

## JSA AND IS - IN WORK CREDIT PILOTS

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### INTRODUCTION

- 1 This memo replaces DMG Memos JSA/IS 72 and JSA/IS 86 and gives guidance about the latest In Work Credit scheme and two new pilot schemes. It also explains how payments made to participants should be treated for JSA/IS purposes.

### IN WORK CREDIT

- 2 In Work Credit is a financial incentive to help parents, particularly lone parents, make the transition from benefits into remunerative work. It is payable in respect of work (including S/E) which is 16 hours or more a week and which is expected to last for at least five weeks.
- 3 For In Work Credit purposes a parent, including a lone parent, must have
  - a dependent child or children in the household **and**
  - be legally responsible for at least one child who is less than 16 years old.
- 4 Payments of £40 a week (£60 in London) can be paid for up to 52 weeks to parents who start and remain in employment. It is available in London districts to all parents (not just lone parents) and from 28.4.08 it is available to lone parents nationally.

- 5 Although a person has to be a lone parent for initial eligibility outside of London, if they later acquire a partner they can continue to participate as long as they still satisfy all other In Work Credit eligibility criteria.
- 6 Payments are made under employment and training law<sup>1</sup>. Although unlikely, if any payments of In Work Credit are received by a JSA/IS claimant or their partner they should be fully disregarded<sup>2</sup>.

*1 E & T Act, s 2; 2 JSA regs, Sch 7, para 14; IS (Gen) Regs, Sch 9, para 13*

## **IN WORK CREDIT FOR PARENTS PILOT**

- 7 From 1.7.08 an In Work Credit pilot will be available to all parents (not just lone parents) in the NDLP pilot areas listed in the attached appendix. Payments of £40 a week (£60 in all London districts) can be paid for up to 52 weeks, as in the existing in work credit scheme.
- 8 Payments are made under employment and training law<sup>1</sup>. Although unlikely, if any payments of In Work Credit are received by a JSA/IS claimant or their partner they should be fully disregarded<sup>2</sup>.

*1 E & T Act, s 2; 2 JSA regs, Sch 7, para 14; IS (Gen) Regs, Sch 9, para 13*

## **IN WORK RETENTION PILOT**

- 9 From 1.7.08 a further pilot will operate for lone parents only in the areas listed in the attached appendix. Participants who start and remain in work of at least 16 hours a week can receive payments of In Work Credit of £40 a week for 39 weeks. In addition they can also receive two lump sum payments of £260 each at week 29 and 52 so long as they attend a meeting with their PA to discuss all aspects of in work support.
- 10 Payments including any lump sum payments are made under employment and training law<sup>1</sup>. Although unlikely, if any payments of In Work Credit are received by a JSA/IS claimant or their partner they should be fully disregarded<sup>2</sup>. Any lump sum payments are payments of capital which are disregarded for a period of 52 weeks beginning on the date of receipt of the payment<sup>3</sup>.

*1 E & T Act, s 2; 2 JSA regs, Sch 7, para 14; IS (Gen) Regs, Sch 9, para 13;*

*3 JSA Regs, Sch 8, para 32; IS (Gen) Regs, Sch 10, para 30*

## **ANNOTATIONS**

Please annotate the number of this memo (DMG 18/08) against DMG paragraphs 28350 (main heading), 28425 and 29503

## **CONTACTS**

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, GS36, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in Memo DMG 18/07 - Obtaining legal advice and guidance from DMA Leeds.

**DMA Leeds: July 2008**

## **APPENDIX**

### **IN WORK CREDIT FOR PARENTS PILOT**

All London Jobcentre Plus districts

Bradford

Dudley and Sandwell

Leicestershire

Cardiff and Vale

Edinburgh, Lothian and the Borders

### **IN WORK RETENTION PILOT**

Greater Manchester Central

Greater Manchester East and West districts