

Return To Work Credit

Introduction and Policy Aims

1. Return To Work Credit (RTWC) is a financial incentive to encourage claimants to move into work from incapacity benefits. It is payable to claimants who satisfy the eligibility criteria.
2. RTWC is a key element of the Choices package outlined in the Green Paper "Helping people into Employment" published in 2002. It is a financial incentive offered to all eligible claimants moving back to work from Incapacity Benefits (IB) or Employment and Support Allowance (ESA).
3. In using this guidance, those who approve, authorise or check eligibility to RTWC should consider the purpose of RTWC in encouraging the claimant to enter and remain in employment. Although an award of RTWC can have a positive effect on the willingness of a claimant to move from welfare into work, there is a need to ensure that RTWC is paid to claimants for whom it is intended. The [Eligibility Section](#) describes the full eligibility conditions for claimants for whom RTWC is intended and examples are provided at [Annex A](#), including where a claimant does not pass the PCA or the WCA threshold and appeals against decision.

Return To Work Credit

4. Return To Work Credit is a tax-free payment of £40 a week paid directly to claimants in addition to their wages for up to 52 weeks if they meet all the eligibility criteria below.

Review Periods

5. Four regions took part in a trial of the review periods for RTWC. This changed the original RTWC process to move the 12 week review to week 16 and the 26 week review to week 39. It also introduced an additional benefit check at week 26 to ensure claimants have not returned to benefit.
6. The trial review period was run for 12 months, November 2009 to October 2010, to collect the necessary MI.
7. The feedback from the regions that undertook the trial was that they all wanted to continue with the 16 and 39 week reviews, alongside the 26 week benefit check. The main advantage was that it made the customers task to gather the required evidence easier, especially at the first review, which also limits the amount of correspondence required.
8. The benefit check was very successful in capturing those customers that had failed to notify RTWC teams of their return to benefits.
9. The 39 week check also ensured that a check was undertaken in the latter part of the life of a claim ensuring the capture of all changes of circumstances that occurred after week 26 up to week 39.
10. The one major disadvantage with the trial review process is that it is likely that any overpayment discovered at week 16 will be a little larger than if it had been discovered earlier.
11. Other points to consider when deciding which review process to follow:
 - Database
 - The IWC review process remains at 12 and 26 weeks.

12. RTWC teams can now decide which review process they wish to follow, either the 12 and 26 week reviews or the 16 and 39 week reviews with a benefit check at week 26.

Eligibility

13. RTWC is only payable to claimants who satisfy the eligibility criteria:

- Have started work or be starting work within the 5 week period (see [Calculating the 5 Week Period Between Being Entitled to a Qualifying Benefit and Starting Work](#)) immediately after being entitled to one of the following benefits or a combination of the following benefits for 13 continuous weeks or more:
 - Incapacity Benefit (IB) including IB in Youth,
 - Employment and Support Allowance (ESA) including ESA in Youth,
 - Employment and Support Allowance (ESA) at the assessment phase rate whilst appealing a Work Capability Assessment (WCA) decision that they have limited capability for work,
 - Income Support (IS) on grounds of incapacity,
 - Income Support (IS) at a reduced rate pending an appeal against a Personal Capability Assessment (PCA) decision,
 - Severe Disablement Allowance (SDA),
 - Statutory Sick Pay (SSP), directly followed by at least 1 days entitlement to IB, ESA or IS on grounds of incapacity (weekends are the only allowable gap in between SSP and the entitlement to ESA/IB or IS on grounds of incapacity),
 - Maternity Allowance (MA) only if there is an underlying entitlement to IB/ESA,
 - Working Tax Credit (WTC) when undertaking test trading when an eligible benefit is extinguished by a claim to WTC,
 - [Pension credit](#) with a disability premium or when a claimant provides evidence that they have been incapable of work because of illness or disability for at least 13 weeks,
 - Training Allowance for claimants who were entitled to an eligible benefit prior to undertaking Work Based Learning – Skill Build in Wales or Training for Work in Scotland,
 - Benefit not payable because of a deduction in respect of an Occupational Pension,
 - Any of the above as credits only and wholly-abated benefit cases.

Note: Only full weeks of benefit entitlement should be considered.

14. A claim to:

- JSA, or
- IS as a lone parent, between being entitled to one of the qualifying benefits listed under paragraph 6 above and starting work means the claimant is not eligible for RTWC unless the claimant claims JSA whilst appealing the PCA/WCA decision, then see [Calculating the 5 Week Period Between Being Entitled to a Qualifying Benefit and Starting Work](#) for further details.

15. Be starting a suitable job, whether employed or self employed, which:

- Is full time, i.e. 16 hours a week or more,
- Has a gross annual salary or/and earnings from self employment that are not expected to exceed £15,000,

- Complies with [Employment Legislation](#), e.g. pays the appropriate National Minimum Wage (for employed only). For more information, including details of who is eligible for National Minimum Wage and what can count towards it, please see the section on [Employment Legislation](#) on the Directgov website; and
- Is expected to last 5 weeks or more.

Note: If the job ends before 5 weeks, provided the claimant expected it to last 5 weeks or more at the time of application, they should be paid for the period it did last, even if the claim has not yet been processed. If the claimant is not sure when they make their application we ask them to provide confirmation from the employer that the job is expected to last more than 5 weeks.

16. A completed application form must be received within 5 weeks of the claimant starting their employment or self employment, or show good cause for the late return. Please see the section on [applying good cause](#) for examples.

Calculating the 5 Week Period Between Being Entitled to a Qualifying Benefit and Starting Work.

17. The Last Effective Date (LED) of the qualifying benefit and the job start date should be used for the 5 week calculation (see [Confirming Eligibility on Benefit Grounds](#) to establish the LED).

18. For claimants who are, or have been, undergoing the PCA/WCA process, including appealing the decision, the following describes how the LED is determined:

- If the claimant fails to attend the PCA / WCA and does not demonstrate good cause for non-attendance, the LED is treated as the day after the failure to attend. This is the first day the claimant is treated as not having LCW / IfW.
- If the claimant fails the PCA/WCA and does not appeal, the LED is the date the Decision Maker makes the decision to disallow benefit entitlement (this will likely be later than the date of the PCA/WCA failure).
- If the claimant fails the PCA/WCA, appeals the decision and the original decision is upheld (claimants appeal was unsuccessful), the LED is the date that the appeal tribunal make the decision on the claimants appeal (NOT the date of the PCA/WCA failure and NOT the date the Decision Maker records the decision).
- For IB claimants claiming IS at a reduced rate or JSA whilst appealing the PCA decision the following will apply;
 - For claimants who were claiming IB before they failed the PCA and the appeal is successful then IB is reinstated and any IS paid at a reduced rate or JSA paid during the appeal process is offset against any arrears of IB due. The IB claim is counted as continuous and the claimant is eligible for RTWC providing all other RTWC eligibility criteria are met. The LED is the date that the claimant stops claiming benefit to start work. In cases where the claimant has been claiming JSA pending the appeal, and they start work before the outcome of the appeal is known, await the outcome of the appeal before deciding on awarding RTWC. If the appeal is not successful, IB will

not be reinstated and the claimant is not eligible for RTWC as they have had a claim to JSA and JSA is not a qualifying benefit for RTWC.

- For ESA claimants claiming ESA assessment phase rate or JSA whilst appealing the WCA decision, the following will apply;
 - Where an ESA claimant fails the WCA and appeals, they can continue to receive ESA at the assessment phase rate for the duration of the appeal. Should the appeal be successful then full ESA is reinstated. Where a claimant chooses to claim JSA for the duration of their appeal and the appeal is successful, the ESA award is reinstated and any payment of JSA is offset against any arrears of ESA due. The ESA claim is counted as continuous and the claimant is eligible for RTWC providing all other RTWC eligibility criteria are met. The LED is the date that the claimant stops claiming benefit to start work. In cases where they have been claiming JSA pending the appeal, and they start work before the outcome of the appeal is known, await the outcome of the appeal before deciding on awarding RTWC. If the appeal is not successful, ESA will not be reinstated and the claimant is not eligible for RTWC as they have had a claim to JSA and JSA is not a qualifying benefit for RTWC. (See – [ESA Guidance for Benefit Delivery Centres – Appeals – Handling Appeal Hearing](#) paragraph 39).
- If the claimant fails the PCA/WCA, appeals the decision, starts work and subsequently withdraws the appeal before it is heard, the LED will depend on which benefit they have been receiving.
 - **For ESA claimants**, their benefit entitlement is disallowed from the **date of withdrawal of the appeal**, so this is the LED. If the claimant withdraws the appeal after they have started work, the LED will be the date they stopped claiming benefit.
 - **For IB/IS claimants** who withdraw their appeal, the benefit entitlement is disallowed back to the date that the Decision Maker makes the original decision following the PCA failure. If the claimant withdraws the appeal after RTWC has been awarded, and they did not start work within 5 weeks of the LED (the date the Decision Maker makes the decision following the PCA failure) then they will no longer be eligible for RTWC and action should be taken to terminate RTWC immediately. The termination date on the [RM3](#) should be the start date of the claim. However, as RTWC was legitimately claimed and awarded, as an appeal had been lodged, recovery action should not be taken on the overpayment.

Eligibility of Claimants Aged Over 60

19. In order to satisfy Age Discrimination legislation, RTWC must also be made available to all claimants up to the age of 64 (inclusive). This means that RTWC may be payable to:

- Men on IB/ESA aged 60 to 64,
- Men and women aged 60 to 64 who are in receipt of Pension Credit with a disability premium for 13 week or a combination of Pension Credit with a disability premium and an eligible benefit as above,

- Men and women aged 60 to 64 with an appropriate time on a combination of IB or ESA and time on Pension Credit and able to provide evidence that the health condition or disability which had previously entitled them to IB or ESA has continued without a break; or
- Where none of the above applies to men and women aged 60 to 64 on Pension Credit and able to provide evidence that they have been incapable to work for 13 continuous weeks because of a health condition or disability.

20. Acceptable medical evidence would normally be in the form of a notification from a recognised medical practitioner such as a GP or consultant. However, there will be cases where discretion will be needed to determine what evidence is deemed as acceptable. We will not reimburse the claimant for any costs they incur in relation to obtaining this evidence.

Note: Claimants already in receipt of RTWC on their 65th birthday will continue to receive it up to the maximum period of 52 weeks provided they continue to meet all other eligibility conditions, this includes consideration of [balance of time](#).

Work Based Learning – Skill Build (WBL SB) (Wales) or Training for Work (TfW) (Scotland)

21. IB/ESA claimants on WBL SB (in Wales) or TfW (in Scotland) who choose not to move onto allowance payments and stay on IB/ESA (therefore forego their £10 training premium) may be entitled to RTWC if they find work because of training and cease to receive IB/ESA.

22. If the claimant chooses to be in receipt of allowance payments, check that prior to this they had been entitled to an incapacity benefit. To qualify for RTWC, the period the claimant has been entitled to benefit and/or allowance payments must be for 13 full weeks or more, within 5 weeks of starting work.

23. Where an IB/ESA claimant chooses to leave IB/ESA to claim allowance payments to ensure they receive the £10 training premium, they will be entitled to claim RTWC where they start work within 5 weeks of leaving WBL SB or TfW and have been entitled to benefit and/or allowance payments for 13 full weeks or more. See [Annex A](#) for some examples.

RTWC and Other Benefits

24. RTWC is not treated as income for Working Tax Credit (WTC), Child Tax Credit (CTC), Housing Benefit (HB), Council Tax Benefit (CTB), Pension Credit, and Carers Allowance (CA).

25. RTWC is disregarded if the RTWC payee is the partner of a claimant claiming CA, IS, JSA (including Income Based), IB or ESA (including Income Related).

26. RTWC will not be taken into account for legal aid purposes.

27. RTWC is not assessable for NI – this includes Class 1 and self-employment or Income Tax.

28. RTWC is not taken into account for CSA calculations.

Withdrawing of JSA claim before starting work

29. If a claimant makes a claim to JSA after being entitled to an incapacity benefit for 13 weeks or more but then decides to withdraw the JSA claim, if

the claim has already been processed (a decision has been made on the claim) the claimant will now not be able to withdraw the claim. The claimant can only close the claim by 'signing off'. The claimant will therefore not be eligible for RTWC as this will be the last benefit the claimant was in receipt of before starting work and JSA is not a qualifying benefit for RTWC.

30. If a claimant makes a claim to JSA after being entitled to an incapacity benefit for 13 weeks or more but decides to withdraw the JSA claim, if the claim has not yet been processed (no decision made on the claim) the claim should be allowed to be withdrawn. The claimant is therefore eligible for RTWC as long as they received a qualifying benefit or a combination of the qualifying benefits (see [Eligibility](#) section) within 5 weeks of starting work and satisfies all other RTWC eligibility criteria.

Note: It is advised to check with the JSA benefit team if the claimant was actually able to withdraw the claim to JSA or not.

RTWC Payments

31. RTWC payments are paid for the period Monday to Sunday, regardless of the date the claimant starts or ends work. The RTWC payday is Tuesday. The first payday is the Tuesday in the week the claimant starts work, or the day the claimant starts work if that is a Tuesday. If RTWC payments are stopped, the claimant will receive a payment up to the following Sunday. If the claimant is making a claim within the 5 weeks of starting work, arrears of RTWC may be paid from the Tuesday in the week the claimant started work. **It will take a minimum of 3 weeks for the claimant to receive their payment from the date they return a fully completed claim form to the date they receive payment into their bank account.**

32. RTWC is paid by [Shared Services Cardiff](#) (SSC) using the Resource Management system on receipt of form [RM2](#). It will usually be paid using direct payments into a claimant's bank or building society account.

33. Cheques and Post Office Card Accounts (POCa) can be used if they are the claimants preferred payment method. A discussion should take place on the limitations of using cheques/features of using a POCa and how these differ from a bank/building society. For more information see [Post Office card account](#) guide.

34. The method of payment will be recorded on the RTWC Application form ([RTWC2JP](#)) when the claimant applies. (See [Annex B](#) for completion of RTWC Forms).

Roles and Responsibilities

35. The following people are involved in the RTWC process:

- [Work Programme Providers](#)
- [Third Party Business Advisers](#).
- [Jobcentres and Benefit Delivery Centres](#)
- [Return To Work Credit Central Teams](#)
- [Shared Services Cardiff \(SSC\)](#)

Work Programme Providers

36. Work Programme Providers should inform the claimant of the eligibility rules for RTWC and also IWC. If the claimant appears to be eligible for either

RTWC or IWC, the Provider will refer the claimant back to Jobcentre Plus for an application form.

Third Party Business Advisers

37. Third Party Business Advisers are required to look at self employed business plans and sign off form [RTWC3JP](#) for self-employed claimants to confirm that the business is viable.

38. Examples of third party business advisers could be:

- Local Chamber of Commerce,
- Local organisations that support self-employment,
- Bank business advisers.

39. If the claimant is not able to obtain sign off from a third party business adviser, they should not be disadvantaged because of this. In completing the business plan, the claimant is signing up to the viability of that business. The test of this viability will be at the 12 and 26 week reviews (16 and 39 week reviews for trial regions). If the RTWC approver is still uncertain, or has any questions, these should be raised through the Live Support Advice Line on 01253 833200, selecting option 2 'Labour Market Policy'.

Jobcentres and Benefit Delivery Centres

40. Claimants should be told about RTWC during their initial Work Focused Interview (WFI) with an Adviser. The [eligibility criteria](#) should be explained to the claimant. Record in LMS Conversations that the claimant has been informed about RTWC including the eligibility conditions. Only the central RTWC team can confirm to the claimant that they **are** eligible for RTWC. Advisers should also consider whether it would be more beneficial for the claimant to claim IWC. This information may also be recorded in the claimant action plan on LMS.

Return To Work Credit Central Team

41. The Return To Work Credit Team is responsible for the administration of RTWC this includes:

- Providing the claimant with information about RTWC,
- Checking application forms against [eligibility criteria](#),
- Confirming eligibility on benefit grounds,
- Setting up a clerical RTWC file,
- Approving and authorising applications and payments,
- Dealing with claimants changes of circumstances,
- Claim maintenance,
- Termination of claims,
- Providing information to enable test checks to be carried out.

42. The team is made up of approvers (Band B) and authorises (Band C).

Shared Services

43. SSC are responsible for:

- Entering payment details into the Resource Management system,
- Arranging immediate payment of any arrears and scheduling future payments on due dates,

- Providing a Helpdesk Service contact to confirm if [RM2s](#) have been received and processed/likely date of processing, and
- Despatch of payments to claimants/banks,
- Updating RM with any changes to a claimants circumstances notified to them of form [RM3](#),
- Dealing with all post payment issues/problems e.g. Direct Payments rejected by the bank. For further details please see [SSC Site](#).
- Dealing with terminations of RTWC notified to them on form [RM3](#) calculating any overpayment and instigating recovery action.

Payment Guidance

Providing the Claimant with Information about RTWC

44. If a claimant contacts the RTWC Team and wishes to make a claim explain the eligibility criteria as detailed in the [eligibility section](#) and record in LMS Conversations that the claimant has been informed about RTWC, including the eligibility conditions.

Claimant finds a job and enquires about RTWC

45. Check if the claimant is eligible for RTWC by asking the following questions:

Step	Action
1	<p>Ask the claimant;</p> <ul style="list-style-type: none"> • If they are entitled to one of the eligible benefits listed at the eligibility section, • Whether the job is 16 hours or over, • Has a gross annual salary of £15,000 or less, • If the job is expected to last more than 5 weeks, and • The job complies with Employment Legislation i.e. pays national minimum wage. <p>If the answer to these questions is 'Yes' issue the RTWC2JP to claim RTWC and advise them to return it to the RTWC team.</p>
2	<p>The claimant can complete the form while they are in the office. You should;</p> <ul style="list-style-type: none"> • Check that each section has been fully completed and is legible. • Send the form to the RTWC Central Team immediately using the appropriate method – please see section 4.9 here for more details. • Advise the claimant that it will take a minimum of 3 weeks for them to receive a payment.
3	<p>If the claimant decides to take the form home you must advise them to return it to the Return To Work Credit Central Team within 5 weeks of starting work, and that it will take a minimum of 3 weeks, from the receipt of a fully completed application form, for them to receive a payment.</p>
4	<p>If the claimant returns the form to the Jobcentre or BDC, update LMS conversations with the date of receipt and forward to the</p>

	RTWC central team.
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46. If the claimant is starting self employment, take the following action:

Step	Action
1	Issue a Self-Employment Application form RTWC3JP in addition to the RTWC2JP .
2	Explain to the claimant that they must provide a business plan that must be approved by a Third Party Business Adviser with their completed RTWC3JP . (Note: A business plan is not required for sub contractors and may not be required if a claimant is returning to the same self employment and can produce previous documentation which provides sufficient information to determine eligibility. Also these claimants may have other documentation to support their claim i.e. Contract for services provided or previous accounts).
3	Ask the claimant to return the RTWC2JP and RTWC3JP to the RTWC central team with their approved business plan within five weeks of starting self-employment. Advise the claimant that it will take a minimum of 3 weeks, from the receipt of a fully completed application form, for them to receive a payment.
4	Note: LMS Conversations and the clerical claimant record that an RTWC2JP and RTWC3JP has been issued and the claimant has been advised to send it to the RTWC team.

Determine if Claimant is Eligible for In Work Credit (IWC)

Note: Claimants cannot qualify for payments of both RTWC and IWC.

47. IWC is a;

- Work incentive payment to encourage lone parent claimants to move into work who have been in receipt of a qualifying benefit for a continuous period of at least 52 weeks.
- Non-taxable weekly payments of £40 outside the London districts or £60 within the London districts, paid for a maximum of 52 weeks to eligible claimants who work 16 hours or more a week.

48. Claimants cannot be paid both RTWC and IWC at the same time, only one of the incentives can be taken up.

49. When a claimant applies for RTWC it is essential to establish that the claimant is not receiving IWC by checking LMS conversations.

50. In some cases a claimant could qualify for both RTWC and IWC therefore it is essential that the claimant is made aware of the payment this is most beneficial to them.

51. Jobcentre Plus staff must ensure that action is taken to avoid RTWC / IWC duplicate payments.

52. For further information on IWC see the [IWC Guidance](#).

Step	Action
1	If the claimant fulfils the IWC eligibility, annotate the RTWC2JP with "Dependant Child in Household". Treat as claim in the alternative" and advise the claimant to send the annotated

	RTWC claim form to IWC staff for action. If the claimant does not fulfil the IWC eligibility issue RTWC2JP to claim RTWC and advise to send form to RTWC team as above.
2	<p>The claimant can complete the form while they are in the office. You should;</p> <ul style="list-style-type: none"> • Check that each section has been fully completed and is legible. • Send the form to the RTWC Central Team or In Work Credit Team (if annotated) immediately. • Update LMS conversations with RTWC 2/3 sent to RTWC team. • Advise the claimant that it will take a minimum of 3 weeks for them to receive a payment.
3	If the claimant decides to take the form home you must advise them to return it to the Return To Work Credit Central Team / or the In Work Credit team (if annotated) within 5 weeks of starting work, and that it will take a minimum of 3 weeks, from the receipt of a fully completed application form, for them to receive a payment.
4	If the claimant returns the form to the Jobcentre or BDC, notate LMS with the date of receipt and forward to the RTWC central team or the In Work Credit Team (if annotated).

Note: If the claim form has been annotated with “Dependant Child in Household. Treat as claim in the alternative” check LMS conversations to confirm that eligibility for IWC has been considered.

Application Forms Returned

53. When the application is received;

- Check each section has been fully completed and is legible.
- If the signature is missing you must always return the form to the claimant.
- If further information/clarification is required firstly telephone the claimant.
- If you are unable to reach the claimant by telephone, send RTWC Letter G (see [Annex D](#)) requesting the information required.
- If you do not receive the additional information required, send RTWC Letter H (see [Annex D](#)).

54. Check that the form has been received within 5 weeks of the claimant starting work. If the form is received outside of 5 weeks, then [good cause](#) should be considered.

55. Self employed claimants are required to complete [RTWC2JP](#), [RTWC3JP](#) and provide a business plan. Checks on the forms should be carried out as detailed above. If the [RTWC2JP](#) is complete and the information on the [RTWC3JP](#) corresponds but is not signed, the claim can be processed, but request the claimant signs and returns the [RTWC3JP](#). A further check on the business plan is also required as below in the step action plan;

Note: A business plan is not required for sub contractors and may not be required if a claimant is returning to the same self employment and produces previous documentation which provides sufficient information.

Step	Action
1	Check the business plan includes items such as; <ul style="list-style-type: none"> • Details of the claimants business, • Any market research findings, • Target earnings plus earnings from any other employment, • How many hours per week they expect to work, • Marketing strategy, • The source of funding.
2	If the business plan is not suitable, you must inform the claimant. Ask them to review their business plan and return it within five weeks of starting self employment. Create an LMS workflow for 3 weeks to remind the claimant if the business plan has not been returned.
3	Record in LMS Conversations and the clerical claimant record why the business plan was unsuitable.

Customer has an Appointee

56. Some claimants may be incapable of managing their own affairs. This will usually be because the claimant is mentally incapable but exceptionally, may also be appropriate when the customer is physically disabled.

57. A statement must be received from the appointee explaining the reason(s) why they are acting on the claimant's behalf.

58. An appointee can be accepted if it is confirmed they also acted on the claimants behalf whilst the claimant was in receipt of benefit. Check with the benefit team of the benefit the customer was last in receipt of.

59. An appointee can be;

- A relative, or
- A friend.

60. The appointee becomes fully responsible for acting on the claimants behalf in all the claimant's dealings for RTWC. This includes;

- Completing and signing forms, although if the claimant has signed RTWC forms they can still be accepted.
- Receiving payments of RTWC,
- Reporting the change of circumstances.

61. The appointee is also responsible for reporting any changes in their own circumstances that RTWC teams may require, e.g. a change of name, address or change of account.

Note: An appointee cannot be accepted if the customer just wishes to no longer manage their own affairs.

62. The claimants RTWC file must clearly state the claimant has an appointee and the appointee's details. A note must also be input within LMS Conversations to state claimant has an appointee for RTWC and the appointee's details.

Applying Good Cause for Late Claims to RTWC

63. Approving, authorising and checking officers should exercise discretion in determining if the claimant has good cause for applying late for RTWC.

64. Good cause can be considered if the claimant has;

- Misunderstood any requirements given to them due to any learning, language or literacy difficulties,
- Been given misleading information by a member of staff,
- Been subject to domestic emergencies including flooding, loss of gas/electricity supply, structural damage to the home etc,
- Clerical error taken place (e.g. delays to sending form to claimant or delays of papers moving between offices),
- Been considered for IWC by the IWC team (via an annotated [RTWC2JP](#)).

Note: This list is not exhaustive.

65. Any decision regarding Good Cause should be recorded on LMS and on the RTWC clerical record.

Confirming Eligibility on Benefit Grounds

66. To check benefit details, access Legacy, (PSCS, JSAPS and ISCS).

- **For IB/SDA claimants** – PSCS dialogue RP001: Incap Account Summary. For the LED, use the field “Incap End Date” and for the start of the claim use the field “D/Entitlement”. This should be checked against dialogue RP011: Incap Benefit History, which shows periods of Incapacity Benefit, Severe Disablement Allowance (SDA) claims and SSP entitlement (useful if claim has had to be rebuilt clerically).
- **For IB/IS, IS at reduced rate and Pension Credit claimants** - ISCS service, dialogue ISL IS503 shows periods of Income Support claims and Pension Credit claims, and
- **For ESA claimants** - JSAPS dialogue JA504: General Enquiry - Claim Details shows details of ESA claims. For the LED, use the field “Last signed to” and for the start of the claim use the field “FED of JSP”. If the “Last signed to” date is not as expected (e.g. if the claimant has been paid past the claim end date), use dialogue JA507: Linking Summary, “End date” field if the termination reason is 04 (Found work). If the termination reason is different, or not present, further investigation may be required – check with the BDC.

Note: For ESA claimants - if a claimant has been in receipt of SSP followed by a claim to ESA the period spent on SSP is not captured on JSAPS to confirm eligibility for RTWC. The central teams should contact the claimant to establish an estimate from the claimant about the length of time spent on SSP prior to their claim to ESA. The information provided by the claimant is to be deemed as accurate and annotated on the claimants file. An amendment to the [RTWC2JP](#) form will be incorporated into the next review to capture this information.

67. Check the claimant has been entitled to a qualifying benefit for 13 weeks or more, using the LED as the end date.

68. Ensure that the claimant has started work within 5 weeks of the LED of the qualifying benefit.

69. See the [eligibility section](#) for further details re eligibility and examples which cover what happens when a claimant fails to meet the PCA threshold and appeals against the decision.

70. For clerical claims, information about the claimants qualifying benefit claims can be gained from the BDC; a telephone call is required to the BDC and you must request confirmation of benefit details via email.

Determining Gross Annual Salary/Hours Worked

71. The annual salary and hours worked should normally be accepted as those stated on the application form. The claimant would not be expected to have wage slips to confirm their salary and hours at this stage. If there is any reason to doubt the details provided, given the nature of the work and the hours worked, it may be necessary to ask for a copy of the claimants contract (if they have one) or a letter from the employer.

72. In cases where the claimant is starting a job for a specific period of time, for example a six-month contract, the salary should be treated as covering the employment period and not averaged over the year you will need to determine the annual salary to confirm eligibility i.e. if claimant starting a 6 month contract multiply the salary by two.

73. In some cases and depending on the type of work, the hours to be worked may vary from week to week. If this is the case, a pattern of hours must be established in order that hours can be averaged **before** a decision on eligibility can be made. The claimant should be able to provide confirmation from the employer of the number of hours they will be expected to work each week. This may include known overtime on a regular basis. If a pattern of hours can be established, the hours can then be averaged.

Example 1

Claimant works 20 hours for both week 1 and week 2.

Claimant works 13 hours for both week 3 and 4.

Claimant then starts pattern again working 20 hours for each of the following 2 weeks and 13 hours for each of the 2 weeks following that.

This is an established pattern of hours.

Hours can be averaged over 4 week pattern period (66 hours over 4 weeks).

Average weekly hours = 16.5.

Example 2

Claimant works 20 hours for both week 1 and week 2.

Claimant works 13 hours for both week 3 and 4.

Claimant works 15 hours for weeks 5 and 6.

Claimant then resumes pattern of hours (this may be in a different order).

Hours can be averaged over 6 week pattern period (96 hours over 6 weeks).

Average weekly hours = 16.

74. If there is no pattern and neither the employer nor claimant can provide any clarification about the number of hours to be worked over a given period, the changing hours must be treated as changes in circumstance. RTWC payments should then be awarded or terminated accordingly. This should only occur in a minority of cases, as employers will normally be able to provide some clarification. In cases where it is difficult to establish a routine working pattern it may be appropriate to carry out reviews on a more regular basis e.g. monthly.

75. If the claimant is self employed, see the guidance for [self employment](#).

Different Claimants Working Arrangements

76. Different working arrangements described in this section include;

- [Self Employed](#)
- [Test Trading](#)
- [Sub-Contractors](#)
- [Company Directors](#)
- [Variable work](#)
- [Voluntary Workers](#)
- [Paid Work Placements/Bursaries](#)
- [Apprenticeships](#)
- [Term-time workers](#)
- [Part time workers with more than one job](#)
- [Claimants working with previous employer](#)
- [Foster carers](#)
- [Claimant working overseas](#)
- [Agency workers](#)
- [Sleepover Duties](#)
- [Commission-only employment](#)
- [Travel Costs](#)

Self Employment

77. Self employed claimants need to confirm at the application stage that the work they are to undertake will meet the eligibility criteria for RTWC.

78. If they have a business plan available they should provide you with sight of it. Sub contractors or claimants returning to previous self employment do not need to complete a business plan.

79. Self employed claimants need to establish that their income, less allowable expenses, indicates that their profit will be £15,000 or less. It is this profit figure that is used to determine eligibility to RTWC and should include any wages (also known as drawings), or other end of year payment the applicant intends to pay to themselves e.g. profit sharing scheme.

80. For self employed claimants the period over which earnings are calculated would normally be a year as this gives an accurate forecast of annual profit including any normal periods of inactivity. In many cases, such as with variable work, an interruption in the claimants employment is part of the normal pattern of work. For example a builder would expect to have less work during the winter months and would be expected to plan for this. They could still advertise for work and have work to continue or start when the weather improves.

81. For self employed claimants details provided on the RTWC2JP should normally be accepted unless hours appear excessive in relation to the type of work being carried out. If there is doubt you should establish;

- How involved will they be in running the business,
- What position will they hold in the company,
- Will they be the sole proprietor, joint or part owner,
- What amount of time will they spend on a particular job or contract.

82. You may also need to establish what other work they will be doing in connection with the business, for example;

- Purchasing stock
- Selling stock
- Advertising
- Travelling in connection with the business
- Supplying estimates
- On supervising and management
- Keeping accounts
- On research, for example, writers
- Cleaning and maintaining capital items
- Taking bookings
- Canvassing
- Other business administration

83. The Adviser should use the information provided by the claimant to help determine if they will work sufficient hours to qualify for RTWC.

84. Accept a statement from the claimant about the weekly number of hours they are to work unless you have reason for doubt. Where there is a doubt, make a decision on all of the evidence available.

85. Self employed claimants need to provide a business plan. Sub contractors or claimants returning to previous self employment do not need to complete a business plan. For self employed claimants there is a need to establish that their income, less [allowable expenses](#), indicates that their profit will be £15,000 or less. It is this profit figure that is used to determine eligibility to RTWC and should include any wages (also known as drawings), or other end of year payments the applicant intends to pay to themselves e.g. profit sharing scheme.

Claimant Unable to Provide a Business Plan or Unable to Obtain a Business Adviser Signature

86. If, because of the simple nature of a proposed business a claimant is unable to provide a full business plan or/and obtain a business advisers signature, it is acceptable for the claimant to complete the stencil at [Annex E](#), to enable the approver to check whether the claimant is eligible. Instructions on how to complete are included with the stencil.

Evidence Required for Subsequent Checks

87. Claimants are informed within the notes page of the award letter of the requirement to retain evidence of their self-employment for future checks. This evidence will vary according to each claimant but could include;

- Invoices, receipts and bank statements.
- Letters from the employer where the claimant is undertaking sub-contracting work.
- Any updates to the business plan.

Claimant Returns to Previous Self Employment

88. If the claimant is returning to their previous line of self employment, they may be eligible for RTWC provided they satisfy all eligibility conditions. The approver can use their discretion to decide whether a new business plan is required. If the claimant can provide relevant documentation to support their claim (e.g. previous years accounts), the approver may decide that a new business plan is not necessary.

Self Employed Partnerships

89. Where a claimant is in a partnership, earnings from trading should be calculated using the percentage of the profit they would receive from the business, based on the partnership agreement, e.g. half if the partnership is split 50/50.

Self Employed Childminders

90. A claimant who wishes to become a self-employed childminder must be registered as a childminder with OFSTED (if providing care for young children under 8), the Scottish Commission for the Regulation of Care or the Care Standards Inspectorate for Wales, in order to receive RTWC. The claimant must be asked to provide registration documents. Parents cannot be registered as childminders for looking after their own children; however, grandparents can be registered as childminders for looking after their grandchildren.

Hours

91. For self-employed claimants details provided on the [RTWC2JP](#) should normally be accepted unless hours appear excessive in relation to the type of work being carried out. If this is the case further information should be requested before eligibility is decided. Time spent on canvassing for work or business administration can count towards the 16 hours.

92. For self-employed claimants the period over which earnings are calculated would normally be a year as this gives an accurate forecast of annual profit including any normal periods of inactivity. In many cases, such as with variable work, an interruption in the claimant's employment is part of the normal pattern of work. For example a builder would expect to have less work during the winter months and would be expected to plan for this. They could still advertise for work and have work to continue or start when the weather improves.

Test Trading

93. This is a complex area and users must be careful to examine each case thoroughly to ensure they advise the claimant correctly. Before assessing and advising the claimant you must consider [Effect of Test Trading on IB/ESA](#).

94. Her Majesty's Revenue and Customs treats claimants in test trading as being in self employment. Jobcentre Plus treats these claimants as in training and therefore Return to Work Credit is not payable during test trading.

95. For claimants in receipt of Incapacity Benefits / ESA and Child Tax Credits (CTC), if they wish to continue to receive CTC there is no choice but to claim Working Tax Credits. In the vast majority of cases, this will extinguish the mainstream benefit.

96. If the claimant continues in self employment at the end of the test trading period, the period of payments of Working Tax Credits received during the period of test trading can be treated as a qualifying benefit towards the 13 week qualifying period, provided the claimant has been in receipt of a qualifying benefit or NI credits. See [eligibility section](#) for more detail.

97. Providing that all Jobcentre Plus support has ended and the claimant continues to trade in unsupported self employment, RTWC will be payable providing all other eligibility criteria are met.

Sub Contractors

98. Some self-employed claimants such as taxi drivers may be responsible for their own tax and NI, receive a fixed sum each week from their employer, but have no business expenses. They will not need a business plan, but instead may have a contract or written agreement showing the earnings they will receive, or the hourly rate and estimated amount of work they are likely to be given. They must provide evidence of earnings at the 12 week and 26 week stages (16 week and 26 week stages for trial regions) as previously agreed on [RTWC3JP](#).

Company Directors

99. The National Minimum Wage (NMW) does not apply to company directors unless they also have a contract that makes them a worker. Company directors are 'office holders' in common law and can do work in that capacity and be paid for it in that capacity. This is true no matter what sort of work is being done or how it is being rewarded.

100. However, company directors who also have employment contracts will need to be paid the NMW for work done under that contract.

101. If the claimant is an employee he will have some form of contract and will be paying National Insurance (NI).

102. <http://www.hmrc.gov.uk/bulletins/tb50.htm>

Variable Work

103. Some claimants may have employment that is continuous, but the amount of work varies throughout the year, or there is an interruption in their employment as part of the normal pattern of work. For example a builder would expect to have less work during the winter months and would be expected to plan for this. They could still advertise for work and have work to continue or start when the weather improves. The period over which earnings and hours are calculated would normally be the full year to include any normal periods of inactivity.

Voluntary Work

104. Any time undertaking voluntary work cannot be considered for the purposes of RTWC.

Paid Work Placements/Bursaries

105. A claimant may be eligible to RTWC if they are entered onto a waged work placement or receive a bursary to support them on a work placement as long as they are not in receipt of benefit and all other eligibility criteria are satisfied.

Apprenticeships

106. Claimant wishing to commence work as an apprentice can receive RTWC as long as they satisfy all other eligibility conditions. Apprenticeships are exempt from meeting the National Minimum Wage, for more detailed information please read the [Apprenticeships Guidance](#) and the [Direct Gov](#) web website information on apprenticeships.

Term-time Workers

107. If the claimant is a term-time worker (i.e. only works and gets paid during term time), RTWC can be paid provided they satisfy the eligibility conditions i.e. they work an average of 16 hours or more over the 52 weeks. RTWC should continue to be paid throughout the school holidays unless the claimant returns to benefit.

108. If the claimant has an on-going contract, is paid term-time only or their salary is averaged out and paid in equal instalments throughout the year, treat the claimant as being employed for the full year. RTWC does not have to be stopped during any holidays that last more than five weeks unless the claimant returns to benefit.

Example

A teaching assistant works, 24 hours per week, for 40 weeks. This equates to $960 \text{ hours} / 52 \text{ weeks} = 18.5 \text{ hrs per week}$ on average RTWC is payable. However, a teaching assistant who works 20 hours a week for 40 weeks a year equates to $800 \text{ hours} / 52 \text{ weeks} = 15.4 \text{ hrs per week}$ on average, RTWC is not payable.

109. Unpaid preparation time for teachers/lecturers counts toward hours for RTWC, providing their wage does not average less than the National Minimum Wage once you have taken the unpaid time in to consideration. You may need to see their contract, or seek written confirmation from the employer, of the hours the claimant is expected to spend in preparation.

Part Time Workers With More Than One Job

110. Some claimants will have a number of part-time jobs. To qualify for RTWC, they must meet the conditions below;

- The sum of the hours worked must average 16 hours or more,
 - The sum of the salaries must be £15,000 gross or less; and
 - Each job must be expected to last at least five weeks.
111. Where a claimant has more than one part-time job;
- Note which two employers the claimant works the most hours for, and provide details on part 3 of the [RTWC2JP](#),
 - Provide details of any other employer(s) on a separate note and attach this to the [RTWC2JP](#),
 - Annotate part 3 of the [RTWC2JP](#), "More than two employers, see attached note".

Claimant Working With a Previous Employer

112. If the claimant is starting work for their previous employer or is returning to the employment they have been on sick leave from they can be eligible to claim RTWC provided they fulfil the [eligibility criteria](#).

113. If the claimant receives backdated holiday pay or hours in lieu of holiday from the previous employment, this is not counted with regards to eligibility.

Example 1

Claimant returns to work for a previous employer after claiming ESA for more than 13 weeks.

Claimant works 8 hours a week for the first 12 weeks, with hours in lieu of holiday from previous employment making pay up to 16 hours a week.

After 12 weeks, claimant works 18 hours a week.

Hours in lieu of holiday from previous employment are not taken into account, so average hours worked (12 weeks X 8 hours + 40 weeks X 18 hours averaged over 52 weeks = 15.7 hours per week) is less than 16, so claimant is not eligible for RTWC.

Example 2

Claimant returns to work for a previous employer after claiming ESA for more than 13 weeks.

Claimants wage for the first week is £780 which included £500 backdated holiday pay from previous employment, and £280 a week thereafter.

This gives a yearly wage of £15,060, but the backdated holiday pay is discounted so actual yearly wage is £14,560, therefore claimant is eligible for RTWC.

Foster Carers

114. A claimant who is a foster carer can receive RTWC provided that they are in receipt of an allowance payment from the local authority, no longer receiving an eligible benefit and meets the eligibility conditions. This will be in addition to any expenses and basic allowances normally paid.

115. These claimants can provide evidence from documentation given from the local authority or foster agency. At the 3 month check these claimants can also show proof of their registration with HMRC as self employed (although will not normally pay tax or National Insurance).

Claimant Working Overseas

116. If the claimant is due to start work or be self employed outside the UK, or work for an overseas employer, RTWC can only be paid if the job is subject to UK [Employment Legislation](#) and taxation. If this is not the case, RTWC is not payable.

Agency Workers

117. If the claimant finds work through an agency, it is the hours worked and salary earned in the job placement(s) that determines eligibility to RTWC. E.g. agency finds claimant 2 cleaning jobs of 8 hours each and combined salaries are £12,000, claimant is entitled to RTWC. Agency then finds claimant a job in factory for an additional 5 hours per week but the combined salaries are then £17,500 per year, claimant is no longer entitled to RTWC.

Sleepover Duties

118. If an employee is required to undertake sleepover duties as part of their normal working hours, you will need to establish if the National Minimum Wage rules apply to those hours worked. You will need to establish whether the claimant is a salaried hours worker or a timed hours worker and what if any duties they are required to undertake during the sleepover period. Please see the Directgov website for further details [Calculating the National Minimum Wage: time work or salaried hours: Directgov - Employment](#)^{web}.

Commission-only Employment (Employed Claimants Only)

119. For claimants in commission-only employment (not self employed), a letter from the employer stating that the job **will** meet National Minimum Wage is required as evidence at the initial application (and review) stage.

Travel Costs

120. If the travel pay is reimbursement for travel costs incurred as part of the job, then they should not be counted towards the £15,000 gross salary limit.

However, if it is a benefit of the job that is paid regularly, it should be counted.

121. If the claimant receives differing sums of expenses each month then that would suggest a refund rather than an allowance and should be disregarded.

122. For further information see the attached link to the [HMRC](#) website.

Approving & Authorising Applications

Claimant is Eligible

123. If the claimant is eligible the RTWC approver (Band B) must;

- Complete the approval section on the [RTWC2JP](#),
- Complete form [RM2](#). The RM2 must be transferred electronically both to the authoriser and then subsequently to Shared Services. The form must be completed on the intranet and then emailed to the RTWC authoriser at Band C grade.
- For an aide memoir on completion of the online RM2 please see [Shared Services Homepage](#).
- Once part 6, completer details, is completed the RM2 should be emailed to the authoriser by selecting the 'Send form to authoriser' button.
- Any amendments needed on the [RM2](#) must be completed on a new RM2 and emailed once more to the RTWC authoriser. To identify this RM2 as an amended version, please ensure the word 'amended' is added to the subject line of the email.
- A note should be placed within the claimants record in Legacy and LMS stating the claimant is in receipt of RTWC, the date RTWC is awarded from, the date the RM2 was sent to Shared Services and the RTWC team's location and telephone number.
- Pass forms [RTWC2JP](#) (and [RTWC3JP](#) if appropriate) to the RTWC authoriser. It is a good practice if possible to input a note within the Legacy notepad of the last benefit the claimant was in receipt of stating "WARNING – Claimant iro RTWC / IWC from xx/xx/20xx. If claimant returns to benefit contact (insert team and location) on (insert telephone number), failure to do so may lead to an overpayment".

Note: All the information required for the pre-payment check will be included in the emailed RM2. However offices must consider how they are to facilitate the post – payment checks. It may not be practical to store electronically all the RM2's. It may therefore be appropriate to print one copy of the RM2 and keep with the RTWC2JP. In addition detail may be required for balance of time and possible overpayment action.

Account and Cost Centre Codes

124. The correct codes must be input correctly on the RM2 form.

125. The [ACME](#) tool located on the Adviser site provides details of the correct account and cost centre codes for your district by completing the boxes with the correct information. You can access [ACME](#) by clicking on the link.

126. The cost centre code to be used is the Employment Group cost centre, which have not yet been amended to reflect the restructuring of Jobcentre Plus. As such it is possible that two sites in one district will have a different cost centre.

127. For instance Ayr and Barrhead are both within the West of Scotland district, but will continue to have different cost centres as they were prior to the restructuring part of different districts (Ayrshire, Dumfries, Galloway and Inverclyde / Highlands Islands, Clyde Coast and Grampian).

Step	Action
1	In the 'Group' field select the correct group from the drop down menu.
2	In the 'District' field select the correct district from the drop down menu.
3	In the 'Site' field select the correct site from the drop down menu.
4	In the 'Client Group' field, select 'Sick/Disabled Claimants from the drop down menu.
5	For the 'Programme Type' field, Return To Work Credit must be selected.
6	For the 'Payment Type' select Return To Work Credit.
7	In the 'Payment System' field select RM2.
The correct codes should now be populated within the pink box. There should also be a tick within the shield at the centre of the screen that indicates the tool has been used correctly.	

128. The correct **account code** from 4 July 2011 must be used of;

- **51016.**

Previous account code 51017, which was used for Provider-led Pathways to Work areas, is no longer to be used from 4 July 2011. All previous Provider-led Pathways to Work areas must use account code 51016 from 4 July 2011 for all RM forms.

129. Make sure the correct **EG cost centre** is used by completing the [ACME](#) tool.

130. The correct **Company number** to use is **11 WWEG**.

Claimant is Not Eligible

131. If the claimant is not eligible for RTWC, take the following action;

Step	Action
1	If the claimant is not eligible to claim RTWC, issue RTWC Letter F (see Annex D) - 'Not entitled'.
2	If a claimant is unhappy with the decision, take action as in the disputed decisions guidance .

3	Record in LMS Conversations the reason why the claimant is not eligible and that they have been informed.
4	Notify the Benefit Delivery Centre claims maintenance team that the claimant has a job to start. This will help prevent any overpayment of benefit.

Disputed Decisions

132. If a claimant is unhappy with a decision, the RTWC approver should discuss the case with the RTWC authoriser. If the decision remains not to award RTWC, the approver should advise the claimant to write to the authoriser stating why they are unhappy with the decision. The authoriser will then review the decision and notify the claimant of the outcome. There is no right of appeal against non-payment of RTWC as it is not covered by Social Security Legislation; it is paid under cover of the Employment and Training Act 1973.

133. Any further escalation should be through the normal complaints procedure that has been agreed locally.

134. This can apply to any decisions made by the RTWC processing team, not just award decisions (for example, whether a claimant is classed as [vulnerable](#) or not).

Pre-authorisation Check by Authoriser (Band C)

135. Before authorising a RTWC application, the authoriser must be satisfied that the claimant is eligible to RTWC. The authoriser is responsible for checking 100% of all applications to RTWC.

136. The check will include that;

- The claimant has been entitled to a qualifying benefit as detailed in the [eligibility section](#) and that claim to benefit has been closed,
- The claimant is starting a suitable job, whether employed or self employed, which,
- Is full time, i.e. 16 hours a week or more,
- Has a salary or earnings that are not expected to exceed £15,000 gross per year,
- Is expected to last for 5 weeks or more,
- Complies with [Employment Legislation](#), e.g. pays the appropriate National Minimum Wage,
- The claimant has made a valid RTWC claim within 5 weeks of starting work, or [good cause](#) applies,
- The [RTWC2JP/RTWC3JP](#) and [RM2](#) have been completed correctly.

RTWC Application is Authorised

137. The authoriser must authorise the [RM2](#).

138. The approver must then take the following action;

Step	Action
1	Notify the relevant Benefit Processing Section (by email, telephone, or JCP25) that the claimant has a job to start and is in receipt of RTWC for 52 weeks. This will help prevent any overpayment of benefit.

2	<p>Set up an LMS Workflow for week 8 and week 22 or week 12 and week 35. These are set to issue the claimant;</p> <ul style="list-style-type: none"> • A reminder to supply evidence of earnings by week 12 or 16. • A reminder to supply evidence of earnings by week 26 or 39. <p>Note - The date the claimant starts work should be used to determine the 8 and 22 or 12 and 35 week point. This is linked to the duration of their employment, NOT to the number of RTWC payments made.</p> <p>Set up another LMS Workflow for week 26 to carry out the benefit check if carrying out the reviews at week 16 and 39.</p>
3	File the RTWC2JP and RTWC3JP in the clerical claimant record.
4	<p>Email the RM2 to Shared Services by selecting the 'Send authorised form to Shared Services' button.</p> <p>Do this as soon as possible and retain a copy of the authorised RM2 in clerical claimant record.</p>
5	<p>Issue the award letter RTWC6JP to the claimant. (See Guidance on the Completion of RTWC Forms – Annex B); Issue RTWC5JP for Change of Circumstances with business reply envelope. For self employed claimants issue the RTWC8JP for the customer to complete.</p>

RTWC6JP and Notifications from Shared Services

139. From 2nd August 2010 Shared Services will no longer send notification to new recipients of RTWC each time a payment is made into their account.

140. It is essential therefore that the correct RTWC6JP is issued to any new recipients of RTWC if the RM2 is likely to be received / actioned on or after 2nd August 2010.

141. The RTWC6JP must make reference to the payment appearing 'on your bank or building society statement with the following description; DWP HSBC2xxxxxxxxx. This 10 digit reference number starting with 2 is the unique payment reference number for that payment.

142. Any claimant whose payments commenced prior to 2nd August 2010 will continue to receive weekly notifications.

Notes Page

143. The notes page attached to the RTWC6JP is intended to reduce the number of queries raised by claimants by giving them key information at the award stage.

Change of Circumstances

144. Claimants are advised once awarded RTWC that they are required to notify a change of circumstances by completing form [RTWC5JP](#) (which they are issued when they are awarded RTWC) and sending it to the RTWC Team.

145. If the claimant attends the Jobcentre with form [RTWC5JP](#) check all parts of the form have been fully completed and the claimant has signed the form. Forward the form to the Return to Work Credit Team on the same day and note LMS in conversations saying that the form has been sent. If the

claimant attends the Jobcentre but does not have the form [RTWC5JP](#), issue a form for completion in the office and send it to the RTWC Team on the same day.

Claimant Notifies a Change of Circumstances Using RTWC5JP

146. The claimant is required to notify a change of circumstance by completing a change of circumstances form – the [RTWC5JP](#). (See [Annex B](#) – completion of forms).

147. On receipt of the [RTWC5JP](#), the approver must;

Step	Action
1	Establish whether the change affects entitlement to or payment of RTWC. Check that all relevant parts of the form have been fully completed and the claimant has signed the form. If it is not completed return the form to the claimant and notate LMS.
2	If the change does not affect payment send RTWC Letter J(1) (see Annex D) and new RTWC5JP to the claimant.
3	If the change affects payment of RTWC (e.g. change of address, change of bank details or change of method of payment), an RM3 must be completed and e-mailed for action. Record the details of the change on LMS Print a copy for the clerical record.

148. If the change results in RTWC ceasing, take the action in the [termination guidance section](#).

Claimant Notifies a Change of Circumstance by Telephone

149. If the claimant notifies a change of circumstance by telephone, establish whether the change is going to affect entitlement to or payment of RTWC.

150. If the change does not affect RTWC, the claimant is not required to confirm this change in writing. Record the details of the change on an [RTWC5JP](#) and record the details of the change on LMS. A claimant signature does not need to be obtained.

151. If the change results in RTWC ceasing take immediate action as detailed in the [termination](#) guidance and ask the claimant to confirm the change in writing.

152. If the change affects payments but does not result in a termination i.e. change of bank details, complete the [RM3](#) and email for action and ask the claimant to confirm the change in writing.

Claimant Notifies a Change of Circumstance by Letter

153. If the claimant notifies a change of circumstance by letter, the claimant does not need to complete a [RTWC5JP](#), provided they have signed the letter.

154. Establish whether the change is going to affect entitlement to or payment of RTWC.

Types of Change

Claimant is Absent from Work

155. If a claimant is absent from work due to sickness and the employer pays SSP, the claimant is classed as still being in employment and RTWC payments should continue. If SSP is not paid and the claimant claims any benefit, RTWC should cease. Also, if SSP is paid, and the claimant claims a benefit, for example IS as a top-up to SSP, then RTWC should cease.

156. If the claimant is not entitled to SSP, and chooses not to return to benefit, the period that they are away from work will be classed as [unpaid leave](#).

157. If the claimant returns to eligible employment within 13 weeks they are able to claim [Balance of time](#).

158. A claimant off work on maternity leave and in receipt of SMP from the employer should continue to receive RTWC. If the claimant makes a claim to Maternity Allowance or other benefit, as her employer is not paying SMP, RTWC should cease.

159. A claimant off work on paternity leave and in receipt of SPP from the employer should continue to receive RTWC. If the claimant makes a claim to benefit, RTWC should cease.

160. With regards to the 12 and 26 week reviews (16 and 39 week reviews for trial regions), if the claimant has been paid SSP, SMP or SPP, they should be treated as if continuously employed. Wage slips obtained for evidence at these stages should show periods when not on SSP/SMP/SPP if possible.

Unpaid Leave

161. If a claimant takes unpaid leave, they are still classed as being employed and RTWC payments should continue as long as the average hours worked over the 52 week period are 16 hours or over.

Claimant Changes Hours/Salary

162. Please see the section on [Determining Gross Annual Salary/Hours Worked](#), as this will apply during the claim as well as at the application stage.

Claimant Changes Job

163. There may be instances where a claimant moves directly from one job to another with a break of 5 weeks or less and does not claim benefit in between. In these circumstances RTWC payments can continue.

164. If the claimant has a known job start when they finish their first employment follow the step action below;

Step	Action
1	Check that the new job is eligible , e.g. hours, salary/income etc, and that it complies with Employment Legislation . RTWC payments must be terminated if there is any doubt.
2	Check on the new start date that the claimant has started the new job and that no benefit has been claimed in the interim.
3	Information must be gathered from a RTWC2JP or RTWC5JP (the claimant must be advised of the detail requested if completing the

	RTWC5JP to enable the decision about whether the job is eligible) with the new employer details.
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165. If the claimant does not have a known job to start within 5 weeks of leaving their first employment but subsequently finds work within 5 weeks and does not claim benefit follow the step action below;

Step	Action
1	If a claimant does not initially have another job to start within 5 weeks of the first job finishing, RTWC payments must stop. RTWC must not continue for 5 weeks in order to allow the claimant to find another job. Consider whether the claimant is classed as vulnerable and complete an RM3 ; with a termination date the claimant ended their employment. Print office copy of RM3 and file in clerical record.
2	A claimant may find another job within 5 weeks and not have claimed benefit. RTWC can be reinstated from the original termination date as long as the new job is eligible. Each case must be considered on an individual basis.
3	Information must be gathered from a RTWC2JP or RTWC5JP (the claimant must be advised of the detail requested if completing the RTWC5JP to enable the decision about whether the job is eligible) with the new employer details. Check that the new job is eligible , e.g. hours, salary/income etc, and that it complies with Employment Legislation .
4	Use the start date from the original RM2 and the termination date from the RM3 so that RTWC can be reinstated from the following week for the completion of the RTWC2JP .

166. If the claimant claims benefit and then starts a new job they may be entitled to [balance of time](#).

Note: The paragraphs on Claimant Changes Job above also apply where a claimant with more than one job loses one of their jobs and their total hours worked are now less than 16 hours.

Claimant Stops Work and Claims Benefit

Note: If the job ends before 5 weeks, provided the claimant expected it to last 5 weeks or more at the time of application, they should be paid for the period it did last, even if the claim has not yet been processed. If the claimant is not sure when they make their application we ask them to provide confirmation from the employer that the job is expected to last more than 5 weeks.

167. RTWC team will receive notification from the Benefit Delivery Centre that a new claim to benefit has been made. The BDC will contact the RTWC team to advise them to terminate payments of RTWC.

168. The RTWC Team must check that the claimants details and the employer's details are as declared on the [RTWC2JP](#) or on the [RTWC5JP](#).

169. Take action to terminate the payments as per the [termination](#) section.

170. Issue a [RTWC5JP](#) to the claimant along with RTWC Letter L (see [Annex D](#)) explaining that you have sent the form because they have stopped working and any final payments will not be made until this form is returned. This will be required so a written record can be kept of the claimant finishing work.

171. When the completed [RTWC5JP](#) is received, take the following action;

Step	Action
1	Check that all parts of the form have been fully completed and the claimant has signed the form.
2	Where appropriate, complete an RTWC2JP (notate 'constructed from RTWC5JP ') and RM2 form giving the changed details and pass to authoriser to authorise any remaining payments.
3	Send the original RM2 to Cardiff and file a copy along with the RTWC2JP and RTWC5JP in the clerical claimant record. Note the details of the change on LMS.

Claimant Starts a New Job or Salary Increases with Current Job with a Gross Annual Salary of Over £15,000

172. If a claimant who is in receipt of RTWC reports that they have started a new job or that the salary for their current job has increased, ask the claimant to provide wage slips / evidence of their new job / salary. In these circumstances where the gross annual salary is now more than £15,000, they are no longer eligible for RTWC from the date they started the new job / received the salary increase.

173. When the wage slip indicates that the current gross annual salary is more than £15,000 then RTWC should be stopped. It is not relevant at this point whether the claimant will receive £15,000 or more in the year.

Example

A claimant commences work and for the first 8 months of employment is paid £800 gross per month. This equates to a gross annual salary of £9,600 per year, and as such RTWC is payable. At the start of month 9 their hours increase and they receive at the end of month 9 a gross wage of £1,350. This equates to a gross annual salary of £16,200. The gross wage of £1,350 will be paid for the foreseeable future. The RTWC should cease from the date the claimant receives the increased wage at the end of month 9 as the claimants gross annual salary is now over £15,000.

Claimant Is Suspended From Employment

174. A claimant in receipt of RTWC, who has been suspended from employment by their employer, with or without pay, is deemed to be working. Provided they still have a contract of employment and do not claim any benefits, they will continue to qualify for RTWC.

175. If the claimant claims benefit, their payment of RTWC should be terminated.

Notification That Claimant Has Died

176. If notification is received stating the claimant has died, complete the form [RM3](#) to terminate payments. The termination reason 'Claimant

deceased' should be selected from the drop down menu in section 4 of the RM3. Once completed send the RM3 to Shared Services. A payment will be made up to the Sunday following the date of death. The payment stop date must also be recorded, which must be entered as the claimants actual date of death.

177. If the claimants next of kin or an Appointee (i.e. an executor of the will) brings in an un-cashed cheque for the claimant, they can ask for it to be made out to them up to the date in which the claimant was entitled to the RTWC payments, providing they are: (i) able to provide a death certificate; and (ii) can prove that they are the next of kin or the appointee. Send the cancelled cheque to the SSC, explaining what has happened and that the money should be paid to the next of kin, giving their name and address.

178. If an overpayment is identified on a deceased claimants claim, Shared Services will write the overpayment off.

Non Receipt of RTWC Payments

Non Receipt of Cheque (Giro)

179. On receipt of information from the claimant the RTWC approver will contact SSC Helpdesk (0845 602 8244) to ensure that the payment has been issued.

180. If the payment has been made and the claimant details are correct the following action must be taken;

- QB52 is completed by claimant and kept at local office.
- FF74 is to be completed by the RTWC approver at the local office and sent to National Girobank to query whether the Cheque (Giro) has been cashed.
- The decision to replace the Cheque (Giro) should be made by the Band C Authoriser at the local office.
- Submit a new Payment Authority RM1 to Shared Services P2P. In the Invoice Reference field you must quote **Replacement**.

181. If the payment details have been incorrectly processed by P2P, they will take the necessary follow-up action and replace the Cheque (Giro).

Non Receipt of Payable Order

182. On receipt of the information from the claimant the RTWC approver must confirm with the Helpdesk (0845 602 8244) that the payment has been issued.

183. If the payment is to be replaced one of the following actions will need to be taken;

- Payment was made to the correct details – The RTWC approver should send an email request to the Returned Payments Team at P2P to cancel the Payable Order and re-submit to the original details supplied.
- If the RTWC team have incorrectly supplied details – The RTWC approver should send an email request to the Returned Payments Team at P2P to cancel the Payable Order. The RTWC processor should then email a new Payment Authority RM1 to Shared Services P2P. In the Invoice Reference field you must quote **Replacement**.

- Details incorrectly processed by P2P - they will take the necessary action to replace the payment.

Note: To email the Returned payments Team select the following link;

[SHSVCS Cardiff Returned Payment Investigation Team](#)

Reviews

184. Each RTWC team can decide when they wish to do the reviews.

Teams can choose to either do reviews at:

- 12 and 26 weeks, or,
- 16, 26 and 39 weeks. The 26 week review is a benefit check only.

185. Depending on when teams decide to do the reviews will also depend on when the LMS workflow is received.

186. An LMS workflow will be received at 8 and 22 weeks for the 12 and 26 week reviews or at 12, 26 and 35 weeks for the 16, 26 and 39 week reviews after the claimant has started to claim RTWC. Upon receipt of the workflow the RTWC team must;

- Undertake a benefit check. Check within Legacy systems (PSCS, JSAPS and ISCS) to see if the claimant has returned to benefit. If they have returned to benefit there is no need to issue the review letter requesting evidence of earnings and/or trading. RTWC payments should be terminated by using form RM3. If the claimant has not returned to benefit proceed as below.
- Complete and issue RTWC letter A1 to the claimant requesting evidence of earnings and/or trading. The deadline for the claimant to return the evidence to us should be 12 and 26 weeks or 16 and 39 weeks from the date they started work. This is linked to the duration of their employment, NOT to the number of RTWC payments made.
- Record in LMS Conversations and the clerical claimant record that the review letter has been issued and the date.

187. It is the choice of each individual RTWC team whether they want to issue the reminder letter at weeks 10 and 24 for the 12 and 26 week reviews or 14 and 37 for the 16 and 39 week reviews.

188. Whether or not the reminder letter is to be issued will determine the date to queue the next LMS workflow to check if evidence has been received. The LMS workflow should be queued as per either [the reminder letter is to be issued](#) or [the reminder letter is not to be issued](#).

Note: If the reviews are to be done at 16 and 39 weeks, a benefit check must be done at week 26. See [The 26 Week Benefit Check](#).

The 26 Week Benefit Check

189. When the 26 week benefit check is due, access Legacy (PSCS, JSAPS, ISCS) to determine whether the claimant is currently in receipt of benefit. For further details, see the section on [Confirming Eligibility on Benefit Grounds](#).

190. If the claimant is in receipt of benefit, take action to terminate the payments as per the [termination](#) section.

191. Issue a [RTWC5JP](#) to the claimant along with RTWC Letter L (see [Annex D](#)) explaining that you have sent the form because they have stopped working and any final payments will not be made until this form is returned.

This will be required so a written record can be kept of the claimant finishing work.

192. When the completed [RTWC5JP](#) is received, take the following action;

Step	Action
1	Check that all parts of the form have been fully completed and the claimant has signed the form.
2	Where appropriate, complete an RTWC2JP (notate 'constructed from RTWC5JP ') and RM2 form giving the changed details and pass to authoriser to authorise any remaining payments.
3	Email the RM2 to Shared Services and file a copy along with the RTWC2JP and RTWC5JP in the clerical claimant record. Note the details of the change on LMS.

Additional Reviews

193. The approver may set additional reviews at their discretion if they feel that the case is complex enough to warrant further tracking, or that the 12 and 26 or the 16 and 39 week reviews are not sufficient to determine continued eligibility.

The Reminder Letter Is To Be Issued

- An LMS workflow should be queued for 10 working days after the review letter has been sent to check whether evidence has been provided. If no evidence has been provided complete and issue RTWC Letter B (see Annex D).
- Queue another LMS workflow for a further 10 working days to check if evidence has been provided.
- The LMS workflow will then be received at 12 and 26 weeks or 16 and 39 weeks to check whether evidence has been provided.
- If no evidence has been provided take termination action as detailed in the [termination section](#).

The Reminder Letter is Not to be Issued

- An LMS workflow should be queued for 20 working days after the review letter has been issued to check whether evidence has been provided.
- If no evidence is provided, take termination action as detailed in the [termination section](#).

Evidence Of Earnings / Income Required

194. As part of a continuing claim to RTWC the claimant must provide evidence at either weeks 12 and 26 or weeks 16 and 39 of their salary/income from trading. Evidence is needed to ensure that they are;

- Not earning a gross annual salary of £15,000 or more, and
- Still working 16 hours or more a week.

Note: Original payslips or documents should be provided as evidence by the claimant. Either their two most recent payslips or evidence of income if they are self employed. If the claimant is paid monthly they may not have two payslips at the time of the first review, they will be required to obtain a letter from their employer to confirm that they are still in suitable employment.

195. Faxed evidence can be accepted direct from a claimants employer as long as the evidence is on the employers headed paper. You must be happy that the fax has come direct from the claimants employer. If you have any doubt you should contact the employer to confirm.

196. If evidence to the contrary is received RTWC payments must be [terminated](#).

197. Do not use the taxable wage-to-date figure as this may include wages paid to the claimant for a period outside the period of eligibility for RTWC. But consider if this suggests that the claimants current gross salary may exceed £15,000. If any payments are made for regular overtime, commission or bonuses are paid, take these into account as part of the gross annual salary.

198. The amount of gross annual salary paid to the claimant in the current tax year should not be used in determining the claimants eligibility to RTWC. Instead, consider the expected gross annual salary of the job the claimant has started in determining eligibility to RTWC.

199. If the job is expected to be permanent, to calculate the gross annual salary, use the gross payment figure on the wage slip to identify the weekly gross salary or monthly gross salary. Use this figure to determine the annual salary by multiplying by 52 or 12 respectively (or by 13 if salary is paid every 4 weeks).

200. In cases where the claimant is starting a job for a specific period of time, for example a six-month contract, the salary should be averaged over the relevant period. You will need to determine the annual salary to confirm eligibility i.e. if claimant starting a 6 month contract multiply the salary by two.

201. Do not take any backdated holiday pay or hours in lieu from previous employment into account for earnings or hours if the holiday was accrued during the period of illness prior to the RTWC claim.

202. If the claimant has been in receipt of SSP/SMP for the period shown on their wage slips, they should be asked to provide wage slips from a period not on SSP/SMP so as to determine hours/earnings if possible.

For Self Employed Claimants

203. At the review stage self employed claimants will be expected to provide evidence that they have been meeting the [eligibility criteria](#) for RTWC.

204. The claimant must establish that their profit, less allowable expenses, will be less than £15,000 per year. This profit figure should include any wages (also known as drawings) the applicant intends to pay to himself.

205. Reasonably incurred expenses can be deducted from the claimant's income as long as they are appropriate, necessary and not excessive.

206. Expenses that can be deducted include;

- Accountancy fees
- Advertising costs
- Cleaning of business premises
- Stationery
- Stock purchases
- Telephone costs
- Rent, council tax and insurance on premises
- Transport costs in connection with running the business (not for getting to and from work).

Note: This list is not exhaustive. For details of what are or are not allowable expenses please see [HMRC website](#).

207. An individual may overestimate their anticipated first year of business profits on the business plan. If the applicant's business plan is being used as evidence to assess RTWC eligibility this may make them ineligible for RTWC.

Evidence of Trading Required

208. At the either the 12 and 26 or 16 and 39 week point, self employed claimants must provide evidence of continued trading. The type of evidence that can be accepted depends upon the type and size of business, but must include completed self employed income forms, [RTWC8JP](#).

209. This must have been agreed with the claimant and recorded on the [RTWC3JP](#) when they initially apply. For example;

- A sole trader may be able to show some form of debtors' or creditors' list, such as a record of goods bought and sold or people to whom services have been supplied.
- A taxi driver, subcontracted builder or consultant may have a contract or written agreement with the company for whom they are working. However, this on its own is not sufficient evidence for the continuation of RTWC. The claimant must also provide evidence that they have worked the hours and are receiving the income specified in the contract/agreement.
- Consultants may have contracts with claimants or sales invoices.
- Larger businesses may have recent examples of financial accounts, sales invoices or VAT returns. Note: evidence of VAT registration will not usually be available as compulsory registration applies only to businesses with a high turnover. However, claimants can choose to register if they wish.
- In the majority of cases business bank account statements should be available.
- Proof of registration with Her Majesty's Revenue & Customs.
- Claimants must keep documentation for HMRC purposes, which could also form part of the evidence.
- Pay advice if the claimant is also employed elsewhere.

Note: Please see the [HMRC website](#) for details of what is considered as self employment and what is not.

210. The approver is not expected to interpret the evidence supplied but they must be sure that a business is being conducted. If they are unsure about suitability they should ask the authoriser for advice or ring the Live Support Advice Line on 01253 833200, selecting option 2 'Labour Market Policy'.

211. The claimant does not have to be undertaking 16 hours a week in the main focus of the business, but must show that taking into account other activities they are working for 16 hours a week. For instance a self employed hair stylist may spend 12 hours a week on average with paying claimants, but also spends 4 hours a week undertaking marketing, purchasing stock, book-keeping and travelling to claimants' premises. In this case the claimant meets the 16 hour criteria.

212. In many cases, the business will not show a profit at 12 or 16 weeks. For RTWC payments to continue the claimant must show evidence of marketing the business or some other activity, for example, bookkeeping. The claimant's marketing strategy will be shown in the business plan and the type of evidence to demonstrate marketing will have been agreed when RTWC was initially set up. This may include whether the claimant is undertaking upkeep of a website, or organising advertising through newspapers or door-to-door flyers.

213. The claimant should be asked to complete further copies of the [RTWC8JP](#) for the earnings check at either week 26 or week 39.

214. If there is little or no profit at week 26 or week 39, the claimant should be looking to find ways of improving their business. This may involve looking at the original marketing strategy and identifying areas for improvement. The claimant may consider seeking further advice from a small business adviser. If the approver has concerns, they should consider a further check at a later stage to ensure the business has commenced.

Evidence Received Within Timescale

215. Upon receipt of the evidence of earnings/income from trading check that it has been received within 10 working days following the review letter being sent. When the evidence is received, clear the outstanding Workflow.

216. If evidence is not provided after a reminder letter (optional) has been sent, take termination action as detailed in the [termination](#) section of this guidance. If no reminder letter is sent, termination action should only be taken 20 working days after sending the review letter.

Check for Suitable Evidence of Earnings

217. The approver must check that the claimant has provided suitable evidence of earnings/trading. Check that;

- The evidence covers the two most recent pay periods and includes income from any self-employment.
- The evidence refers to the claimant i.e. NINO or company name (for self employment) matches.
- The evidence of trading is appropriate and as agreed on the self employment application form.
- The salary is as declared on the application form and the gross annual salary/income from trading does not exceed £15,000.
- The job complies with the [Employment Legislation](#); and
- The claimant has not reclaimed any benefit.

Wage Slips Differ

218. If one of the wage slips shows a monthly wage that would exceed the annual £15,000 gross limit, you may wish to contact the claimant to establish their average monthly pay. If necessary, ask the claimant to send a letter from their employer confirming what their gross annual salary is.

219. If the wage slip provides evidence that the claimant's salary may exceed £15,000, check if the claimant has started a new job. If so, check the expected annual salary. If it exceeds £15,000 the claimant is no longer eligible

for RTWC. Terminate RTWC payments using form [RM3](#). Use a termination date that is the date on which the claimant started the new job.

220. But, if their higher monthly wage is an irregular payment, establish how often they expect to receive this amount and average the earnings over the year. Providing the gross annual salary does not exceed £15,000, RTWC payments can continue.

Evidence is Suitable

221. If the evidence is suitable, payments of RTWC can continue.

Step	Action
1	Send RTWC Letter D(1) or RTWC Letter D(2) (see Annex D) to the claimant informing them that their RTWC payments will continue.
2	Take photocopies of the wage slips/evidence of trading and file them in the clerical claimant record. Send the originals back to the claimant using the appropriate method – please see section 4.9 here for more details.
3	Record in LMS conversations and the clerical claimant record that payment will continue.
4	At first review queue an LMS Workflow for either week 22 for the week 26 earnings check or week 26 for the benefit check and then week 35 for the week 39 check. Note if you need to send further copies of RTWC8JP (not for the 26 week benefit check).

Evidence is Not Suitable

222. If the evidence received is not suitable.

Step	Action
1	RTWC Letter D(3) (see Annex D) to the claimant explaining why their evidence is not suitable.
2	Record in LMS conversations why the evidence was not suitable.
3	Set up an LMS Workflow for 10 working days (from the date stated on the letter informing the claimant that their evidence was not suitable) to follow up whether further evidence has been received.

223. If suitable evidence is received follow the actions under [Evidence is Suitable](#).

224. If suitable evidence is not received within 10 working days;

- Complete and issue RTWC Letter E (see [Annex D](#)) to the claimant explaining why the evidence is not suitable,
- Take action to [terminate](#) the payments,
- Record in LMS Conversations and the clerical claimant record why the evidence was unsuitable.

Inappropriate Wage Slips

225. The Trade Union Reform and Employment Rights Act 1993, amended by the Employment Protection (part time employment) Regulations 1995,

states that an employer must issue employees with an itemised pay statement showing gross and net pay and deductions, every week/month.

226. Should the claimant say they have not received a suitable pay statement or the pay statements are not suitable, the employer may be in contravention of the Act and consideration should be given to withdrawing RTWC.

227. Providing they comply with these regulations, wage slips of any form (from computer generated to hand written) can be accepted. If the claimant provides wage slips that are hand written you may contact your regional Investigation and Compliance Officer (ICO) for advice if you are not sure it is genuine.

Evidence is not provided in time or confirms ineligibility

228. If the claimant does not provide evidence in time or salary/income from trading or the evidence they provide shows that they are not eligible for RTWC the RTWC approver must follow the [termination](#) action.

Applying Good Cause

229. The purpose of RTWC is to encourage the claimant to enter and remain in employment. Officers should exercise discretion in determining if the claimant has good cause for providing evidence late.

230. Good cause can be considered if the claimant has;

- Misunderstood any requirements given to them due to any learning, language or literacy difficulties.
- Been given misleading information by a member of staff.
- Been subject to domestic emergencies including flooding, loss of gas/electricity supply, structural damage to the home etc.

Note: This list is not exhaustive.

231. Good cause decisions must be recorded in LMS conversations and on the claimant clerical record in order to satisfy any subsequent mandatory test check procedures.

232. If good cause is not shown for the late return of evidence, for example wage slips the termination decision at weeks 12/26 or weeks16/39 stands.

Terminated Payments

233. When it is decided that termination action is required take the action below;

Step	Action
1	Complete a Termination of Payments form RM3 . The date recorded on the form should be the date stated on the last reminder letter or date of death. The SSC will then terminate from the next payday; consider if recovery is appropriate.
2	Record in LMS Conversations and the clerical claimant record the reason why payments are being terminated and date RM3 issued.

234. When RTWC payments are terminated, for whatever reason, the claimant will receive a payment up to and including the following Sunday.

235. To ensure that the claimant is paid for the correct period, the termination date to be entered on form [RM3](#) should be the date stated on the last reminder letter or date of death or the date in which they became ineligible, examples are;

- The date after the claimant finished work,
- The date the claimant started working with a gross salary over £15,000, unless you are considering averaging the claimant's salary over a 12 month period. In these cases, the termination date will be the date you decide the claimant does not meet an average of under £15,000,
- The date the claimant's working hours reduced to below 16 hours per week, unless you are considering averaging the claimant's hours in a 12 month period. In these cases, the termination date will be the date you decide the claimant does not meet an average of under 16 hours, and,
- When a claimant has failed to supply wages evidence: the date given (time period) in the last reminder letter for evidence to be returned.

Example Of Terminating RTWC Due To No Wages Evidence Received

Claimant issued 1st reminder for wages evidence 15/06/09. (Evidence due back on 29/06/09)

No wages evidence received.

Claimant issued 2nd reminder letter for wages evidence on the 30/06/09. (Evidence due back on 14/07/09)

Checks made on the 15/07/09: No wages evidence received.

RTWC is terminated using termination date 14/07/09. (The date the evidence was due back from the second reminder)

As part of terminating a claim you must also consider whether the claimant is classed as vulnerable. This will determine whether recovery of any resulting overpayment is appropriate. (See [Overpayments](#))

Overpayments

The Process

236. Following Shared Services input of a termination date taken from an RM3, Shared Services will identify and calculate any overpayment on a claimant's RTWC payments. They will instigate recovery action in all appropriate cases by contacting the claimant in writing and recording the debt on RM. However safeguards are in place and must be used to prevent [vulnerable claimants](#) from being pursued for repayment of overpayments.

237. Once Shared Services have set up overpayment details on the RM system and notified the claimant, the actual recovery is pursued by the Accounts Receivable (AR) team in Norcross. They will discuss and agree repayment terms with the claimant if necessary. Staff should not attempt to make any arrangements themselves about recovery of RTWC.

238. As RTWC is paid under the Employment and Training Act of 1973 it is not covered by Social Security benefit legislation, and as such there is no recognised concept of official error. As such most overpayments should be pursued. The only overpayments that should be automatically determined as non-recoverable are those where the claimant is classified as vulnerable.

239. If a claimant has returned to benefit, but not notified the RTWC team of the fact, the overpayment is still recoverable, even though they will have informed Jobcentre Plus when making the claim at First Contact. The customer does accept responsibility to repay any overpayment of RTWC when signing the statement on the RTWC2.

240. If a claimant contacts the RTWC team to discuss repayment terms, they should be advised to contact the Account Receivable team at Norcross on 01253 332248.

241. If no attempt is made by the claimant to repay the overpayment to the Accounts Receivable team, they will pass the claimants details on to the Corporate Debt Control Unit ([CDCU](#) (Washington)). The CDCU will then contact the claimant in writing and/or telephone to attempt recovery. If a claimant queries any contact they have had from CDCU they should be advised to contact CDCU on 0191 2248669 or 0191 2247774.

242. CDCU will not refer any overpayments of RTWC to one of the contracted Debt Recovery Service suppliers. If CDCU are unsuccessful in recovering the overpayment they will refer back to the debt owner to consider write off.

243. Shared Services will not pursue overpayments in all circumstances. A brief summary of this is as follows;

- Overpayments of up to £120 will not be pursued.
- Overpayments between £160 and £260 will receive the two letters from the AR team, but are not referred on to the CDCU if the claimant does not respond.
- Overpayments of £260 or over will receive the two letters from the AR team, and if no repayment is made it will then be sent to CDCU.

244. For more information please see the [CDCU](#) site.

Note: If an overpayment is identified on a deceased claimants claim, Shared Services will not raise the overpayment and it will be written off.

Notification Of Overpayments To RTWC Teams

245. Every six months the Accounts Receivable (AR) team will produce a spreadsheet containing a list of overpayments, the vast majority of which will have been raised in the previous 6 months, and forward it to the RTWC policy team, Sheffield. The policy team will identify each regions overpayments and forward a spreadsheet to the nominated person for action.

246. Due to the spreadsheet containing claimant details, the spreadsheet will be password protected. Further instructions will be sent out with each spreadsheet.

247. Once teams have received their overpayment spreadsheet the correct action must be taken to make sure the claimants documents are retained for a longer period than the normal retention period. This requirement is due to the fact that CDCU will be pursuing debt over a prolonged period, and as a result it is key that Jobcentre Plus retain the detailed evidence of the case of the overpayment. See [Retention of Documents](#) for further information.

Action if RTWC Stops, Overpayments Occurs and RTWC is Later Reconsidered

248. If a claimant in receipt of RTWC appears to be ineligible and an overpayment has occurred, action will be taken to retrieve.

249. If the claimant asks for a reconsideration, and also provides further evidence where it emerges that the claimant was entitled to RTWC for the period in which the overpayment is being taken, then the overpayment **must** continue for the period that SSC determine.

250. The monies that the claimant is repaying from the overpayment, will be paid again to the claimant, backdated from the date they last received RTWC, paid at the next pay date. For example;

- Claimant's evidence shows they have been earning over £15,000 for two months and claim is terminated on 19/03/2009.
- SSC begin overpayment action, recovering two months worth of payments.
- The claimant asks for a reconsideration and gives further evidence that they are/were eligible on 01/04/2009.
- The claimants RTWC is reinstated on 07/04/2009 and is backdated to and including the period in which the claimant is repaying the RTWC overpayment.

Note: The overpayment action continues, otherwise the claimant will be paid twice for the 2 month period in question.

Vulnerable Claimants

251. Safeguards are in place and must be used to prevent vulnerable claimants from being pursued for repayment of overpayments.

252. Vulnerable claimants are classed as those with;

- Mental health conditions, and/or
- Learning difficulties

253. In addition, the RTWC approver may decide that recovery is not appropriate from claimants with other medical conditions, where this would cause undue distress or anxiety. A decision that recovery is not appropriate can only be made based on medical ground. If there is any doubt the authoriser should provide advice.

254. If the claimant is classed as vulnerable, form [RM3](#) must be completed to show that overpayment recovery is not appropriate. On completion this form is e-mailed automatically to Cardiff SSC. An office print should be taken and filed in the claimant clerical record.

Reinstatement of RTWC but Overpayment Exists

255. In cases where good cause has been applied following a termination of a claim to RTWC (for example, a claimant demonstrates good cause for supplying evidence late for a review), payment is reinstated from the week following the termination. Payments must not be offset against any overpayment period.

256. Use the RM3 to calculate in which Monday to Sunday pay week the termination falls, in order to reinstate payment from the following week.

257. Use the original RM2 start date and the date from the RM3 to calculate the number of weeks remaining to be paid.

Retention of Documents

258. If an overpayment is raised on a claimants RTWC claim, you will be notified via the 6 monthly spreadsheet and the claimant documents must be retained for 6 years plus the current year from the date the overpayment is discovered. Unfortunately however the date the overpayment was discovered is not available within the spreadsheet. To ensure the documents are retained for the required period you should apply the six years plus the current year from the date the spreadsheet is received. Therefore all cases on a spreadsheet issued in February 2011 will need to be retained to the end of March 2017.

259. If upon receipt of the spreadsheet the documents have already been destroyed no further action is required.

260. If a case is selected for a test check, papers should be retained from the date of check for 14 months after the end of the operational year in which RTWC was awarded, providing no overpayment has been identified.

Note: If no overpayment is identified, RTWC documents only need to be kept for 14 months after the last RTWC payment was made and not 6 years.

Claimant Re-claims RTWC (Balance of Time)

261. If a claimant starts work again within 13 weeks of their previous job finishing for which they received RTWC the claimant can make a re-claim to RTWC, this is a balance of time award.

262. Upon proof of the renewed suitable employment, the approver can approve the RTWC for the remaining balance of the 52 weeks. A claim for balance of time must be made within 5 weeks of starting new employment.

263. A claimant can re-qualify for the full 52 week entitlement of RTWC. For further details on re-qualifying see section [Re-Qualification of RTWC](#).

Entitlement to Balance of Time

264. The claimant is due to a balance of time of RTWC of up to 52 weeks if;

- They were in receipt of RTWC whilst in their previous job,
- They start work again within 13 weeks (i.e. up to 13 weeks inclusive) of finishing their previous job for which they received RTWC,
- They received Incapacity Benefit (IB), Employment and Support Allowance (ESA), Income Support (IS), Severe Disablement Allowance (SDA), Statutory Sick Pay (SSP) (including at least 1 day's IB/ESA), Job Seekers Allowance (JSA), Retirement Pension (RP), Pension Credit (PC) a combination of these benefits or any of these as credits only or wholly benefit abated cases continuously during the break in employment. (Note – a weekend break between finishing work on a Friday and claiming benefit the following Monday would be allowed as part of a continuous claim),
- They are in employment, including self-employment, of 16 hours or more per week,
- The job is expected to last 5 weeks or more,
- The claim is made within 5 weeks of starting work, and
- The claimant's annual salary/income from self employment is expected to be £15,000 gross or less per year.

265. To calculate the 13-week period, the start date is the day after the claimant's last day in their previous job for which they received RTWC. The end date should be the day before they start work.

266. Access the Customer Information System (CIS) to check previous benefit entitlement as detailed in [Confirming eligibility](#).

Example 1

Claimant started work and received RTWC from 10/03/08.

Claimant finished work 02/03/09.

Claimant has received 51 weeks RTWC.

Claimant claims ESA from 03/03/09 to 31/05/09.

Claimant started new job 01/06/09 and re-claimed RTWC.

12 weeks have elapsed between ending and re-starting work.

Claimant is due 1 week's balance of time.

Example 2

Claimant started work and received RTWC from 02/03/09.

Claimant finished work 07/04/09.

Claimant has received 6 weeks RTWC.

Claimant claims JSA from 09/04/09 to 14/06/09

Claimant started new job 15/06/09 and re-claimed RTWC.

9 weeks have elapsed between ending and re-starting work.

Claimant is not eligible for Balance of Time, as they have not claimed benefit for the whole period between jobs (break of 2 working days).

267. If they do not claim benefit and then start a new job within 5 weeks of the previous job ending the RTWC payments should be [reinstated](#).

268. A period of short term work (less than 5 weeks, for which the claimant would not be eligible for RTWC) can be treated as a period of benefit for the purposes of Balance of Time. As above, any gaps in benefit will result in the claimant being ineligible for RTWC

Example

Claimant started work and received RTWC from 02/03/09.

Claimant finished work 07/04/09.

Claimant has received 6 weeks RTWC.

Claimant claims ESA from 08/04/09 to 21/04/09.

Claimant works from 22/04/09 to 12/05/09 (employment not expected to last 5 weeks or more, so no claim to RTWC).

Claimant claims JSA from 13/05/09 to 14/06/09.

Claimant started a new permanent job 15/06/09 and re-claimed RTWC.

9 weeks have elapsed between ending and re-starting work that is eligible for RTWC.

Claimant is due 46 weeks Balance of Time.

Claimant Moves Address

269. If a claimant moves address whilst in receipt of RTWC the original office should maintain the claim.

270. If a claimant moves address and makes a claim to balance of time, the original office should process the balance of time claim, even if the new address is outside of their area.

Balance of Time when Claimant is in Work

271. There may be instances where a claimant in receipt of RTWC is no longer entitled due to a salary increase and continues to work. If their salary drops to £15,000 or less within 13 weeks from when they were last entitled to RTWC, the claimant may be entitled to a balance of time from the date the claimant notified the salary decrease. The claimant would not be expected to have claimed a prescribed benefit during the 13-week intervening period because they would have been working.

Claimant is Entitled

272. If the claimant appears to be entitled to a balance of time payment of RTWC, issue the RTWC application form [RTWC2JP/RTWC3JP](#), and carry out checks as set out in the [checking application forms](#) section.

273. If a claimant is entitled to receive a balance of time this must not be offset against any overpayment period. In order to calculate the number of weeks already paid use the start and end dates on the previous [RM2](#) and related [RM3](#).

274. Form [RM2](#) must be approved and authorised in order to initiate payment as set out at [Annex C](#).

Claimant is Not Entitled

275. If the claimant is not entitled, you must inform them why in writing. Issue RTWC Letter F (see [Annex D](#)).

276. If a claimant is unhappy with the decision Follow guidance [disputed decisions](#) section of guidance.

Re-Qualification of RTWC

277. If the claimant remains out of work and claims a qualifying benefit for a continuous period of more than 13 weeks after a period of claiming the RTWC, balance of time no longer applies. The claimant re-qualifies for the full 52-week entitlement again, providing the [eligibility](#) conditions are satisfied.

Example

Claimant started work and received RTWC from 10/03/08.

Claimant finished work 02/03/09.

Claimant has received 51 week's RTWC.

Claimant started new job 23/06/09.

More than 13 weeks have elapsed between ending and re-starting work.

Claimant is due to full 52 weeks RTWC subject to [eligibility](#) conditions.

End of Allowance Period

278. RTWC payments will automatically cease when 52 weeks have been paid.

279. Claimants who have claimed RTWC for 52 weeks may re-qualify for RTWC see [re-qualification to RTWC](#).

Test Checks

280. In addition to the pre-authorisation check carried out by the approver, there is a requirement to carry out a monthly check on RTWC payments made

in each month by each District. Full test check guidance can be found at [Annex F](#).

Special Payments

281. The RTWC Authoriser should consider if misadministration has occurred. Examples include;

- An unreasonable and/or exceptional delay in dealing with a claim or where the claimant incurs financial loss i.e. bank charges.
- Failing to apply the law correctly.
- Failing to follow correct procedures.
- Giving incorrect, inadequate or misleading information.

Note: A decision is not necessarily misadministration simply because for example it is over-turned on review or subjective judgment finds it unreasonable.

282. This list is not exhaustive. For further information on action to take please see [Special Payments Guidance](#).

283. It is important to note that in cases where misadministration is proven, a claimant still has to meet all of the eligibility criteria to qualify for RTWC. If they do not meet these conditions RTWC will still not be payable.

Fraud or Collusion

284. If fraud or collusion is suspected for whatever reason;

- Inform the Business Manager/authoriser immediately.
- Details should be recorded and sent to the RTWC policy team

Annex A – Eligibility Examples

Example 1

Claimant receives IB from 22/09/08 to 11/01/09

Claimant due to start work 12/01/09

Employer delays start work date

Claimant starts work 26/01/09

Claimant is eligible for RTWC from 26/01/09.

Because the claimant has been on IB for more than 13 weeks or more and starts work within 5 weeks of being entitled to a qualifying benefit.

Example 2

Claimant receives SSP for 28 weeks up to 17/10/08

Claimant receives IB from 20/10/08 to 15/01/09 (the weekend gap is allowable)

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

The Decision Maker inputs the PCA failure decision and disallows IB from 15/01/09

Claimant appeals on 16/01/09 and is entitled to reduced rate IS.

The appeal is heard by the Tribunal on 09/03/09. The original PCA decision is upheld (appeal is unsuccessful).

Claimant starts work on 09/04/09.

Claimant is eligible for RTWC from 09/04/09

Because the claimant's appeal was not successful, the LED of reduced rate IS was 09/03/09, the date the Tribunal upheld the original PCA

decision. Claimant started work within 5 weeks of being entitled to a qualifying benefit.

Example 3

Claimant receives SSP for 28 weeks up to 17/10/08

Claimant receives IB from 20/10/08 to 15/01/09 (the weekend gap is allowable)

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

The Decision Maker inputs the PCA failure decision and disallows IB from 15/01/09

Claimant appeals on 16/01/09 and is entitled to reduced rate IS.

Claimant starts work on 23/02/09 and withdraws the appeal

Claimant is not eligible for RTWC.

Because the claimant started work and withdrew their appeal before the outcome was known, the LED of IB is the date the Decision Maker made the decision (15/01/09). The reduced rate IS is treated as an overpayment (although written off and not recovered as at the time the appeal was legitimately lodged). The claimant started work on 23/02/09, which is more than 5 weeks from 15/01/09, so is not eligible for RTWC.

Example 4

Claimant receives ESA from 27/10/08 to 11/02/09

Claimant attends the WCA on 02/02/09 and is found to not have a limited capability for work

The Decision Maker inputs the WCA failure decision and disallows ESA from 11/02/09

Claimant appeals the decision that they do not have a limited capability for work on 12/02/09 and remains on ESA at the assessment rate.

Claimant starts work on 09/03/09 and withdraws the appeal on 16/03/09

Claimant is eligible for RTWC from 09/03/09.

Because the claimant is claiming a qualifying benefit (ESA at the assessment rate) to the date he ceased claiming prior to starting work on 09/03/09, he is eligible to RTWC. The LED of the benefit would be the date of the withdrawal of the appeal (16/03/09) which is after the claimant has started work, so the LED is actually the date the claimant stopped claiming to start work.

Example 5

Claimant receives SSP for 28 weeks up to 17/10/08

Claimant receives IB from 20/10/08 to 15/01/09 (the weekend gap is allowable)

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

The Decision Maker inputs the PCA failure decision and disallows IB from 15/01/09

Claimant appeals on 16/01/09 and is entitled to reduced rate IS.

Claimant starts work on 23/02/09

Claimant is awarded RTWC as they are eligible at this point

Claimant withdraws the appeal on 23/03/09

Claimant is not eligible for RTWC.

Because the claimant started work with an appeal outstanding, they were eligible for RTWC. Subsequently withdrawing the appeal will mean that the LED for IB is the date the Decision Maker makes the decision to disallow IB (15/01/09) following the original PCA failure. As the claimant

started work more than 5 weeks from this date they are not eligible for RTWC. Action should be taken to terminate RTWC. The termination date on the [RM3](#) should be the start date of the claim to RTWC. However, as RTWC was legitimately claimed and awarded, as an appeal had been lodged, recovery action should not be taken on the overpayment. The Overpayment Recovery Appropriate 'No' option should be selected on the [RM3](#) form.

Example 6

Claimant receives IB from 29/09/08 to 14/01/09

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

The Decision Maker inputs the PCA failure decision and disallows IB from 14/01/09

Claimant appeals on 21/01/09 and claims reduced rate IS

Claimant is not eligible for RTWC.

Because there is a 7 day gap between the Decision Maker inputting the PCA failure decision/disallowing IB and the claimant claiming reduced rate IS while appealing, the claim is not continuous, so the claimant is not eligible for RTWC. If a claimant contacts us straight away following the notification of PCA failure, the reduced rate IS should be backdated to the date of the disallowance of IB. In this case the claimant has delayed, resulting in a gap in benefit.

Example 7

Claimant receives SSP for 28 weeks up to 17/10/08

Claimant receives IB from 20/10/08 to 15/01/09 (the weekend gap is allowable)

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

The Decision Maker inputs the PCA failure decision and disallows IB from 15/01/09

Claimant appeals on 16/01/09 and but not entitled to reduced rate IS due to partner's income.

Claimant makes a claim to JSA from 16/01/09

The appeal is heard by the Tribunal on 09/03/09. The original PCA decision is upheld (appeal is unsuccessful).

Claimant starts work on 16/03/09

Claimant is not eligible for RTWC.

Because the claimant claimed JSA while on appeal, and the appeal was not successful (original PCA decision upheld), the claimant is deemed as "fit for work". In these cases, the outcome of the appeal has to be known before determining if the claimant is eligible for RTWC.

Example 8

Claimant receives IB from 29/09/08 to 15/01/09

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

The Decision Maker inputs the PCA failure decision and disallows IB from 15/01/09

Claimant appeals on 16/01/09 and but not entitled to reduced rate IS due to partner's income.

Claimant makes a claim to JSA from 16/01/09

Claimant starts work on 23/02/09.

The appeal is heard by the Tribunal on 09/03/09. The original PCA decision is overturned (appeal is successful).

Claimant is eligible for RTWC from 23/02/09.

Because the claimant's appeal was successful (original PCA decision overturned), claiming JSA in the intervening period before he started work does not prejudice an appeal - the claimant will be treated as having a continuous claim to IB (the JSA is offset against the arrears of IB due). In these cases, the outcome of the appeal has to be known before determining if the claimant is eligible for RTWC.

Note: If a person appeals/has an appeal outstanding against PCA/WCA decision and is claiming a benefit that does not meet the eligibility for RTWC, they should be advised to make an application for RTWC within 5 weeks of starting work to ensure that award of RTWC is considered if the appeal is successful.

Example 9

Claimant receives ESA from 27/10/08 to 11/02/09

Claimant attends the WCA on 02/02/09 and is found to not have a limited capability for work

The Decision Maker inputs the WCA failure decision and disallows ESA from 11/02/09

Claimant appeals the decision that they do not have a limited capability for work on 12/02/09 and remains on ESA at the assessment rate.

Claimant starts work on 09/03/09

The appeal is heard by the Tribunal on 06/04/09. The original WCA decision is upheld (appeal is unsuccessful).

Claimant is eligible for RTWC from 09/03/09.

Because the claimant is claiming a qualifying benefit (ESA at the assessment rate) to the date he ceased claiming prior to starting work on 09/03/09, he is eligible to RTWC. The LED of the benefit would be the date of the tribunal to decide the outcome of the appeal (06/04/09) which is after the claimant has started work. There is no need to await the outcome of the appeal before awarding RTWC.

Example 10

Claimant claims IB on 11/05/09.

Claimant leaves IB on 03/07/09 to commence WBL SB on 06/07/09.

Claimant's last day on WBL SB is 31/07/09.

Claimant starts work 03/09/09.

Claimant is eligible for RTWC from 03/09/09.

Because the claimant started work within 5 weeks of leaving WBL SB, they are eligible for RTWC.

Example 11

Claimant receives IB from 29/09/08 to 16/01/09

Claimant fails to attend the PCA on 05/01/09

Claimant fails to give reason for non attendance or demonstrate good cause

Decision Maker disallows IB from 06/01/09

Claimant starts work on 16/02/09

Claimant is not eligible for RTWC from 16/02/09.

Because the claimant has not started work within 5 weeks of the LED of IB, the qualifying benefit, they are not eligible for RTWC. If the claimant had started work on 09/02/09, then they will have been eligible for RTWC.

Example 12

Claimant receives IB from 29/09/08 to 16/01/09

Claimant does not pass PCA threshold ('fails' PCA) on 05/01/09

Decision Maker disallows IB from 16/01/09

Claimant starts work on 16/02/09

Claimant is eligible for RTWC from 16/02/09.

Because the claimant has started work within 5 weeks of the LED of IB, the qualifying benefit (the date the Decision Maker made the decision to disallow benefit following failure of a PCA), they are eligible for RTWC.

Annex B – Completion of Forms

[RTWC2JP](#)

[RTWC2JPW](#)

[RTWC3JP](#)

[RTWC3JPW](#)

[RTWC5JP](#)

[RTWC5JPW](#)

[RTWC6JP](#)

[RTWC6JPW](#)

[RTWC8JP](#)

[RTWC8JPW](#)

[RTWC2JP](#) - Return To Work Credit Application Form

This form is to be completed by the claimant when applying for RTWC.

However you may need to annotate the form if the claimant is potentially eligible for IWC i.e. treat as claim in the alternative.

Make sure the Return to Work Central Team address is on the top of the form.

Part 1:

Claimant's personal details–

Part 2:

If they wish to have their payments made into an existing Post Office Card Account, they must provide details of their account in the bank account section. The bank details must be completed as follows;

- Sort Code – a six digit number should be recorded here in the format NN-NN-NN
- Account Holders Name – Enter the name of the bank account holder(s)
- Account Number – High Street banks use 8 digit account numbers. You must check if the number provided differs from this format.
- Building Society Roll No – No limit to the length of the field. When paying to a Building Society you must ensure that the account details quoted are appropriate for a payment by BACS. If necessary, telephone the local branch to confirm.

Part 3:

Employment details – the claimant must record here the details about their job. Attach a sheet of paper to record details about additional employers if the claimant has more than two jobs. Ensure the gross annual salary/income from trading is £15,000 or less.

Part 4:

Customer's declaration – the claimant must sign and date this form.

Part 5:

Jobcentre Plus Approval – this must be completed by the Return To Work Credit Central Team Band B once the claimant's eligibility has been confirmed. Make sure the form has been fully completed by the claimant before signing it.

Part 6:

This section does not have to be completed.

File this form in the Clerical Claimant record. It must not be sent to Cardiff.

Note: A note should be placed within the claimant's record in Legacy and LMS stating the claimant is in receipt of RTWC, the date RTWC is awarded from, the date the RM2 was sent to Shared Services and the RTWC team's location and telephone number.

RTWC3JP - Self-Employment Application

This is a one page, two-sided form to be completed by the claimant. This form is used to record details of the claimant's business, the estimated income they will receive from the business and the evidence of trading that is to be provided at either 12 and 26 weeks or 16 and 39 weeks. The form is also used to confirm authorisation of the claimant's business plan by a third-party business adviser.

Notes on completion of this form are included on the back of the form.

The Business Adviser must sign Part 2 only when a Business Plan has been completed. Sub contractors and claimants returning to a previous self employment are not required to submit a Business Plan, however this form must still be completed.

Part 3:

The claimant must provide details of what evidence of trading they will supply at the either the 12 and 26 week stages or the 16 and 39 week stages.

The claimant must sign the declaration in part 3 to confirm that this will be done. The form should then be filed in the Clerical Claimant Record.

RTWC5JP - Change of Circumstances Form

This is a two sided, single sheet form that is used to record details about change of circumstances that may affect the claimant's eligibility or receipt of Return to Work Credit. The form should be completed by the claimant.

Part 1:

Personal Details.

Part 2:

New personal details – details of a change of name, address, contact telephone number, should be recorded here.

Part 3:

Employment Changes – record here details of a change in working hours, salary or claims made to benefit.

Part 4:

Payment details – to be completed if the claimant wishes to be paid into their bank or building society account or they are changing the account their RTWC payments are made into.

Use 'Bank Wizard' in DWP intranet A-Z to check the accuracy of the bank/building society account details.

Part 5:

Other changes – all other changes that are not already recorded on the form should be recorded here. If this section is completed for a change of employers it must hold details of salary, working hours etc to determine continued [eligibility](#).

Part 6:

Date Change Took Place – Claimant must record the date the change is effective from.

Part 7:

Customer Declaration – if the claimant has provided other evidence of a change of circumstance with their signature on it, or the change will not affect the payment of RTWC in any way, they are not required to sign the declaration. If payments are affected by the change a signature must be provided either on the form or on the additional evidence.

The Band B will file the form in the Clerical Claimant Record. If payments are affected, (e.g. change of address or payment destination), form RM3 must be completed and e-mailed to Shared Service Centre. LMS should be noted with action taken including issue date of RM3.

[RTWC6JP](#) - Notification of Payments Letter

This letter is to be sent to the claimant when their RTWC application has been accepted. It informs them that payments will start and their responsibilities while receiving the RTWC.

[RTWC8JP](#) - Self-Employed Income Form

This is a single sided, one page form. It can be used by self employed claimants to record the number of hours worked, income received and expenses paid each week for the number of weeks before the RTWC reviews are due.

The approver must check upon receipt that all parts have been completed.

Annex C – Completion of RM Forms**RM2**

Form [RM2](#) is completed on-line then emailed to the authorising officer who undertakes a 100% pre-payment check authorises and then emails to Shared Services. **Access to form [RM2](#)** is through the Intranet.

General guidance on the completion of form RM2 is available in the [Purchase to Pay Aide Memoirs](#). Below are the key points on completing the form:

Part 1

Make sure the claimants details are typed correctly and the correct claim type Return To Work Credit Subsidy Only is selected.

Part 2

Always check the claimant's bank details on [Bank Wizard](#) and take care when entering them on the [RM2](#). If the details are incorrect it will result in the bank rejecting payment. Shared Services Purchase to Pay, Cardiff will stop all further payments until revised details are received from the Local Office, resulting in delays of a minimum of three weeks, often longer.

Part 3

When completing the Date of the First Payment in Part 3 always enter the Tuesday date of the week (Monday – Sunday) the claimant started work. For example, if the Claimant starts work Thursday 22.04.07 the start date will be Tuesday 20.04.07. If the claimant starts work Monday 19.04.07 the start date will be Tuesday 20.04.07

Part 4

Make sure the correct account code is used - 51016 for JCP-led Pathways Districts – 51017 for Provider-led Pathways Districts.

Make sure the correct Employment Group cost centre code is used.

Make sure the correct Company number is used – 11 WWEG.

If you are unsure of the correct codes for your region/district, using the [ACME](#) tool will guide you.

Part 5

Make sure the claimants National Insurance number is completed in this part. This is the only place the claimants National Insurance number is input. All other boxes in part 5 must be left blank.

Part 6

The telephone number entered in Part 6 of the form should be that of a person who will generally be available and can answer queries on the content of the form. SSC will use this number to sort problems “on the day” but if they cannot get an answer the form will be returned.

Part 7

Do not forget to make sure the form is authorised - unsigned authorisations will be returned.

Sending the Form to Shared Services for Payment

Email the [RM2](#) to Shared Services by selecting the ‘Send authorised form to Shared Services’ button.

The RM2 should be emailed without supporting documentation. All RTWC forms should be retained locally.

[Guidance and forms for Shared Services Purchase to Pay](#)

RM3 – Termination of Payments or Change of Circumstances

The [RM3](#) form is completed by the approver to notify Shared Services that Return To Work Credit payments need to be stopped or to inform of any change to payment details.

Guidance on the completion of form [RM3](#) for terminations and for change of circumstances is available on line in the [Purchase to Pay Aide Memoirs](#).

Make sure the Return to Work Central Team address is included in part 5 of the form.

When the RM3 is fully completed print a copy to file in the claimants clerical record.

Email the RM3 to Shared Services by selecting the 'Send Authorised Form to Shared Services' button. The RM3 should be emailed without supporting documentation.

Annex D – Letters

[RTWC Award Notice Letter \(RTWC6JP\)](#)

[RTWC Letter A1 – Request payslips/evidence at weeks 8, 12, 22, 35](#)

[RTWC Letter B – Reminder to request payslips or evidence](#)

[RTWC Letter C - Notification payments ceasing as evidence not provided](#)

[RTWC Letter D\(1\) – 12 weeks or 16 weeks RTWC continues](#)

[RTWC Letter D\(2\) – 26 weeks or 39 weeks RTWC continues](#)

[RTWC Letter D\(3\) – 12, 16, 26, 39 weeks evidence insufficient](#)

[RTWC Letter E – Inform claimant payment stopped](#)

[RTWC Letter F – Claimant not entitled](#)

[RTWC Letter G - Request additional info to decide claim](#)

[RTWC Letter H - Additional info not received unable to process claim](#)

[RTWC Letter J\(1\) - Response to change of circumstances received RTWC continues](#)

[RTWC Letter J\(2\) - Response to change of circumstances received RTWC stopped](#)

[RTWC Letter K - Application form not completed](#)

[RTWC Letter L – Claimant has stopped working](#)

Annex E – Business Plan and Cash Flow Stencil

The Business Plan and Cash Flow stencil, including instructions on how to complete, can be found [here](#).

Annex F- Return To Work Credit Payment Checks

Background

When a claimant makes a claim to Return To Work Credit (RTWC), the RTWC approver will ensure application forms are completed correctly and passed to the RTWC authoriser for payments to be authorised. There is also an audit requirement that the RTWC authoriser performs a 100% pre-authorisation check of these applications to ensure;

- Claimants are eligible.
- Claims have been dealt with promptly and correctly and that
- There is consistency in the way claimants are dealt with.

Each Region will nominate a checking and assurance officer (these should already be in place to carry out BCS checks) who will have the responsibility for performing test checks on 10% or 20 cases (which-ever is the lesser) of all RTWC payments made each month in each district within their Region. If there is an agreement to carry out a differing number of checks, this should be noted on the form. The checker/assurance officer must not have been involved in processing any of the applications that they are checking e.g. they must not have approved or authorised any of the applications, but they must be familiar with the RTWC process, guidance and forms.

Case Selection

Early each month, a member of staff (usually based in Finance) should run RM transaction listing report Discoverer A2FR – GL16. They should enter the relevant start/end dates, cost centre and RTWC account code for each district. The report will contain a list of all RTWC payments made during the specified month.

If checkers are unable to access this report they should contact policy for advice on how to request access.

The staff member should then select 10% or 20 cases (whichever is the lesser) for checking, **ensuring that the same claimant is not selected more than once.**

The selection should then be sent to the nominated staff for action.

Undertaking Test Checks for RTWC

Checkers must conduct a full check of all the cases selected.

For each claimant selected, they should obtain the RTWC claim documents.

On receipt of the documents they should check to ensure that,

- The claimant was eligible to claim RTWC,
- The correct forms were used, and completed promptly and accurately,
- Payments were authorised by the RTWC authoriser with the correct level of delegated financial authority (note: the Part 6: Jobcentre Plus Authorisation of the RTWC2 form does not need to be completed),
- All applications were made within 5 weeks of starting work,
- Gross salary/income from self-employment is expected to be £15,000 or less,
- The correct account code and cost centre codes have been used,
- Employment was suitable and complied with [Employment Legislation](#) (e.g. national minimum wage),
- For self-employed claimants, an approved business plan and fully completed self-employment application form were submitted,
- Work was expected to last more than 5 weeks,
- The relevant benefit claim has been closed down,
- The correct payment frequency (weekly) and the correct weekly amount (£40),
- The duration of the award is correct.

If the claimant selected has been in receipt of RTWC for more than 12 weeks or 16 weeks, the documents required will include copies of the wage slip used at the 12 week or 16 week check. If the 12 week or 16 week check has **not** been conducted, this should be recorded as an error and the claimant contacted in order to provide the relevant details (as per RTWC Guidance).

If the claimant has been claiming RTWC for either 12 weeks / 16 weeks or less **do not** request wages slips or evidence of trading. This will duplicate the request made at the 8 or 12 week stage.

Eligibility

Access the ISCS/PSCS/JSAPS Live Service to check that the claimant;

- Has been entitled to a specified benefit (ESA, IB, IS (including IS at a reduced rate following a PCA decision) or SDA for 13 continuous weeks within the 5 week period prior to the claimant starting work; or

- Has been claiming Statutory Sick Pay for 13 continuous weeks and had an established claim to an incapacity benefit within the 5 week period prior to the claimant starting work.

To ensure the claimant was eligible for RTWC at the time of application you must check that;

- The RTWC Application form ([RTWC2JP](#)) was correctly completed, signed by the claimant, and approved by the RTWC approver (Band B). Please note that Part 6: Jobcentre Plus Authorisation of the RTWC2 form does not need to be completed.
- Form RM2 has been completed correctly, authorised and emailed to Cardiff Shared Service Centre.
- The initial contact regarding RTWC was made within 5 weeks of starting work and the paperwork was received within the 5 weeks.
- The claimant's declared gross salary/income was £15,000 or less.
- The correct account code and cost centre codes have been used.
- The claimant's job complies with [Employment Legislation](#), e.g. National Minimum Wage.
- The work was expected to last 5 weeks or more, and
- For claimants who are self employed, an approved Business Plan and fully completed Self Employment Application form ([RTWC3JP](#)) were submitted.

Claimant Ineligibility

If it appears that the claimant is not eligible for RTWC, contact the relevant office to ensure that RTWC is stopped immediately.

If fraud is suspected, take the appropriate fraud referral action immediately, **checking that the benefit claim has been closed down.**

Determine which specified benefits were in payment within the 5-week period prior to the claimant starting work.

Check whether the relevant benefit team has been notified that RTWC has been claimed and that the benefit claim was closed down. If benefits are still in payment, inform the relevant benefit team that the claimant is claiming RTWC, in order that either RTWC or benefit is stopped and the value of any overpayment is minimised.

Form Completion

Additional checks as follows:

Forms - copies of correct forms are being used and were correctly and promptly completed and the forms were authorised etc.

Change of circumstances - change of circumstances have been recorded correctly and payments have been stopped or details of the change of address or payment details actioned correctly (if appropriate).

Written information/requests - notes or copies are kept of any written information supplied to the claimant or written requests, i.e. requests for evidence of trading.

Self employed - the Business Plan is fit for purpose and approved on the RTWC Self Employment Application form ([RTWC3JP](#)), the estimated profit on the Business Plan corresponds to the figure on the [RTWC3JP](#).

12 or 16 week check - You must check that correct action was taken at the 12 or 16 week stage (if appropriate) by confirming that:

- Wage slips covering the latest two pay periods were supplied.
- Gross salary/income was as declared on the RTWC Application form ([RTWC2JP](#)) and complied with minimum wage legislation.
- For those in self employment, suitable evidence of trading was supplied as specified on the Self Employment Application form ([RTWC3JP](#)). Evidence of trading will vary according to the type of business being undertaken. **Please note:** it is recognised that new businesses can take a while to get off the ground and as such, earnings are not always as high as anticipated. This situation can be accepted providing the claimant can show they have a comprehensive marketing plan in place.

Completing the Master Validation Template

The checker will complete the Master Validation Template to record the number of errors across the cases selected.

- Enter the Region and District, the name and usual job role of the checker, and the month and year that the checks are being carried out for.
- Enter the total number of cases checked (10% of the total cases for that month, or 20, whichever is the lesser, and also the number of these that are for self-employed claimants.
- To record the number of errors found, for each case, work down the list of checks (including those after 12 and 26 weeks or 16 and 39 weeks if appropriate) – if an error is found with the case, click the '+' button to increase the error count by one.
- If the checker makes a mistake, the '-' button will decrease the error count by one.
- If the checker wishes to complete the checks of all cases clerically then transfer the numbers to the electronic template, the numbers can be entered directly into the error count cells.
- The optional comments box can be completed with any relevant details of any relevant trends or anomalies in the errors found.
- The completed template should be emailed to the Return to Work Policy Team and the line manager of the Regional Return to Work Credit Team by the last working day of the month.