-Related Requirements) In Work Pilot Scheme and Amendment Regulations 2015, and come into force at the end of the period of 21 days beginning with the day on which they are made.

Interpretation

2. In these Regulations—

(**a**) 2012 c.5.
(**b**) 1992 c.5.

"the Act" means the Welfare Reform Act 2012;

"qualifying claimant" has the meaning in regulation 7;

"the Universal Credit Regulations" means the Universal Credit Regulations 2013(**a**); and

"weekly earnings" has the meaning in regulation 90(6) of the Universal Credit Regulations (earnings thresholds).

PART 2

AMENDMENT OF THE UNIVERSAL CREDIT REGULATIONS

New provision for suspension of mandatory work search and work availability requirements on account of earnings

3. For regulation 99(6) of the Universal Credit Regulations substitute—

"(6) This paragraph applies where—

(a) the claimant has weekly earnings (excluding any that are not employed earnings) that are equal to, or more than, £5 plus the applicable amount of the personal allowance in a jobseeker's allowance for a single person aged 25 or over (as set out in Part 1 of Schedule 1 to the Jobseeker's Allowance Regulations 1996(**b**)); or

(b) the claimant is a member of a couple whose combined weekly earnings (excluding any that are not employed earnings) are equal to, or more than, £10 plus the applicable amount of the personal allowance in a jobseeker's allowance for a couple where both members are aged 18 or over (as set out in that Part).

(6A) In paragraph (6) "employed earnings" has the meaning in regulation 55.".

PART 3

THE IN WORK PILOT SCHEME

Provision made for piloting purposes

4.—(1) The following provision is made in accordance with section 41 of the Act to test the extent to which the imposition of work-related requirements on persons already in paid work is likely to promote their remaining in work, or obtaining or being able to obtain, more work or better-paid work.

(2) Regulation 99 of the Universal Credit Regulations (which provides for the suspension of work search requirements and work availability requirements where the claimant's weekly earnings from employment or, if the claimant is a member of a couple their combined weekly earnings from employment, reach a specified amount) is to apply as if paragraph (6) were omitted.

(3) The provision made by paragraph (2) is to apply only in relation to qualifying claimants who have been selected by the Secretary of State in accordance with regulation 5 and notified of that selection in accordance with regulation 6.

(4) The provision made by paragraph (2) ceases to apply to a person who has been selected in accordance with regulation 5 where—

(a) that person ceases to be a qualifying claimant (but see paragraph (5)); or

(b) the Secretary of State determines that that provision should cease to apply because—

(**a**) S.I. 2013/376.
(**b**) S.I. 1996/207.

(i) the person has moved to live in a different geographical area, or

(ii) the Secretary of State has determined that the testing of particular work-related requirements that have been imposed on that person has concluded.

(5) Where a person has been selected in accordance with regulation 5 and, by reason only of an increase or decrease in their weekly earnings (or, if they are a member of a couple, the weekly earnings of the other member) the person is no longer a qualifying claimant, paragraph (2) applies again if the person becomes a qualifying claimant again unless, in the intervening period,—

(a) paragraph (2) has ceased to apply for another reason; or

(b) the person has ceased to be entitled to universal credit for a continuous period of 6 months or more.

Selection of participants

5.—(1) A selection for the purpose of regulation 4 is to be made by the Secretary of State on a random sampling basis from persons who, at the time of the selection, are qualifying claimants.

(2) The Secretary of State may make a selection in accordance with paragraph (1) on more than one occasion and, on each occasion, the Secretary of State may limit that selection to qualifying claimants living in a particular geographical area determined by the Secretary of State or to persons who have become qualifying claimants within a period determined by the Secretary of State.

Notification of participants

6.—(1) The Secretary of State must notify a claimant in writing when—

(a) the claimant is selected in accordance with regulation 5; and

(b) the provision made by regulation 4(2) ceases to apply to the claimant by virtue of regulation 4(4), unless it is because the claimant is no longer a qualifying claimant by reason only of a change in earnings.

(2) Where, for the purposes of this regulation, the Secretary of State sends a notice by post to the claimant's last known address, it is to be treated as having been given or sent on the day that it was posted.

(3) Schedule 2 to the Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013(**a**) applies to the delivery of an electronic communication sent by the Secretary of State for the purposes of this regulation in the same manner as it applies to the delivery of electronic communications for the purposes of those Regulations.

Meaning of "qualifying claimant"

7. A qualifying claimant is a person who—

(a) falls within section 22 of the Act (claimants subject to all work-related requirements);

(b) has weekly earnings of such an amount (or, if the person is a member of a couple, the couple has combined weekly earnings of such an amount) that, apart from regulation 4(2), regulation 99(6) of the Universal Credit Regulations would apply(**b**);

(c) is not a person on whom the Secretary of State must not impose work-related requirements by virtue of regulation 98 of the Universal Credit Regulations(**c**) (victims of domestic violence); and

(d) is not a person to whom any of the following paragraphs of regulation 99 of the Universal Credit Regulations (circumstances in which requirements must not be imposed) applies—

(**a**) S.I. 2013/380.
(**b**) Regulation 99(6) is amended by Part 2 of these Regulations.
(**c**) Regulation 98 was amended by S.I. 2013/1508 and 2014/597.

(i) paragraph (3) (which provides for suspension of work search and work availability requirements for various reasons, including imprisonment and treatment for alcohol or drug dependency), except sub-paragraph (a) (claimant attending court as a witness etc.) and sub-paragraph (g) (claimant engaged in a public duty), or

(ii) paragraph (5)(c) (claimant unfit for work for longer than 14 days).

Expiry of the pilot scheme

8. This Part ceases to have effect at the end of the period of three years starting with the day on which these Regulations come into force, unless it continues in effect by order of the Secretary of State under section 41(5)(a) of the Act.

Signed by authority of the Secretary of State for Work and Pensions

Name
Parliamentary Under Secretary of State
Date Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations establish a pilot scheme under section 41 of the Welfare Reform Act 2012 (c.5) for the purpose of testing the imposition of work-related requirements on universal credit claimants in paid work where those requirements would otherwise be suspended by virtue of regulation 99(6) of the Universal Credit Regulations 2013 (S.I. 2013/376). These Regulations also substitute a new regulation 99(6).

Part 1 contains introductory provisions.

Part 2 contains an amendment to the Universal Credit Regulations. This replaces the Secretary of State's discretion to suspend work search and work availability requirements where the claimant is in paid work with provision for those requirements to be suspended where the claimant, or the claimant and their partner, have weekly earnings from employment of a specified amount.

Part 3 provides for the pilot scheme:

Regulation 4 sets out the provision being tested (that is the omission of the provision in regulation 99(6) that suspends work search and work availability requirements where weekly earnings as an employed earner reach a specified level). It also specifies the purpose for which that provision is being tested, the claimants to whom it applies and the circumstances in which a claimant who has been selected ceases to be subject to that provision.

Regulation 5 provides for the selection of persons to whom the provision in regulation 4(2) is to apply from a pool of "qualifying claimants".

Regulation 6 provides for claimants to be notified when they are selected for the pilot scheme and when they cease to be subject to the scheme.

Regulation 7 defines a "qualifying claimant". This is a person to whom regulation 99(6) would apply subject to some exceptions, for example where the person has suffered bereavement or is a victim of domestic violence.

Regulation 8 provides for the pilot scheme to expire after three years unless continued by an order of the Secretary of State.

An impact assessment has not been produced for this instrument as it has no impact on business and civil society organisations. This instrument has no impact on the public sector.

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