

From: The Minister

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Dear Member,

SOCIAL SECURITY MEASURES TAKEN IN RESPONSE TO CORONAVIRUS (COVID-19)

I hope that you are safe and well.

We are all very much aware that we are in the midst of a global pandemic and public health emergency. As Minister for Communities, I and my officials have attempted to do all that we can to protect the health, welfare and wellbeing of all of the people here and to take timely decisions in our efforts to mitigate the impact of COVID-19.

Among the various steps I have taken in response to the pandemic, are a series of actions to ensure that the social security system is more flexible, to relieve hardship and to ensure people most in need get the help and support they require.

Due to the fast-paced and challenging circumstances that we are all operating in at present, there has been a need to be responsive to a moving and ever-changing situation.

As Minister for Communities I provided some detail on these measures to the Assembly on 9 April and 13 May 2020, and to the Committee for Communities at their meeting on Monday 6 April and 13 May.

However I am now writing to all Members of the Assembly to provide you with details of the work undertaken on my behalf by officials on social security matters.

This is to ensure that you all are aware of and have as complete a picture as possible of the series and range of actions operationally and legislatively that have been taken to date in respect of social security.

In response to the COVID-19 outbreak the following measures have been taken in respect of social security matters in order to provide support to people who may be experiencing hardship during this time.

In summary these changes include –

1. Suspension of all face-to-face assessments and face-to-face appointments:

In an attempt to reduce the risk of this terrible virus spreading further one of the first actions I have taken as Minister was to suspend all **face-to-face assessments for all benefits**. Assessments normally conducted in a Medical Examination Centre or at home are now carried out by telephone, or by considering medical evidence submitted by post and we are exploring ways to make this system more flexible.

All routine appointments have been postponed to protect people visiting our Jobs and Benefits offices as well as staff working in them. All of those already receiving benefits will continue to receive their payments. Nobody will be penalised as a result of not attending the office.

Additional telephone support has been made available to help people with their new claim and staff are working hard to meet demand at such an exceptionally busy period. All follow up activities will be managed on-line or over the phone.

2. Temporary operational changes to Universal Credit:

A number of temporary operational changes have been introduced to reduce face-to-face contact whilst maintaining access to social security:

- As has always been the case people out of work or on a low income can apply for Universal Credit (UC), which is an online service;
- As detailed above all routine appointments have been postponed to protect those visiting and staff in offices;
- All work search and work preparation has been suspended;
- No inappropriate benefit sanctions will be applied to those who are receiving benefits;
- Verification of things like identity, childcare or housing costs will be completed by phone or through a person's online journal;
- Online or telephone applications for an advance payment without the need to come to the office – getting money to people at the point of need. In addition people can apply by telephone, or through an new online claim form, for a grant through the UC Contingency Fund; and
- The Department is making every effort to process the increase in applications as a result of COVID-19. A series of contingencies are in place to deal with the impact of COVID-19 including staff working overtime.

3. Operational changes to Health and Disability benefits:

Operationally across health and disability benefits all new reviews and reassessments have been paused for the next three months. This includes the suspension of:

- All new reviews and reassessments for Personal Independence Payment;
- All re-referrals for work capability assessments across Employment and Support Allowance (ESA) and Universal Credit. ESA and UC claimants

whose cases have already been referred to the provider will be contacted accordingly;

- All reassessment/renewal activity on other health and disability benefits including industrial injuries disablement benefit, Disability Living Allowance for both children and those aged 65+, and Attendance Allowance.

Arrangements have been put in place to extend 12,500 awards that have an end date to ensure benefit remains in payment. If people experience a change in their needs they are still encouraged to contact the department to ensure they are receiving the correct level of support.

4. Changes to Carer's Allowance:

In relation to Carer's Allowance, changes have been made to ensure that carers continue to be paid benefit when they have temporarily ceased to care for a severely disabled person due to either of them self-isolating or being infected with coronavirus. These changes to the current rules regarding entitlement are designed to cover a break in care due to the coronavirus so that carers can continue to receive their Carer's Allowance.

Measures are also being taken operationally to ensure that during the period of COVID-19 emotional support can also count towards the Carer's Allowance care threshold of 35 hours a week.

In addition, action was taken to suspend the annual review exercise of nearly 900 self-employed people who are receipt of Carer's Allowance. This ensured no break in payment.

5. Changes to Statutory Sick Pay:

Changes have been made to Statutory Sick Pay so that those who need to self-isolate for medical reasons to protect others are treated as being ill. They do not need to go to a GP, because there is a seven-day allowance for self-declaration.

The three day waiting period for Statutory Sick Pay has also been temporarily removed and compensation in respect of the employer's liability for sick pay will be made available. Essentially Statutory Sick Pay, where an eligible individual is sick or self-isolating due to COVID-19 will be available from day one. Amendments were also made to extend Statutory Sick Pay to people classed as extremely vulnerable and at very high risk of severe illness from COVID-19 who are advised to remain at home, and cannot work, for at least 12 weeks (known as shielding).

6. Changes to income related benefits ESA and UC:

In response to public health emergency restrictions arising from the COVID-19 outbreak the seven waiting days for people who make a new claim for ESA has been removed and the Department will treat those affected as having limited capability for work from the outset without a fit note, an assessment or some form of statutory public health notice. The effect of this will be that any work related requirements will be switched off.

For all self-employed claimants, there is a relaxation of the 'minimum income floor' ensuring their UC award will increase to reflect their lower earnings. Some claimants will also gain access to a work allowance, and, if they have a partner who is working, access to help with childcare costs. I have also made further amendments to assist the self-employed by ensuring that the treatment of payments made under Coronavirus Job Retention Scheme to fund payments to the self-employed person's employees are applied appropriately and not taken into account within the self-employed person's Universal Credit award. In addition, any other loan or grant to meet the losses or expenses of the claimant's business in relation to the outbreak of coronavirus disease is to be disregarded for the period of 12 months in the calculation of the person's capital.

Changes have also been made to ensure that if a person loses entitlement to Universal Credit on account of their income, the Department will treat the person as re-claiming universal credit for up to 5 assessment periods, rather than closing their claim, meaning a person does not need to make a new claim if earnings reduce.

Legislative changes have also been made to increase the UC standard allowance for all claimants;

- This means those under 25 will now receive £342.72 and those over 25 will receive £409.89 per month;
- Joint claimants will now receive the increased amount per month of £488.59 if they are both aged under 25 and £594.04 where either is aged over 25;

The increases to rates of UC mean that on average, every UC award will go up by approximately £90 per month. In addition, the start date for the introduction of the temporary increase of the standard allowance takes effect for assessment periods that end on or after the 6th April, instead of in line with uprating meaning that people will benefit from the increased provision more quickly.

There has also been adjustments to the local housing allowance rates that will make it more beneficial for private-rented sector tenants. In addition the work search and work availability requirement for new and existing claims in UC and new style JSA have been removed until 30th June but will be reviewed and may be extended. Sanctions in relation to these requirements will also be removed, and for both new style and old style JSA it will be ensured that coronavirus and/or isolation are excluded for the purposes of a period of sickness.

Legislative changes have also been made to ensure those individuals on temporary release from prison due to the outbreak of COVID-19 will have access to means tested benefits during the period of that release, providing them with financial support during the Covid-19 pandemic.

7. Maternity allowance and statutory maternity pay:

The implementation of the Coronavirus Job Retention Scheme (CRJS) means that employers can furlough employees and apply for a government grant that covers 80% of their usual monthly wage costs, up to £2500 a month. This scheme is temporary, and will be in place for 3 months starting from 1 March 2020, although it

may be extended. While some employers will continue to pay furloughed employees their full pay, others may pay their employees at a reduced rate (matching the 80% figure that they can claim back through the CJRS).

Provisions within Statutory Maternity Pay (SMP) and Maternity Allowance (MA) legislation depend upon the calculation of a person's Normal Weekly Earnings, in other words, their full pay, during a relevant assessment period. Therefore, if an employee is furloughed during this assessment period and potentially is only being paid 80% of their usual earnings, this may reduce the calculation of their Normal Weekly Earnings and lead to them becoming ineligible for or subject to a reduction in their appropriate maternity payment.

Temporary legislative amendments have been made to change how normal weekly earnings are calculated to ensure that women who are receiving reduced pay as a result of being placed on furlough by their employer could be considered as receiving full pay for the purposes of SMP and MA. This will mean her entitlement to SMP will not be affected.

8. Changes to the Social Fund Funeral Expenses Payment Scheme:

The Social Fund Funeral Expenses Payment scheme makes a contribution towards a funeral. It is designed to meet the reasonable necessary costs of a cremation or burial including the purchase of a grave with exclusive burial rights; necessary burial or cremation fees; the cost of any medical references or the removal of active implanted medical devices for cremations; reasonable costs if a body has to be moved for more than fifty miles; and travel costs for the applicant to arrange and attend the funeral. In addition, the scheme currently also meets other funeral costs up to a maximum of £700. This capped amount of £700 is now being increased to £1000. The Regulations to make this change came into operation on Wednesday 8 April 2020.

9. Changes to Discretionary Support:

On 24 March 2020 the Assembly approved the introduction of an amendment to the Discretionary Support legislation, which provides for a grant payment for short-term living expenses for people affected by COVID-19. The Department has estimated additional expenditure of £9.6m to cover the costs of this grant in 2020/21.

Further enhancements to the Discretionary Support scheme included increasing the amount of individual living expenses awards by increasing the rate of benefit used when calculating awards and allowing discretion to pay for longer periods. All of these changes came into effect from 25 March 2020.

Students in full-time education who are normally not eligible for benefits may access emergency financial support through the Discretionary Support scheme during the current public health crisis. In addition legislation to increase the Discretionary Support Annual Income Threshold to £20,405 was approved by the Assembly on 21 April 2020 and implemented the next day. This will ensure that more people on a low income can access Discretionary Support.

10. COVID-19 Job Retention Scheme and Self-Employment Support Scheme:

There are also the measures brought forward by Westminster that also apply here. These include;

The **COVID-19 (Coronavirus) Job Retention Scheme** to help workers, of any employer, to keep their jobs by covering up to 80% of the worker's monthly wages, up to a total of £2,500. This will be backdated to 1st March and has been extended in its current form until August and with some flexibilities until the end of October 2020; and

The **COVID-19 (Coronavirus) Self-Employment Support Scheme** will assist self-employed and freelancers (including gig economy workers and those on zero-hours contracts), and provides self-employed people earning under £50k per annum, with a grant of 80% of their average monthly trading profits for 3 months, up to a maximum of £2,500 a month. This will be paid out in a single instalment and customers will have the money paid into their bank account within six working days of making a claim. This scheme will be subject to tax and national insurance contributions, and will not be disregarded for benefit purposes. HMRC have been contacting eligible customers from 13th May to let them know the scheme is open.

Payments from both the Coronavirus Job Retention Scheme and the Self-employment Income Support Scheme will be treated as earnings in Universal Credit, i.e. subject to any work allowance and taper and Universal Credit payments will adjust in response to changes in earnings. This means we will take the payments into account in the Assessment Period in which they are received and in this way Universal Credit provides support whilst the claimant has no earnings.

11. Extension of Welfare Supplementary Payments (mitigations):

The legislation that provides for the existing welfare mitigation schemes had a sunset clause that acted to terminate the various schemes on 31 March 2020. A Draft Bill to allow for the extension of Social Sector Size Criteria (SSSC) mitigation payments has been shared with the Executive. Once approval to proceed has been granted then the Department will ensure that it is introduced to the Assembly as quickly as possible.

It is anticipated that the legislation to extend the remaining welfare mitigation schemes will be laid shortly after the Bill. It is not possible to provide a definitive timeframe for proceeding at this stage.

As the legislation to extend the existing welfare mitigation schemes has not been approved the Department has now implemented contingency arrangements with mitigation payments made under the sole Authority of the Budget Act from 1 April 2020. This approach has been agreed with the Department of Finance and was announced by the Minister of Finance during his opening statement to the Assembly on the Budget Bill on 25 February 2020.

The use of the Budget Act will allow the Department to make payments to people who would otherwise be entitled to a Welfare Supplementary Payment. This approach is an exceptional measure that is necessary to protect people and ensure that payments continue to be made.

While the legal authority to make welfare mitigation payments has changed the Department will continue to determine individual entitlement on the basis of the policy detailed in the existing legislation.

This approach will continue for a short period until the relevant legislation to extend the mitigation schemes is approved by the Assembly

12. Suspension of Debt Recovery Activity

A number of changes are being introduced to temporarily suspend the recovery of debt. All recoveries achieved by means of direct debits, Direct Earnings Attachments, private sector supplier work and litigation have been paused. I have also approved the suspension of existing benefit overpayment deductions from Universal Credit and legacy benefit payments, and the suspension of recovery of Social Fund and Discretionary Support loans. This will provide additional support to people by providing an immediate financial easement from those with a benefit overpayment related debt or a loan, as well as urgently releasing resources to support the Department's priority to pay benefits and to provide other support measures.

13. Claiming State Pension Credit Digitally

In consequence of the recent COVID-19 outbreak, the Department are making the necessary legislative changes to provide for an additional digital claim facility as an electronic alternative to the existing methods for claiming State Pension Credit. This will be in addition to the existing methods of claiming by post or telephone and the new digital service will be in place for people here to access from the end of May. It will allow people to quickly make a claim, at a time of their choosing without the need to go through the claim process with an agent on the telephone or have to wait at busy times and without having to leave their own homes.

The aim of this is to be of help to those older members of the community who are self-isolating and those who are shielding at this difficult time. Reduced telephony demand could also free up more agents within my Department to support service delivery and allow them to prioritise claims processing.

14. National Insurance Contributions (NICs) liability temporarily disregarded on reimbursed amounts for home office equipment purchased by employees

I have agreed that Treasury proposals relating to temporary disregards for the treatment of Class 1 National Insurance Contributions (NICs) for the reimbursement for home office equipment, will extend here. By giving my Department's agreement I have ensured that the regulations being brought forward by HM Revenue and Customs (HMRC) will apply to people here and will ensure the introduction of a

temporary disregard (for the 2020-21 tax year). This means that those employees who have been encouraged to work from home as a result of COVID-19, and subsequently purchased home office equipment will not be liable to a Class 1 National Insurance Contributions (NICs) charge if the costs are reimbursed by their employer.

We are all aware that as a result of the recent COVID-19 outbreak, a very high number of employees are having to work from home. Under current rules, where an employee buys home office equipment on the employer's behalf, and is reimbursed by their employer there is no tax relief, and ordinarily there would be a Class 1 NICs charge on the reimbursement. This will now be lifted for the 2020-21 tax year.

The aim of all of these measures are to reassure vulnerable people about the continuity of their benefits during the coronavirus outbreak and to ensure that the Department's resources are focused on enabling access to financial support for people who need it.

Officials within my Department will continue to review the situation and work with other government Departments and partners to refine contingency plans to ensure services and support continues to be delivered at pace, and to coordinate an effective response.

Finally, it should be noted that officials within my Department and their colleagues across the civil service have been going the extra mile to ensure delivery of essential front-line services to those most in need at this time. The priority must be to protect the health and well-being of those using and delivering these vital services across our communities.

Yours sincerely,

Personal Data

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Minister for Communities