**Content item name***

Benefit Cap - checking if an exemption can be applied

**Alternative names** *(enter any other names that staff or public might use to refer to this item)*

exemption to benefit cap

**Summary***

How to check a Universal Credit claimant's work and benefit entitlement details to determine if they are exempt from the Benefit Cap

**Content***

An account developer (AD) identifies that the Benefit Cap applies to a claimant's Universal Credit award. See Benefit Cap - checking if a claimant's total welfare benefit awards exceed the Benefit Cap.

The AD then checks to see if the claimant is exempt from the Benefit Cap. Claimants qualify for an exemption from the Benefit Cap if:

- they or their partner (if they have one) have individual or combined net earnings equivalent to or more than the Benefit Cap Household Earnings Exemption figure in the relevant assessment period (to calculate the exemption figure, see Benefit Cap – Household Earnings Exemption
- they or their partner (if they have one) are in receipt of the Limited Capability for and Work Related Activity (LCWRA) element of Universal Credit
- they, their partner (if they have one) or any child or qualifying young person they are responsible for are in receipt of the following benefits:

  - Carer's Allowance (CA)
  - Disability Living Allowance (DLA)
  - Attendance Allowance (AA)
  - Personal Independence Payment (PIP)
  - Guardian's Allowance
  - Industrial Injuries Disablement Benefit (IIDB)
  - Armed Forces Compensation Scheme (AFCS) Guaranteed Income Payments
  - Armed Forces Independence Payment (AFIP)
  - War Pension Scheme (WPS) including War Widows and War Disablement Pension

To check if a claimant is exempt from the Benefit Cap the AD:

1. Accesses the Agent Portal.
2. Selects Claim admin on the claimant's Universal Credit homepage.

3. Notes the partner's <u>National Insurance number</u> on a <u>UC6</u> (if the claimant is part of a <u>joint claim</u>).
4. Selects 'View award summary' to view the claim details.
5. Notes the UC6 if LCWRA applies.
6. Notes the UC6 if the claimant's/partner's net earnings are equivalent to or more than the <u>Benefit Cap Household Earnings Exemption</u> figure.
7. Selects 'Claim data' to check details of any <u>child</u> or <u>qualifying young person</u> that the claimant is receiving the <u>Child element</u> for.
8. Records the name and date of birth of any child or qualifying young person on the <u>UC6</u>.

If the combined net earnings of the claimant or their partner are equivalent to or more than the <u>Benefit Cap Household Earnings Exemption</u> figure and recorded in the relevant <u>assessment period</u> (net earnings are gross earnings less tax, National Insurance and pension contributions) or LCWRA applies, the claimant will be exempt from the Benefit Cap. See 'Exemption to the Benefit Cap applies' below.

Note: If the other member of the couple is an ineligible adult then their earnings will be taken into account.

If the claimant and/or their partner is not in work, or combined net earnings of the claimant or their partner are less than the <u>Benefit Cap Household Earnings Exemption</u> figure per month and LCWRA is not in payment, the AD checks if the claimant and/or their partner are in receipt of a benefit that qualifies them for exemption.

The AD accesses the <u>Customer Information System</u> (CIS) and checks if the claimant or partner are in receipt of:

- Carer's Allowance (CA)
- <u>Disability Living Allowance</u> (DLA)
- <u>Attendance Allowance</u> (AA)
- <u>Personal Independence Payment</u> (PIP)
- <u>Industrial Injuries Disablement Benefit</u> (IIDB)
- Widows Pension

If the claimant or partner is in receipt of any of these benefits, they are exempt from the Benefit Cap. See '<u>Exemption to the Benefit Cap applies</u>' below.

If the claimant or partner is not in receipt of any of the above benefits, the AD checks if they have the <u>Carer element</u> included in their Universal Credit award:

The AD then:

1. Navigates to Claim admin.
2. Selects 'View award summary'.
3. Establishes if there is a Carer's element in the claimant's award:

   o if the Carer element has been awarded, the claimant is exempt from the Benefit Cap - see 'Exemption to the Benefit Cap applies' below

- if there is no award of the Carer element, the AD determines if the claimant has an underlying entitlement to Carer's Allowance/Carer's element and goes to the next step

4. Navigates to the Claim admin homepage.
5. Selects 'View conditionality history'.
6. Checks 'Conditionality reason' to identify if the claimant is a carer. The reason is recorded as 'Caring - At Least 35 Hours Per Week'.

If the claimant or partner has an underlying entitlement to Carer's Allowance/Carer's element, they are exempt from the Benefit Cap. See 'Exemption to the Benefit Cap applies' below.

The AD checks if the claimant has been awarded Guardian's Allowance from Child Benefit Online. If so they are exempt from the Benefit Cap. See 'Exemption to the Benefit Cap' below.

The AD checks if any child or qualifying young person the claimant is responsible for are in receipt of:

- Personal Independence Payment (PIP)
- Disability Living Allowance (DLA)

If so they are exempt from the Benefit Cap. See 'Exemption to the Benefit Cap' below.

The AD checks CAMLite Contact history to determine if the claimant has reported receipt of: the following:

- Armed Forces Compensation Scheme (AFCS) (Guaranteed Income Payments)
- Armed Forces Independence Payment (AFIP)
- War Pension Scheme (WPS) including War Widows and War Disablement Pension)

The claimant can provide information with the details held on:

- the initial award notice from the Veterans Agency giving the gross amount of the award and the accompanying 'Reasons for Decision' notice giving details of any amount abated under the AFPS, and
- the notification from the Paymaster Office giving the net amount after deduction for tax and any other armed forces Pension

If a benefit is not in payment because the recipient is in a hospital or care home, and an underlying entitlement remains, the Universal Credit claim will still qualify for the exemption to the Benefit Cap.

If the claimant, their partner or any child or qualifying young person they are responsible for are in receipt of one of the above benefits they are exempt from the Benefit Cap. See 'Exemption to the Benefit Cap applies' below.

If the claimant, their partner or any child or qualifying young person they are responsible for are not in receipt of one of the above benefits, they are not exempt from the Benefit Cap. See <u>Benefit Cap - considering if a Grace Period can be applied</u>.

**Exemption to the Benefit Cap applies**

The AD:

1. Notes the UC6 with details of why any member of the Universal Credit claim qualifies for an exemption from the Benefit Cap.

2. Uploads the UC6 to the <u>Document Repository System</u> (DRS).

3. Completes a <u>UC361</u>, uploads to DRS and issues a copy to the claimant (if this is a joint claim a separate notification must be sent to each claimant).

4. Creates a CAMLite task with the following details:

   - Task Type: Generic Clerical
   - Sub Type: Action Required
   - Start task from: The day after the end of the current assessment period
   - SLA: 3 Days
   - Notes: 'Claimant has Benefit Cap exemption because (enter reason). Review current AP to see if exemption still applies'
   - Assigned to: UC – Benefit Cap

   See <u>CAMLite and Work Services Platform notes</u>.

5. Updates CAMLite Contact history to say that an exemption to the Benefit Cap applies, the reason for the exemption and that the notification has been issued.

6. Exits all claimant records.