Changes to pay periods and pay week-ending days

Summary of the changes

From 6 April 2009 Jobcentre Plus will introduce important changes for the majority of customers receiving working age benefits. Instead of receiving different benefits on different days people will have one pay week-ending day allocated to them that is determined by their National Insurance number.

Also, payments will normally be made a minimum of fortnightly in arrears instead of the current situation where some benefits are paid weekly and others fortnightly. The aim of this is to simplify the benefits system as people will retain the same pay weekending day whichever benefit they are awarded from Jobcentre Plus.

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Working age benefit customers included in the changes

Jobcentre Plus will convert existing benefit awards by 31 March 2011 to the new arrangements for the following working age benefits:

- Jobseeker's Allowance
- Income Support*
- Incapacity Benefit*
- · Severe Disablement Allowance
- Maternity Allowance
- Bereavement benefits
- Widows Benefits

^{*}Incapacity Benefit and Income Support paid on the grounds of incapacity for work have being replaced by Employment and Support Allowance from 27 October 2008. If you made a claim to Employment and Support Allowance after this date you will now be paid under the new pay week-ending arrangements.

Notification of the changes

If you are affected by the changes we will send you 2 letters detailing the conversion exercise.

Note: Jobseeker's Allowance customers will not receive letters as the majority of these conversions will be done at the new or repeat claims stage;

Letter 1 - will be sent several months before conversion and will:

- explain the changes about to happen, and
- offer contact points to obtain further information.

Letter 2 - will be sent 4 weeks* before your conversion and will explain:

- · when the change will happen
- how the change will affect your payments
- · the financial support available to you (if applicable), and
- how to claim it

Pay week-ending day and pay period explained

Pay week-ending day is the term used to describe the last day of the period covered by your benefit payment.

The majority of people currently receive their benefit on the same day as their pay week-ending day; for those receiving Jobseeker's Allowance the arrangements are slightly different as your payments are normally received 2 to 3 days after attending the Jobcentre for your regular job search review.

Pay period is the term we use to describe the period your payment covers. The frequency you receive your payments currently varies depending on which benefit you are receiving.

With the changes being made the majority of people will eventually be paid a minimum of fortnightly in arrears.

^{*} Customers receiving Widows and Bereavements Benefits paid in advance will not be informed 4 weeks before conversion. They will instead receive a letter along with the <u>non-recoverable payment</u> equivalent to their normal weekly benefit payment.

Pay week-ending day changes

Your pay week-ending day will now be determined by the last 2 digits of your National Insurance number as follows:

Last 2 digits of National Insurance number	Pay week-ending day
00 to 19	Monday
20 to 39	Tuesday
40 to 59	Wednesday
60 to 79	Thursday
80 to 99	Friday

If you are moving from payment in advance to payment in arrears

If you are receiving Bereavement Benefit, Widows Benefit or you receive Income Support as well as Bereavement or Widows Benefit, you are currently paid weekly in advance this means you are paid for the week following your pay week-ending day. Following the introduction of the changes, you will be paid weekly in arrears, which means you are paid for the week leading up to your pay week-ending day.

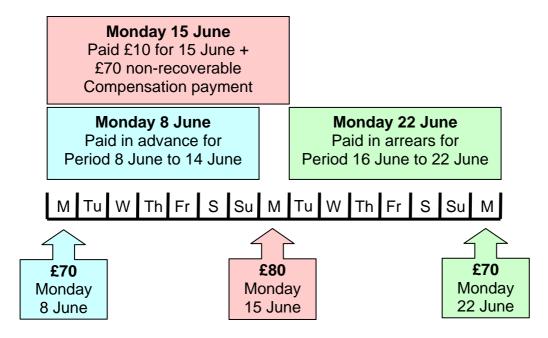
Non-recoverable compensation payment

If you are moving from payment in advance to payment in arrears you will automatically receive a non-recoverable compensation payment equivalent to the normal weekly benefit.

This payment will be paid on your current pay week-ending day, immediately before we change your pay period and a letter will advise you what the payment is for and when you will receive it.

Illustration of moving from payment in advance to payment in arrears

Illustration below is of someone who is currently paid £70 weekly in advance on a Monday and is moving over to being paid weekly in arrears on a Monday. Dates given are for the purpose of the illustration.



If you are moving from receiving payments weekly in arrears to fortnightly in arrears

If you currently get paid weekly in arrears, meaning you are being paid for the week leading up to your pay week-ending day, your benefit award will change to pay you every 2 weeks, paying you for the 2 weeks leading up to your new pay week-ending day. The impact on you will vary according to your current pay week-ending day and your new pay week-ending day. These changes will take place between 6 April 2009 and 31 March 2011.

Recoverable payment

To ease the change from weekly to fortnightly payments in arrears, a recoverable payment equivalent to your normal weekly benefit will be available to you on request before the changes are implemented. Recovery of this payment will be made over 6 fortnightly payments, a total of 12 weeks. However, if you receive benefit of £4 per week or less you will not be offered this payment.

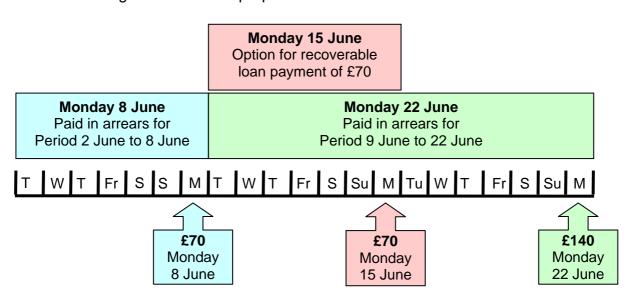
Any other current recoveries of benefit which you may have, such as Overpayments, Social Fund loans, Crisis loans, Budgeting Loans, deductions for gas, electric or water will continue to be made in addition to the recovery of the loan payment.

Third Party Deductions (for example for gas or electricity) arranged to be recovered through any of the benefits affected by the changes will be suspended in any week that you do not receive a full week's benefit.

Anyone affected by Third Party Deductions should not be required to take any action as all current and potential Third party creditors, (for example gas and electrical suppliers) will be notified of the potential for breaks in payments during these changes and that deductions will resume in the next uninterrupted week of benefit.

Illustration of moving from weekly in arrears to fortnightly in arrears

The illustration below is of someone who is paid weekly in arrears £70 a week on a Monday pay week-ending day and who is moving over to being paid fortnightly in arrears. Dates given are for the purpose of the illustration.



If only your pay week-ending day is changing

If you are currently paid fortnightly in arrears, meaning you are paid every 2 weeks for the 2 weeks leading up to your pay week-ending day, you may need to have your payment adjusted to enable the move to a different pay week-ending day.

You will receive all the benefit you are entitled to and no recoverable loan will be made available.

Weekly Payments

Jobcentre Plus will maintain weekly payments in arrears as an exceptional facility for customers but these will only be by temporary arrangement. If Jobcentre Plus give you weekly payments they will periodically reassess your situation and ask you to provide reasons and if required evidence of why Jobcentre Plus should continue paying you weekly

Conversion Procedures

Jobseeker's Allowance

All Jobseeker's Allowance people are included in the new arrangements.

When will my benefit award for Jobseeker's Allowance be converted?

From 6 April 2009 anyone making a new or repeat claim for Jobseeker's Allowance will do so under the new pay week-ending day arrangements.

Anyone who continuously receives Jobseeker's Allowance before and during the conversion period will have their benefit award converted over to the new arrangements from April 2010.

If only your pay week-ending day is changing

The vast majority of people receiving Jobseeker's Allowance are currently paid 2 weeks in arrears so may only need to have payment adjusted to enable the move to a different pay week-ending day. In these circumstances, you will receive all the benefit you are entitled to and no recoverable loan will be made available. Your local Jobcentre Plus office will let you know of any changes.

Income Support

When will my benefit award be converted?

Income Support people will be converted over the 2 years between 6 April 2009 and March 2011. The order is:

- 1) Lone Parents with children aged 9½ years to 11½ years
- 2) Lone Parents with children aged over 6 years
- 3) All remaining Income Support benefit awards

The order of conversion within each of these 3 groups will be in stages and you will be notified before your award for benefit is changed.

If you receive Income Support paid in advance

If your Income Support is paid in advance because of another benefit which is also paid in advance (usually Bereavement Benefit or Widows Benefit) your benefit award will be converted to weekly payments in arrears.

Due to the changes to your payments you will automatically receive a <u>non-recoverable compensation payment</u> equivalent to your normal weekly benefit.

Changes to your pay week-ending day will be made at a later date.

If you are moving from weekly in arrears to fortnightly in arrears

If you are paid weekly in arrears you are being paid for the week leading up to your pay week-ending day and you will move to being paid fortnightly in arrears which means paying you for the 2 weeks leading up to your new pay week-ending day.

To ease the movement from weekly to fortnightly you will be offered a <u>recoverable payment</u> equivalent to your normal weekly benefit. Recovery of this payment will be made over 6 fortnightly payments (12 weeks). However, if you are in receipt of benefit of £4 per week or less you will not be offered this payment

If only your pay week-ending day is changing

If you are already paid fortnightly in arrears which means you are paid every 2 weeks for the 2 weeks leading up to your pay week-ending day you may need to have your payment adjusted to enable the move to a different pay week-ending day. In these

circumstances, you will receive all the benefit you are entitled to and no recoverable loan will be made available.

Incapacity benefits

Incapacity benefits included in the changes:

Incapacity Benefit
Severe Disablement Allowance

When will my benefit award be converted?

If you are on Incapacity Benefit or Severe Disablement Allowance the order of cases for conversion will be selected in stages.

If you receive Incapacity Benefit or Severe Disablement Allowance weekly in arrears

If you are paid weekly in arrears you are being paid for the week leading up to your pay week-ending day and unless you have a pre-arranged agreement to continue being paid weekly, you will move to being paid fortnightly in arrears which means paying you for the 2 weeks leading up to your new pay week-ending day.

To ease the transition from weekly to fortnightly pay you will be offered a recoverable payment equivalent to your normal weekly benefit, see <u>recoverable payment</u>. However, if you are in receipt of benefit of £4 per week or less you will not be offered this payment

If only your pay week-ending day is changing

If you are already paid fortnightly in arrears which means you are paid every 2 weeks for the 2 weeks leading up to your pay week-ending day you may need to have your payment adjusted to enable the move to a different pay week-ending day. In these circumstances, you will receive all the benefit you are entitled to and no recoverable loan will be made available.

Maternity Allowance

When will my benefit award for Maternity Allowance be converted?

Only new claims processed on or after 6 April 2009 for Maternity Allowance will be affected by the changes.

Existing Maternity Allowance benefit awards will be allowed to reach the end of their entitlement (exhaustion date) and there will be no conversion of these benefit awards.

Bereavement and Widows Benefits

Bereavement Benefits and Widows Benefits include;

Bereavement Payment (not affected)
Bereavement Allowance
Widowed Parent's Allowance
Widowed Parents Allowance Personal
Widows Pension
Widowed Mother's Allowance
Widowed Mother's Allowance Personal

When will my benefit award for Bereavement and Widows Benefits be converted?

Existing Bereavement Allowance benefit awards will not be converted and will be allowed to continue to the end (exhaust) of their full 52 week award.

If you are currently paid at 4 or thirteen week intervals you will continue with this arrangement

Between 6 April 2009 and 31 March 2011, the selection of Widows Benefit cases for conversion will be made in stages and your benefit award could be selected at any given date.

Bereavement and Widows Benefits paid in advance

If your benefit award is paid in advance you are being paid for the week following your pay week-ending day and this arrangement will be changed to weekly payments in arrears, which means you are being paid for the week leading up to your pay week-ending day.

Due to the change to your payments you will be awarded a <u>non-recoverable payment</u> equivalent to your normal weekly benefit. This will be paid on your current pay weekending day, immediately before we change your pay period. A letter will advise you what the payment is for and when it will be paid.

Changes to your pay week-ending day will not be made at the same time but at a later date.

If you are moving from weekly in arrears to fortnightly in arrears

If you are paid weekly in arrears, this means you are being paid for the week leading up to your pay week-ending day, you will move to being paid fortnightly in arrears, meaning your benefit award will change to being paid every 2 weeks, paying you for the 2 weeks leading up to your new pay week-ending day.

To ease the transition from weekly payments to fortnightly payments you will be offered a recoverable payment equivalent to your normal weekly benefit as detailed in recoverable payment.

If only your pay week-ending day is changing

If you are currently paid at 4 or thirteen week intervals you will continue with this arrangement and you may need to have your payment adjusted to enable the move to a different pay week-ending day. Similarly, if you are already paid fortnightly in arrears you may need to have your payment adjusted to enable the move to a different pay week-ending day. In these circumstances, you will receive all the benefit you are entitled to and no recoverable loan will be made available.

Rights of appeal

There is no right of appeal against the decision to change your pay week-ending day or the change from weekly to fortnightly payments (regulations 20-24) of the Social Security (Claims and Payments) Regulations 1987 and paragraph 5(j) of Schedule 2 to the Social Security and Child Support (Decisions and Appeals) Regulations 1999).

You have a right of appeal against the amount of recoverable loan payment available to you and the level at which Jobcentre Plus recovers this payment. You also have a right of appeal against the amount of the non-recoverable compensation payment available to you.

QUESTIONS YOU MAY HAVE ABOUT OUR DECISION

If you want to know more about a decision or if you think a decision is wrong

Please get in touch with us, by phone or in writing, **within one month** of the date of the decision. If you contact us later we may not be able to help you.

You, or someone else who has the authority to act on your behalf, can

- ask for an explanation
- ask for a written statement of reasons for our decision
- ask us to look again at the decision to see if it can be changed. There
 may be some facts you think we have overlooked or you may have
 more information which affects the decision, and
- appeal against the decision. Please see below for more information.

You can do any of the actions listed above, or you can do all of them.

You can find more information about decision making and appeals in leaflet <u>GL24</u> if you think our decision is wrong.

What happens if you ask us to look at the decision again?

If we can change the decision, we will send you a new decision.

If we cannot change the decision, we will send you a letter telling you why. You will have one month from the date of that letter to appeal if you still disagree with the decision.

How to appeal

Your appeal **must** be in writing. You can fill in the form in leaflet <u>GL24</u> if you think our decision is wrong or you can write to us. You must tell us which decision your appeal is against and give your reasons for the appeal.

You can get a copy of leaflet GL24 if you think our decision is wrong from;

- your local Jobcentre Plus office
- our website at www.dwp.gov.uk/advisers/cat1/all-products.asp, or
- an advice centre, like the Citizens Advice Bureau.

Your appeal will be heard by an independent appeal tribunal.